

**THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY.  
THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS  
AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.**

## **DISCLOSURE OF PREMIUM (RELATING TO DISPOSITION OF TRIA)**

### **SCHEDULE\***

**(1)** Premium attributable to risk of loss from certified acts of terrorism through the end of the policy period based on the extension of the Terrorism Risk Insurance Act of 2002, as amended by the Terrorism Risk Insurance Extension Act of 2005, ("TRIA") for lines subject to TRIA and the Terrorism Risk Insurance Program Reauthorization Act of 2007 (TRIPRA):

General Liability	\$114.00
Property Portfolio Protection	\$385.00

If TRIA terminates, the portion of this premium attributable to the remaining part of the policy period, as modified by any change shown in **(2)** of this Schedule, applies to the risk of loss from terrorism after the termination of TRIA.

**(2)** Premium change upon termination of TRIA or upon applicability of a Conditional Endorsement:

No change unless one of the following is completed -

Return Premium:

Additional Premium:

If we notify you of an additional premium charge, the additional premium will be due as specified in such notice.

\*Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

#### **A. Disclosure of Premium**

In accordance with the TRIA, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to the risk of loss from terrorist acts certified under that Act for lines subject to TRIA. That portion of your premium attributable is shown in the Schedule of this endorsement or in the Declarations.

#### **B. Disclosure of Federal Participation in Payment of Terrorism Losses**

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention. The Act currently provides for no insurance industry or United States government participation in terrorism losses that exceed \$100 billion in any one calendar year. The federal program established by the Act is scheduled to terminate at the end of

December 31, 2014 unless extended by the federal government.

#### **C. Possibility of Additional or Return Premium**

The premium attributable to the risk of loss from certified acts of terrorism coverage is calculated based on the coverage (if any) in effect at the beginning of your policy for certified acts of terrorism. If your policy contains a Conditional Endorsement, the termination of TRIA or extension of the federal program with certain modifications (as explained in that endorsement) may modify the extent of coverage (if any) your policy provides for terrorism. If TRIA terminates or the Conditional Endorsement becomes applicable to your policy, the return premium (if any) or additional premium (if any) shown in **(2)** of the Schedule will apply. If the level or terms of federal participation change, the premium shown in **(1)** of the Schedule attributable to that part of the policy period extending beyond such a change may not be appropriate and we will notify you of any changes in your premium.



## CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

Insureds Name	Policy Number	Effective Date	Endorsement Number
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**THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.**

This endorsement modifies your insurance:

This endorsement applies to all Coverage Parts included in this policy.

**A. Cap on Losses From Certified Terrorism Losses**

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act ("TRIA"). The Terrorism Risk Insurance Act provides that the Secretary of Treasury shall certify an act of terrorism:

1. to be an act of terrorism;
2. to be a violent act or an act that is dangerous to human life, property or infrastructure;
3. to have resulted in damage within the United States, or outside of the United States in the case of an air carrier (as defined in section 40102 of Title 49, United States Code) or 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), or the premises of a United States mission; and
4. 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.

No act may be certified as an act of terrorism if the act is committed as part of the course of a war declared by Congress (except for workers' compensation) or if losses resulting from the act, in the aggregate for insurance subject to TRIA, do not exceed \$5,000,000.

If aggregate insured losses attributable to one or more "certified acts of terrorism" exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of Treasury.

**B. Application of Other Exclusions**

The terms and limitations of a terrorism exclusion or any other exclusion, or the inapplicability or omission of a terrorism exclusion or any other exclusion, do not serve to create coverage which would otherwise be excluded, limited or restricted under this policy.

## Disclosure Statement



It is our pleasure to present the enclosed policy to you  
for presentation to your customer.

### **INSTRUCTION TO AGENT OR BROKER:**

WE REQUIRE THAT YOU TRANSMIT THE ATTACHED/ENCLOSED DISCLOSURE STATEMENT TO THE CUSTOMER  
WITH THE POLICY.

Once again, thank you for your interest, and we look forward to meeting your needs and those of your customers.

# Disclosure Statement



## NOTICE OF DISCLOSURE FOR AGENT & BROKER COMPENSATION

If you want to learn more about the compensation Zurich pays agents and brokers visit:

<http://www.zurichnaproducercompensation.com>

or call the following toll-free number: (866) 903-1192.

This Notice is provided on behalf of Zurich American Insurance Company  
and its underwriting subsidiaries.

**ZURICH****COMMERCIAL INSURANCE****COMMON POLICY DECLARATIONS**

Policy Number CPO 5833412-02

Renewal of Number CPO 5833412-01

Named Insured and Mailing Address

HEALTH TECH, LLC  
(SEE NAMED INSURED ENDT)  
5110 MARYLAND WAY, SUITE 200  
BRENTWOOD TN 37027

Producer and Mailing Address

LOCKTON COMPANIES LLC  
444 W 47TH ST STE 900  
KANSAS CITY MO 64112-1906

Producer Code 37385-000

Policy Period: Coverage begins 09-30-2014 at 12:01 A.M.; Coverage ends 09-30-2015 at 12:01 A.M.

The name insured is ☐ Individual ☐ Partnership ☐ Corporation☒ Other: LIMITED LIABILITY COMPANY

This insurance is provided by one or more of the stock insurance companies which are members of the Zurich-American Insurance Group. The company that provides coverage is designated on each Coverage Part Common Declarations. The company or companies providing this insurance may be referred to in this policy as "The Company", we, us, or our. The address of the companies of the Zurich-American Insurance Group are provided on the next page.

**THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE(S):**

PROPERTY PORTFOLIO PROTECTION	PREMIUM	\$	19,930.00
issued by ZURICH AMERICAN INSURANCE COMPANY OF ILLINOIS			
GENERAL LIABILITY COVERAGE	PREMIUM	\$	5,832.00
issued by ZURICH AMERICAN INSURANCE COMPANY OF ILLINOIS			
BUSINESS AUTOMOBILE	PREMIUM	\$	2,185.00
issued by ZURICH AMERICAN INSURANCE COMPANY OF ILLINOIS			
TX VOLUNTEER FIRE DEPT ASSISTANCE FUND		\$	22.60
WA-REGULATORY SURCHARGE		\$	.26
CA Seismic Safety Fee		\$	.15

**THIS PREMIUM MAY BE SUBJECT TO AUDIT.**

This premium does not include Taxes and Surcharges.

**TOTAL** \$ 27,947.00

SEE INSTALLMENT SCHEDULE

**Taxes and Surcharges****TOTAL** \$ 23.01

SEE INSTALLMENT SCHEDULE

The Form(s) and Endorsement(s) made a part of this policy at the time of issue are listed on the **SCHEDULE of FORMS and ENDORSEMENTS.**

Countersigned this      day of

Authorized Representative

THESE DECLARATIONS TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE PART DECLARATIONS, COVERAGE PART FORM(S), FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

**Policy Number**  
**CPO 5833412-02**

**SCHEDULE OF FORMS AND ENDORSEMENTS**

**Zurich American Insurance Company**  
**Of Illinois**

Named Insured HEALTH TECH, LLC

Effective Date: 09-30-14  
12:01 A.M., Standard Time

Agent Name LOCKTON COMPANIES LLC

Agent No. 37385-000

COMMON POLICY FORMS AND ENDORSEMENTS

U-GU-692-C CW	06-13	DISCL OF PREM. RELATING TO DISP. OF TRIA
U-GU-767-A CW	01-08	CAP ON LOSSES FROM CERTIFIED ACTS OF TER
U-GU-D-310-A	01-93	COMMON POLICY DECLARATIONS
U-GU-619-A CW	10-02	SCHEDULE OF FORMS AND ENDORSEMENTS
U-GU-319-F	01-09	IMPORTANT NOTICE - IN WITNESS CLAUSE
U-GU-621-A CW	10-02	SCHEDULE OF NAMED INSURED(S)
U-GU-406-A	07-94	INSTALLMENT PREMIUM SCHEDULE
U-GU-618-A CW	10-02	SCHEDULE OF LOCATIONS
IL 00 17	11-98	COMMON POLICY CONDITIONS
IL 00 21	09-08	NUCLEAR ENERGY LIABILITY EXCLUSION ENDT
IL 02 50	09-08	TENNESSEE CHANGES-CANC & NONRENL
IL 00 03	09-08	CALCULATION OF PREMIUM

PROPERTY PORTFOLIO PROTECTION FORMS AND ENDORSEMENTS

PPP-0001	06-06	COMMERCIAL PROP CVG PART DECLARATIONS
PPP-0220	06-06	ORDINARY PAYROLL LIMITATION
PPP-0302	03-14	DEP PREM BI CVG -- UNSCHEDULED LOCS
PPP-0308	06-06	ENABLING ENDORSEMENT
PPP-0338	05-10	UNINTENTIONAL ERRORS OR OMISSIONS COVRG.
PPP-0101	03-14	COMMERCIAL PROP CVG PART GEN PROVISIONS
PPP-0102	03-14	COMMERCIAL PROPERTY CONDITIONS
PPP-0103	03-14	COMMERCIAL PROPERTY DEFINITIONS
PPP-0110	03-14	REAL AND PERSONAL PROPERTY COVERAGE FORM
PPP-0111	03-14	ADDITIONAL COVERAGES FORM
PPP-0112	03-14	ACCOUNTS RECEIVABLE CVG (REVENUE LOSS)
PPP-0114	03-14	FINE ARTS COVERAGE FORM
PPP-0115	03-14	INSTALLATION & SERVICE PROPERTY CVG FORM
PPP-0116	03-14	ORIGINAL INFORMATION PROPERTY CVG FORM
PPP-0117	03-14	TRANSIT COVERAGE FORM
PPP-0130	03-14	BUS INC COVG FORM (EXCL EXTRA EXPENSE)
PPP-0132	03-14	EXTRA EXPENSE COVERAGE FORM
PPP-0310	03-14	FLOOD COVERAGE
PPP-0320	03-14	OFF-PREM SERVICE INTERRUPTION -- DD
PPP-0321	03-14	OFF-PREM SERVICE INTERRUPTION--TE
PPP-0502	03-14	LOSS PAYABLE PROVISIONS
PPP-9901	03-14	PROP PORTFOLIO PROTEC ADVISORY NOTICE

GENERAL LIABILITY FORMS AND ENDORSEMENTS

U-GL-1517-B CW	04-13	RECORD OR DISTRB OF MATRL OR INFO EXCL
U-GL-851-B CW	06-04	EMPLOYEE BENEFITS LIAB (OCCURRENCE) COV
U-GL-923-B CW	06-04	SILICA OR SILICA MIXED DUST EXCLUSION
U-GL-D-851-B CW	09-04	EMPLOYEE BENEFITS LIAB (OCCURRENCE) COV
U-GL-D-1115-B CW	09-04	COMMERCIAL GL COVERAGE PART DECLARATIONS
U-GL-1113-A CW	10-02	COMM GENERAL LIABILITY COVERAGE SCHEDULE
CG 00 01	04-13	COMMERCIAL GENERAL LIABILITY COV FORM
UGL1171ACW	07-03	FUNGI OR BACTERIA EXCLUSION
U-GL-1342-A CW	10-07	LEAD LIABILITY EXCLUSION
U-GL-1178ACW	07-03	ASBESTOS EXCLUSION ENDORSEMENT
U-GL-852-A CW	07-96	EMPL BENEFITS LIAB (OCCURRENCE) DED ENDT
CG 21 47	12-07	EMPLOYMENT-RELATED PRACTICES EXCLUSION

**Policy Number**  
**CPO 5833412-02**

**SCHEDULE OF FORMS AND ENDORSEMENTS**

**Zurich American Insurance Company  
Of Illinois**

**Named Insured** HEALTH TECH, LLC

**Effective Date:** 09-30-14  
12:01 A.M., Standard Time

**Agent Name** LOCKTON COMPANIES LLC

**Agent No.** 37385-000

**AUTOMOBILE FORMS AND ENDORSEMENTS**

U-CA-531-B	02-08	NOTICE REGARDING TERRORISM PREMIUM
U-CA-D-600-C	04-14	BUSINESS AUTO DECLARATIONS
CA 00 01	10-13	BUSINESS AUTO COVERAGE FORM
CA 01 12	01-14	NY CHANGES IN BUSINESS AUTO AND TRUCKERS
CA 01 35	10-13	WASHINGTON CHANGES
CA 01 49	10-13	OREGON CHANGES
CA 01 96	10-13	TEXAS CHANGES
CA 02 25	01-14	NEW YORK CHANGES - CANCELLATION
CA 02 43	11-13	TX CHANGES - CANCELLATION AND NONRENEWAL
U-CA-424-F CW	04-14	COVERAGE EXTENSION ENDORSEMENT
CA 99 33	02-99	EMPLOYEES AS INSUREDS
U-CA-339-C TX	11-13	TEXAS AUTOMOBILE BURGLARY AND THEFT PREV



## Important Notice – In Witness Clause

In return for the payment of premium, and subject to the terms of this policy, coverage is provided as stated in this policy.

IN WITNESS WHEREOF, this Company has executed and attested these presents and, where required by law, has caused this policy to be countersigned by its duly Authorized Representative(s).

President

Corporate Secretary

**QUESTIONS ABOUT YOUR INSURANCE?** Your agent or broker is best equipped to provide information about your insurance. Should you require additional information or assistance in resolving a complaint, call or write to the following (please have your policy or claim number ready):

Zurich in North America  
Customer Inquiry Center  
1400 American Lane  
Schaumburg, Illinois 60196-1056  
**1-800-382-2150** (Business Hours: 8am - 4pm [CT])  
**Email:** [info.source@zurichna.com](mailto:info.source@zurichna.com)



**Policy Number**  
**CPO 5833412-02**

**SCHEDULE OF NAMED INSURED(S)**

**ZURICH AMERICAN INSURANCE COMPANY  
OF ILLINOIS**

Named Insured    HEALTH TECH, LLC

Effective Date:    09-30-14  
12:01 A.M., Standard Time

Agent Name        LOCKTON COMPANIES LLC

Agent No.         37385-000

**NAMED INSURED**

HEALTH TECH, LLC  
HEALTHTECH MANAGEMENT SERVICES, INC.  
HEALTHTECH SOLUTIONS GROUP, LLC  
HTSG HOLDINGS, LLC  
GAFFEY & ASSOCIATES, INC.  
HT-GAF HOLDINGS, LLC

**INSTALLMENT PREMIUM SCHEDULE**

The total premium shown in the Declarations of this policy is made payable in installments, on the dates and in the amount shown below.

NAMED INSURED  
HEALTH TECH, LLC

POLICY NUMBER  
CPO 5833412-02

PAYMENT DUE -----	STANDARD PREMIUM -----	TAXES PREPAID -----	TOTAL PREMIUM -----
09/30/14	\$ 6,989.00	\$ 23.01	\$ 7,012.01
12/30/14	\$ 6,986.00		\$ 6,986.00
03/30/15	\$ 6,986.00		\$ 6,986.00
06/30/15	\$ 6,986.00		\$ 6,986.00
TOTAL	\$ 27,947.00	\$ 23.01	\$ 27,970.01

Failure to pay the Installment Premium by the Date Due shown shall constitute non-payment of premium for which we may cancel this policy.

**Policy Number**  
**CPO 5833412-02**

**SCHEDULE OF LOCATIONS**

**Zurich American Insurance Company  
Of Illinois**

**Named Insured** HEALTH TECH, LLC

**Effective Date:** 09-30-14  
12:01 A.M., Standard Time

**Agent Name** LOCKTON COMPANIES LLC

**Agent No.** 37385-000

Loc. No.	Bldg. No.	Designated Locations (Address, City, State, Zip Code)	Occupancy
001	001	2701 INTERNATIONAL LN SUITE 200 MADISON, WI 53704	
013	001	2745 N DALLAS TOLLWAY STE 100 AND 150 PLANO, TX 75093	
016	001	3000 IRVING BLVD, COLO4 DALLAS, TX 75247	
018	001	5110 MARYLAND WAY STE 200 BRENTWOOD, TN 37027	
019	001	6150 STONEBRIDGE MALL STE 250 PLEASANTON, CA 94588	
020	001	615 N 48TH ST PHOENIX, AZ 85008	

## COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

### A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

### B. Changes

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

### C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

### D. Inspections And Surveys

1. We have the right to:
  - a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and
  - c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
  - a. Are safe or healthful; or
  - b. Comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

### E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

### F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT**

(Broad Form)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

**1. The insurance does not apply:**

**A. Under any Liability Coverage, to "bodily injury" or "property damage":**

- (1)** With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2)** Resulting from the "hazardous properties" of "nuclear material" and with respect to which **(a)** any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or **(b)** the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

**B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.**

**C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:**

- (1)** The "nuclear material" **(a)** is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or **(b)** has been discharged or dispersed therefrom;
- (2)** The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
- (3)** The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion **(3)** applies only to "property damage" to such "nuclear facility" and any property thereat.

**2. As used in this endorsement:**

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material **(a)** containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and **(b)** resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a)** Any "nuclear reactor";
- (b)** Any equipment or device designed or used for **(1)** separating the isotopes of uranium or plutonium, **(2)** processing or utilizing "spent fuel", or **(3)** handling, processing or packaging "waste";

**(c)** Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

**(d)** Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **TENNESSEE CHANGES – CANCELLATION AND NONRENEWAL**

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
 COMMERCIAL AUTOMOBILE COVERAGE PART  
 COMMERCIAL GENERAL LIABILITY COVERAGE PART  
 COMMERCIAL INLAND MARINE COVERAGE PART  
 COMMERCIAL LIABILITY UMBRELLA COVERAGE PART  
 COMMERCIAL PROPERTY COVERAGE PART  
 CRIME AND FIDELITY COVERAGE PART  
 EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
 EQUIPMENT BREAKDOWN COVERAGE PART  
 LIQUOR LIABILITY COVERAGE PART  
 MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
 POLLUTION LIABILITY COVERAGE PART  
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

**A. Paragraph 5. of the **Cancellation** Common Policy Condition is replaced by the following:**

**5. If this policy is cancelled, we will send the first Named Insured any premium refund due.**

The refund will be pro rata if:

- a. We cancel; or**
- b. The policy is cancelled at the request of a premium finance company that has financed this policy under a premium finance agreement.**

The refund may be less than pro rata if the first Named Insured cancels the policy.

The cancellation will be effective even if we have not made or offered a refund.

**B. The following is added to the **Cancellation** Common Policy Condition:**

**CANCELLATION OF POLICIES IN EFFECT FOR 60 DAYS OR MORE**

If this policy has been in effect for 60 days or more, or if this policy is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:

- 1. Nonpayment of premium, including any additional premium, calculated in accordance with our current rating manual, justified by a physical change in the insured property or a change in its occupancy or use;**

- 2. Your conviction of a crime increasing any hazard insured against;**

- 3. Discovery of fraud or material misrepresentation on the part of either of the following:**

- a. You or your representative in obtaining this insurance; or**
- b. You in pursuing a claim under this policy;**

- 4. Failure to comply with written loss control recommendations;**

- 5. Material change in the risk which increases the risk of loss after we issued or renewed insurance coverage;**

- 6. Determination by the insurance commissioner that the continuation of the policy would jeopardize our solvency or would place us in violation of the insurance laws of Tennessee or any other state;**

- 7. Your violation or breach of any policy terms or conditions; or**

- 8. Other reasons that are approved by the insurance commissioner.**

Notice of cancellation will state the reason for cancellation.

- C. The following is added and supersedes any provisions to the contrary:

**NONRENEWAL**

1. If we decide not to renew this policy, we will mail or deliver written notice of nonrenewal to the first Named Insured and agent, at least 60 days before the expiration date unless:
  - a. We have offered to issue a renewal policy; or
  - b. You have obtained replacement coverage or have agreed in writing to obtain replacement coverage.
2. Any notice of nonrenewal will be mailed or delivered to the first Named Insured's and agent's addresses shown in the policy. If notice is mailed, proof of mailing will be sufficient proof of notice.

- D. The following is added to the **Premiums** Common Policy Condition:

Whenever an insurance policy which is financed with a premium finance company is cancelled, the insurer shall return, within 30 days after the effective date of the cancellation, whatever gross unearned premiums are due under the insurance policy directly to the premium finance company for the account of the first Named Insured.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CALCULATION OF PREMIUM**

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
CRIME AND FIDELITY COVERAGE PART  
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
EQUIPMENT BREAKDOWN COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

The following is added:

The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.



## Important Notice to Policyholders

In the event you need to contact someone about this policy for any reason, please contact your agent. If you have additional questions, you may contact Zurich North America Commercial at the following address and telephone number:

Customer Inquiry Center  
Zurich North America Commercial  
1400 American Lane  
Schaumburg, IL 60196  
1-800-382-2150

Written correspondence is preferable so that a record of your inquiry may be maintained. When contacting your agent or this company, please have your policy number available.



## Important Notice

# Texas Safety Consultation Services

Zurich in North America has loss control services available at no additional charge.

If you would like additional information regarding these services, please contact us or visit our website. If you would like to request services, please complete the information on this form and mail it to the address listed below.

Zurich Services Corporation  
Risk Engineering  
1400 American Lane  
Schaumburg, Illinois 60196-1056  
1-800-982-5964  
<http://www.zurichna.com/riskengineering>

☐ I request additional safety and health services

Company name

Contact name

Address

City

State

Zip code

Telephone number

Policy number



# Commercial Property Coverage Part Declarations

ZURICH AMERICAN INSURANCE COMPANY OF ILLINOIS

**NAMED INSURED:**  
HEALTH TECH, LLC

**POLICY PERIOD:**  
From: 9/30/2014 To: 9/30/2015  
12:01 A.M. STANDARD TIME AT YOUR MAILING  
ADDRESS

**POLICY NUMBER:** CPO 5833412-02

---

## SUMMARY OF PREMISES

---

**PREMISES #** 1

**PREMISES ADDRESS**

2701 INTERNATIONAL LN  
SUITE 200  
MADISON, WI 53704

---

**COVERAGE**

**LIMIT OF INSURANCE**

PERSONAL PROPERTY

INCLUDED IN BLANKET LIMIT OF INSURANCE

BUSINESS INCOME AND EXTRA EXPENSE

INCLUDED IN BLANKET LIMIT OF INSURANCE

---

**LENDER'S LOSS PAYABLE**

REGIONS BANK, AS ADMINISTRATIVE AGENT, ISAOA, ATIMA; HEALTHCARE BANKING GROUP  
ONE NASHVILLE PLACE  
150 4TH AVE., N, 10TH FLOOR  
NASHVILLE, TN 32719



# Commercial Property Coverage Part Declarations

ZURICH AMERICAN INSURANCE COMPANY OF ILLINOIS

**NAMED INSURED:**  
HEALTH TECH, LLC

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---

## SUMMARY OF PREMISES

---

**PREMISES #** 13

**PREMISES ADDRESS**

2745 N DALLAS TOLLWAY  
STE 100 AND 150  
PLANO, TX 75093

---

**COVERAGE**

**LIMIT OF INSURANCE**

PERSONAL PROPERTY

INCLUDED IN BLANKET LIMIT OF INSURANCE

BUSINESS INCOME AND EXTRA EXPENSE

INCLUDED IN BLANKET LIMIT OF INSURANCE

FLOOD

\$ 5,000,000

OFF-PREMISES SERVICE  
INTERRUPTION--DIRECT DAMAGE

NOT COVERED

---

**DEDUCTIBLE**

**AMOUNT**

FLOOD

\$ 25,000

---

**LENDER'S LOSS PAYABLE**

REGIONS BANK, AS ADMINISTRATIVE AGENT, ISAOA, ATIMA; HEALTHCARE BANKING GROUP  
ONE NASHVILLE PLACE  
150 4TH AVE., N, 10TH FLOOR  
NASHVILLE, TN 32719



## Commercial Property Coverage Part Declarations

ZURICH AMERICAN INSURANCE COMPANY OF ILLINOIS

**NAMED INSURED:**  
HEALTH TECH, LLC

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---

### SUMMARY OF PREMISES

---

**PREMISES #** 16

**PREMISES ADDRESS**

3000 IRVING BLVD, COLO4  
DALLAS, TX 75247

---

**COVERAGE**

**LIMIT OF INSURANCE**

PERSONAL PROPERTY

INCLUDED IN BLANKET LIMIT OF INSURANCE

BUSINESS INCOME AND EXTRA EXPENSE

INCLUDED IN BLANKET LIMIT OF INSURANCE

OFF-PREMISES SERVICE  
INTERRUPTION--DIRECT DAMAGE

NOT COVERED

---

**LENDER'S LOSS PAYABLE**

REGIONS BANK, AS ADMINISTRATIVE AGENT, ISAOA, ATIMA; HEALTHCARE BANKING GROUP  
ONE NASHVILLE PLACE  
150 4TH AVE., N, 10TH FLOOR  
NASHVILLE, TN 32719

## Commercial Property Coverage Part Declarations

ZURICH AMERICAN INSURANCE COMPANY OF ILLINOIS

**NAMED INSURED:**  
HEALTH TECH, LLC

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---

### SUMMARY OF PREMISES

---

**PREMISES #** 18

**PREMISES ADDRESS**

5110 MARYLAND WAY  
STE 200  
BRENTWOOD, TN 37027

---

**COVERAGE**

**LIMIT OF INSURANCE**

PERSONAL PROPERTY

INCLUDED IN BLANKET LIMIT OF INSURANCE

BUSINESS INCOME AND EXTRA EXPENSE

INCLUDED IN BLANKET LIMIT OF INSURANCE

OFF-PREMISES SERVICE  
INTERRUPTION--DIRECT DAMAGE

NOT COVERED

---

**LOSS PAYABLE**

PITNEY BOWES GLOBAL FINANCIAL SERVICES, LLC  
2225 AMERICAN DR  
NEENAH, WI 54956

---

**LENDER'S LOSS PAYABLE**

REGIONS BANK, AS ADMINISTRATIVE AGENT, ISAOA, ATIMA; HEALTHCARE BANKING GROUP  
ONE NASHVILLE PLACE  
150 4TH AVE., N, 10TH FLOOR  
NASHVILLE, TN 32719



## Commercial Property Coverage Part Declarations

ZURICH AMERICAN INSURANCE COMPANY OF ILLINOIS

**NAMED INSURED:**  
HEALTH TECH, LLC

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---

### SUMMARY OF PREMISES

---

**PREMISES #** 19

**PREMISES ADDRESS**

6150 STONEBRIDGE MALL  
STE 250  
PLEASANTON, CA 94588

---

**COVERAGE**

**LIMIT OF INSURANCE**

PERSONAL PROPERTY

INCLUDED IN BLANKET LIMIT OF INSURANCE

BUSINESS INCOME AND EXTRA EXPENSE

INCLUDED IN BLANKET LIMIT OF INSURANCE

OFF-PREMISES SERVICE  
INTERRUPTION--DIRECT DAMAGE

NOT COVERED

---

**LENDER'S LOSS PAYABLE**

REGIONS BANK, AS ADMINISTRATIVE AGENT, ISAOA, ATIMA; HEALTHCARE BANKING GROUP  
ONE NASHVILLE PLACE  
150 4TH AVE., N, 10TH FLOOR  
NASHVILLE, TN 37219





## Commercial Property Coverage Part Declarations

ZURICH AMERICAN INSURANCE COMPANY OF ILLINOIS

**NAMED INSURED:**  
HEALTH TECH, LLC

**POLICY PERIOD:**  
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---

### SUMMARY OF PREMISES

---

**PREMISES #** 20

**PREMISES ADDRESS**

615 N 48TH ST  
PHOENIX, AZ 85008

---

**COVERAGE**

**LIMIT OF INSURANCE**

PERSONAL PROPERTY

INCLUDED IN BLANKET LIMIT OF INSURANCE

BUSINESS INCOME AND EXTRA EXPENSE

INCLUDED IN BLANKET LIMIT OF INSURANCE

OFF-PREMISES SERVICE  
INTERRUPTION--DIRECT DAMAGE

NOT COVERED

---

### LENDER'S LOSS PAYABLE

REGIONS BANK, AS ADMINISTRATIVE AGENT, ISAOA, ATIMA; HEALTHCARE BANKING GROUP  
ONE NASHVILLE PLACE  
150 4TH AVE., N, 10TH FLOOR  
NASHVILLE, TN 32719

## Commercial Property Coverage Part Declarations

ZURICH AMERICAN INSURANCE COMPANY OF ILLINOIS

**NAMED INSURED:**  
HEALTH TECH, LLC

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ADDRESS

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---

### BLANKET LIMITS OF INSURANCE

---

**PERSONAL PROPERTY BLANKET LIMIT OF INSURANCE** \$ 2,044,980

The above Limit of Insurance is the most we will pay for direct physical loss or damage in any one occurrence for all **"personal property"** at **"premises"** for which the Limit of Insurance is shown as Included in Blanket Limit of Insurance. If **"personal property"** coverage does not apply at any specific **"premises"**, the Limit of Insurance will show as Not Covered for those **"premises"**. If a more specific Limit of Insurance is shown for **"personal property"** at a **"premises"**, that Limit of Insurance replaces, and is not in addition to, the Blanket Limit of Insurance.

**BUSINESS INCOME AND EXTRA EXPENSE BLANKET LIMIT OF INSURANCE** \$ 17,832,051

The above Limit of Insurance is the most we will pay for in any one occurrence for all loss of **"business income"** and **"extra expense"** at **"premises"** for which the Limit of Insurance is shown as Included in Blanket Limit of Insurance. If **"business income"** or **"extra expense"** coverage does not apply at any specific **"premises"**, the Limit of Insurance will show as Not Covered for those **"premises"**. If a more specific Limit of Insurance is shown for **"business income"** or **"extra expense"** at a **"premises"**, that Limit of Insurance replaces, and is not in addition to, the Blanket Limit of Insurance.

# Commercial Property Coverage Part Declarations

ZURICH AMERICAN INSURANCE COMPANY OF ILLINOIS

**NAMED INSURED:**  
HEALTH TECH, LLC

**POLICY PERIOD:**  
From: 9/30/2014 To: 9/30/2015  
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ADDRESS

**POLICY NUMBER:** CPO 5833412-02

## ADDITIONAL COVERAGES--LIMITS OF INSURANCE

Limits of Insurance applicable at a "**premises**" that differ from those indicated below will be shown under the Summary of Premises section of this Declarations for that "**premises**". Those Limits of Insurance replace, and are not in addition to, the Limits of Insurance shown below for those specified coverages and "**premises**". If any Additional Coverages do not apply at any specific "**premises**", the Limit of Insurance will show as Not Covered for those "**premises**". If a specific coverage is shown at a "premises" as 'Included in Blanket Limit of Insurance', then that Blanket Limit of Insurance replaces, and is not in addition to, the Limits of Insurance shown below for that coverage.

COVERAGE	LIMIT OF INSURANCE		
CIVIL AUTHORITY			
BUSINESS INCOME		30	DAYS
EXTRA EXPENSE		30	DAYS
CONSEQUENTIAL LOSS--NET LEASEHOLD INTEREST	\$	25,000	PER PREMISES
CONSEQUENTIAL LOSS--TENANT'S IMPROVEMENTS AND BETTERMENTS	\$	250,000	PER PREMISES
CONSEQUENTIAL LOSS--UNDAMAGED STOCK	\$	250,000	PER PREMISES
CONTAMINATION BY A REFRIGERANT	\$	25,000	PER PREMISES
CONTRACTUAL PENALTIES--BUSINESS INCOME	\$	25,000	PER OCCURRENCE
DEBRIS REMOVAL--COVERED PROPERTY			COVERED
DEBRIS REMOVAL--SUPPLEMENTAL LIMIT	\$	250,000	PER OCCURRENCE
DEBRIS REMOVAL--UNCOVERED PROPERTY	\$	2,500	PER OCCURRENCE
DEFERRED PAYMENTS	\$	50,000	PER OCCURRENCE
DEPENDENT BUSINESS INCOME--UNSCHEDULED LOCATIONS	\$	250,000	PER OCCURRENCE
ELECTRONIC VANDALISM			
BUSINESS INCOME	\$	25,000	ANNUAL AGGREGATE
DIRECT DAMAGE	\$	25,000	ANNUAL AGGREGATE

# Commercial Property Coverage Part Declarations

ZURICH AMERICAN INSURANCE COMPANY OF ILLINOIS

**NAMED INSURED:**  
HEALTH TECH, LLC

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## ADDITIONAL COVERAGES--LIMITS OF INSURANCE

Limits of Insurance applicable at a "**premises**" that differ from those indicated below will be shown under the Summary of Premises section of this Declarations for that "**premises**". Those Limits of Insurance replace, and are not in addition to, the Limits of Insurance shown below for those specified coverages and "**premises**". If any Additional Coverages do not apply at any specific "**premises**", the Limit of Insurance will show as Not Covered for those "**premises**". If a specific coverage is shown at a "premises" as 'Included in Blanket Limit of Insurance', then that Blanket Limit of Insurance replaces, and is not in addition to, the Limits of Insurance shown below for that coverage.

COVERAGE	LIMIT OF INSURANCE		
EXPEDITING EXPENSE	\$	25,000	PER PREMISES
EXPENSE TO REDUCE LOSS--BUSINESS INCOME			COVERED
EXTENDED PERIOD OF INDEMNITY--BUSINESS INCOME		90	DAYS
EXTRA EXPENSE	\$	25,000	PER PREMISES
FAIRS OR EXHIBITIONS			
BUSINESS INCOME	\$	10,000	PER OCCURRENCE
PERSONAL PROPERTY	\$	50,000	PER OCCURRENCE
FIRE DEPARTMENT SERVICE CHARGE	\$	250,000	PER PREMISES
FIRE PROTECTIVE EQUIPMENT REFILLS			COVERED
INFLATION GUARD			
PERSONAL PROPERTY		4	% ANNUAL
INGRESS/EGRESS			
BUSINESS INCOME		30	DAYS
EXTRA EXPENSE		30	DAYS
LOCK AND KEY REPLACEMENT	\$	25,000	PER PREMISES
MICROORGANISMS	\$	25,000	ANNUAL AGGREGATE
MICROORGANISMS--BUSINESS INCOME	\$	25,000	ANNUAL AGGREGATE

# Commercial Property Coverage Part Declarations

ZURICH AMERICAN INSURANCE COMPANY OF ILLINOIS

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## ADDITIONAL COVERAGES--LIMITS OF INSURANCE

Limits of Insurance applicable at a "**premises**" that differ from those indicated below will be shown under the Summary of Premises section of this Declarations for that "**premises**". Those Limits of Insurance replace, and are not in addition to, the Limits of Insurance shown below for those specified coverages and "**premises**". If any Additional Coverages do not apply at any specific "**premises**", the Limit of Insurance will show as Not Covered for those "**premises**". If a specific coverage is shown at a "premises" as 'Included in Blanket Limit of Insurance', then that Blanket Limit of Insurance replaces, and is not in addition to, the Limits of Insurance shown below for that coverage.

COVERAGE	LIMIT OF INSURANCE		
NEWLY ACQUIRED PREMISES			
REAL PROPERTY	\$	2,000,000	FOR 180 DAYS
PERSONAL PROPERTY	\$	1,000,000	FOR 180 DAYS
BUSINESS INCOME	\$	250,000	FOR 180 DAYS
EXTRA EXPENSE	\$	25,000	FOR 180 DAYS
	THE ABOVE LIMITS APPLY SEPARATELY TO EACH NEWLY ACQUIRED PREMISES		
NEWLY ACQUIRED PROPERTY			
REAL PROPERTY	\$	2,000,000	PER PREMISES FOR 180 DAYS
PERSONAL PROPERTY	\$	1,000,000	PER PREMISES FOR 180 DAYS
OFF-PREMISES SERVICE INTERRUPTION--DIRECT\$ DAMAGE		100,000	PER PREMISES
OFF-PREMISES SERVICE INTERRUPTION--BUSINESS INCOME AND EXTRA EXPENSE	\$	100,000	PER PREMISES
ORDINARY PAYROLL LIMITATION		90	DAYS
OUTDOOR TREES, SHRUBS, PLANTS, OR LAWNS\$		250,000	PER PREMISES
	\$	5,000	PER TREE, SHRUB, PLANT, OR LAWN
POLLUTANT CLEAN UP AND REMOVAL--LAND AND\$ WATER		100,000	ANNUAL AGGREGATE PER PREMISES
PRESERVATION OF PROPERTY		180	DAYS

# Commercial Property Coverage Part Declarations

ZURICH AMERICAN INSURANCE COMPANY OF ILLINOIS

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## ADDITIONAL COVERAGES--LIMITS OF INSURANCE

---

Limits of Insurance applicable at a "**premises**" that differ from those indicated below will be shown under the Summary of Premises section of this Declarations for that "**premises**". Those Limits of Insurance replace, and are not in addition to, the Limits of Insurance shown below for those specified coverages and "**premises**". If any Additional Coverages do not apply at any specific "**premises**", the Limit of Insurance will show as Not Covered for those "**premises**". If a specific coverage is shown at a "premises" as 'Included in Blanket Limit of Insurance', then that Blanket Limit of Insurance replaces, and is not in addition to, the Limits of Insurance shown below for that coverage.

COVERAGE	LIMIT OF INSURANCE		
PROFESSIONAL FEES	\$	25,000	PER OCCURRENCE
REPORTED UNSCHEDULED PREMISES			
REAL PROPERTY			NOT COVERED
PERSONAL PROPERTY			NOT COVERED
BUSINESS INCOME			NOT COVERED
EXTRA EXPENSE			NOT COVERED
REWARD PAYMENTS	\$	25,000	PER OCCURRENCE
SALESPERSONS SAMPLES	\$	25,000	PER OCCURRENCE
SPOILAGE--EQUIPMENT BREAKDOWN	\$	100,000	PER PREMISES
THEFT DAMAGE TO BUILDINGS			COVERED
UNINTENTIONAL ERRORS AND OMISSIONS COVERAGE	\$	50,000	PER OCCURRENCE
UNREPORTED PREMISES			
REAL PROPERTY	\$	100,000	PER UNREPORTED PREMISES
PERSONAL PROPERTY	\$	100,000	PER UNREPORTED PREMISES
EXTRA EXPENSE	\$	10,000	PER UNREPORTED PREMISES
BUSINESS INCOME	\$	10,000	PER UNREPORTED PREMISES

# Commercial Property Coverage Part Declarations

ZURICH AMERICAN INSURANCE COMPANY OF ILLINOIS

**NAMED INSURED:**  
HEALTH TECH, LLC

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## MARINE COVERAGE--LIMITS OF INSURANCE

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Limits of Insurance applicable at a "**premises**" that differ from those indicated below will be shown under the Summary of Premises section of this Declarations for that "**premises**". Those Limits of Insurance replace, and are not in addition to, the Limits of Insurance shown below for those specified coverages and "**premises**". If any Marine Coverages do not apply at any specific "**premises**", the Limit of Insurance will show as Not Covered for those "**premises**".

COVERAGE	LIMIT OF INSURANCE		
ACCOUNTS RECEIVABLE (REVENUE LOSS)	\$	250,000	PER PREMISES
ACCOUNTS RECEIVABLE (REVENUE LOSS)--AWAY FROM PREMISES	\$	250,000	PER OCCURRENCE
FINE ARTS	\$	25,000	PER PREMISES
FINE ARTS--AWAY FROM PREMISES	\$	25,000	PER OCCURRENCE
INSTALLATION AND SERVICE PROPERTY			
STOCK TO BE INSTALLED	\$	25,000	PER OCCURRENCE--INSTALLATION PREMISES
	\$	25,000	PER OCCURRENCE--TEMPORARY STORAGE LOCATION
	\$	25,000	PER OCCURRENCE--TRANSIT
TOOLS AND EQUIPMENT			
SCHEDULED EQUIPMENT			NOT COVERED
UNSCHEDULED TOOLS & EQUIPMENT	\$	1,000	PER ANY ONE ITEM
	\$	10,000	PER OCCURRENCE
<p>Unscheduled tools and equipment coverage is intended for items valued at or less than the limit per any one item shown above. An item valued at more than this limit must be specifically scheduled or no coverage applies to that item.</p>			
ORIGINAL INFORMATION PROPERTY	\$	250,000	PER PREMISES
ORIGINAL INFORMATION PROPERTY--AWAY FROM PREMISES	\$	250,000	PER OCCURRENCE
TRANSIT			
PERSONAL PROPERTY	\$	25,000	PER OCCURRENCE
BUSINESS INCOME	\$	10,000	PER OCCURRENCE

# Commercial Property Coverage Part Declarations

ZURICH AMERICAN INSURANCE COMPANY OF ILLINOIS

**NAMED INSURED:**  
HEALTH TECH, LLC

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## DEDUCTIBLES

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### GENERAL DEDUCTIBLES

PROPERTY DEDUCTIBLE	\$	5,000 PER OCCURRENCE
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The above deductible applies to all loss, damage, cost, or expense covered by this Commercial Property Coverage Part, unless a specific coverage deductible is shown elsewhere on this Declarations or an endorsement.

BUSINESS INCOME AND EXTRA EXPENSE WAITING PERIOD	24 HOURS
---	----------

The above waiting period applies to all loss or expense covered by Business Income and Extra Expense coverages contained in this Commercial Property Coverage Part, unless a specific coverage deductible is shown elsewhere on this Declarations or an endorsement.

OFF PREMISES SERVICE INTERRUPTION--TIME ELEMENT WAITING PERIOD	24 HOURS
--	----------

The above waiting period applies to all loss or expense covered by Off-Premises Service Interruption--Time Element coverage contained in this Commercial Property Coverage Part.

### CATASTROPHE PERIL DEDUCTIBLES

#### FLOOD DEDUCTIBLES

Loss or damage to Covered Property caused by **"flood"** is subject to separate deductible amounts. The deductibles applicable to **"flood"** are stated in the Summary of Premises section of this Declarations for that specific **"premises"**. If the Flood coverage applies to loss or damage at **"reported unscheduled premises"**, the deductible amounts for **"reported unscheduled premises"** are stated on the Catastrophe Coverage--Limits of Insurance and Deductibles section of this Declarations.

The Flood Deductibles only apply to loss or damage that, but for the application of the Deductibles, would be paid by us under this Commercial Property Coverage Part.





## Commercial Property Coverage Part Declarations

ZURICH AMERICAN INSURANCE COMPANY OF ILLINOIS

**NAMED INSURED:**

HEALTH TECH, LLC

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CPO 5833412-02

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**DEDUCTIBLES**

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**APPLICATION OF MULTIPLE DEDUCTIBLES**

Unless otherwise stated in a Coverage Form or endorsement, if more than one deductible applies, we will apply each deductible separately, but the total of all deductible amounts applied will not exceed the highest applicable deductible for loss or damage to Covered Property and the highest applicable deductible for loss under **"time element coverage"**. This provision does not apply to Covered Property and **"time element coverage"** for covered loss or damage due to **"earth movement"**, **"flood"**, **"named storm"**, or to wind or hail when a separate Wind and Hail Deductible is applicable.



## Commercial Property Coverage Part Declarations

ZURICH AMERICAN INSURANCE COMPANY OF ILLINOIS

**NAMED INSURED:**  
HEALTH TECH, LLC

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### CATASTROPHE COVERAGE--LIMITS OF INSURANCE AND DEDUCTIBLES

---

Catastrophe Coverages shown below apply only at those **"premises"** that show an applicable Limit of Insurance for that Catastrophe Coverage in the Summary of Premises section of this Declarations. If coverage applies at **"reported unscheduled premises"**, those Limits of Insurance and Deductibles are shown below.

#### CATASTROPHE COVERAGE

#### LIMIT OF INSURANCE AND DEDUCTIBLES

##### FLOOD

PREMISES

SEE SUMMARY OF PREMISES SECTION

OCCURRENCE

\$ 5,000,000

ANNUAL AGGREGATE

\$ 5,000,000

DEDUCTIBLE

SEE SUMMARY OF PREMISES SECTION



## Ordinary Payroll Limitation

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement modifies the following:

### COMMERCIAL PROPERTY DEFINITIONS

**A.** The definition of **"continuing expenses"** is replaced by the following:

**"Continuing expenses"** means:

- a.** Your continuing normal operating expenses, including:
  - 1)** Payroll, other than **"ordinary payroll"**;
  - 2)** **"Ordinary payroll"**, but only for the number of days shown on the Declarations as the Limit of Insurance for Ordinary Payroll. If the Limit of Insurance for Ordinary Payroll is 0 (Zero) Number of Days, then there will be no inclusion of any **"ordinary payroll"**;
  - 3)** Rental payments as tenants; and
  - 4)** Factory overhead; and
- b.** Charges, which are the legal obligations of your tenants and have not been satisfied, and which are now your obligation.

**"Continuing expenses"** does not mean:

- a.** **"Extra expense"**;
- b.** Expediting expense; or
- c.** **"Research and development continuing expenses"**.

**B.** The following definitions are added:

- 1.** **"Ordinary payroll"** means **"payroll expenses"** for all your employees (including leased or temporary employees) except:
  - a.** Officers;
  - b.** Executives;
  - c.** Partners;
  - d.** **"Managers"**; and

- e. Department managers.

2. **"Payroll expenses"** mean the following expenses:

- a. Payroll;
- b. Employee benefits directly related to payroll;
- c. FICA contributions that you pay;
- d. Union dues that you pay;
- e. Workers compensation premiums; and
- f. State and Federal unemployment compensation premiums.

## Dependent Premises Business Income Coverage--Unscheduled Locations

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement modifies the following:

**BUSINESS INCOME COVERAGE FORM (EXCLUDING EXTRA EXPENSE)**  
**BUSINESS INCOME COVERAGE FORM INCLUDING RESEARCH AND DEVELOPMENT CONTINUING EXPENSES**  
**(EXCLUDING EXTRA EXPENSE)--TECHNOLOGY**  
**COMMERCIAL PROPERTY DEFINITIONS**  
**EXTRA EXPENSE COVERAGE FORM**

### **A. COVERAGE**

The following is added to Section A., Coverage, in the BUSINESS INCOME COVERAGE FORM (EXCLUDING EXTRA EXPENSE) and Section A., Coverages, in the BUSINESS INCOME COVERAGE FORM INCLUDING RESEARCH AND DEVELOPMENT CONTINUING EXPENSES (EXCLUDING EXTRA EXPENSE)--TECHNOLOGY:

We will also pay for the actual loss of **"business income"** you sustain due to the necessary **"suspension"** of your **"operations"** during the **"period of restoration"**. The **"suspension"** must be caused by direct physical loss of or damage to property, including property in the open (or in a vehicle), at a **"dependent premises"**. The loss or damage must be directly caused by a **"covered cause of loss"**.

The most we will pay in any one occurrence is the Limit of Insurance shown on the Declarations for Dependent Premises Business Income--Unscheduled Locations.

### **B. ADDITIONAL COVERAGES**

With respect to a **"suspension"** of your **"operations"** caused by direct physical loss of or damage to property, including property in the open (or in a vehicle), at a **"dependent premises"**, the Civil Authority and Contractual Penalties Additional Coverages in the BUSINESS INCOME COVERAGE FORM (EXCLUDING EXTRA EXPENSE) and the BUSINESS INCOME COVERAGE FORM INCLUDING RESEARCH AND DEVELOPMENT CONTINUING EXPENSES (EXCLUDING EXTRA EXPENSE)--TECHNOLOGY are replaced by the following:

#### **Civil Authority**

We will pay for the actual loss of **"business income"** you sustain for up to 30 days resulting from the necessary **"suspension"**, or delay in the start, of your **"operations"** if the **"suspension"** or delay is caused by order of civil authority that prohibits access to a **"dependent premises"**. That order must result from a civil authority's response to direct physical loss of or damage to property located within one mile from the **"dependent premises"**. The loss or damage must be directly caused by a **"covered cause of loss"**.

The most we will pay under this Additional Coverage is the Limit of Insurance shown on the Declarations for Dependent Premises Business Income--Unscheduled Locations.

The Limit for this Additional Coverage is included in, and not in addition to, that Limit of Insurance.

#### **Contractual Penalties**

We will pay contractual penalties you are legally liable to pay under the provisions of a written contract due to late or non-completion of orders. Those penalties must be the result of direct physical loss of or damage to property at a **"dependent premises"**. The loss or damage must be directly caused by a **"covered cause of loss"**.

The most we will pay under this Additional Coverage in any one occurrence is the Limit of Insurance shown on the Declarations for Contractual Penalties.

### C. OPTIONAL COVERAGE

If a Blanket Business Income and Extra Expense Limit of Insurance is shown on the Declarations, the following Optional Coverage is added to Section A., Coverage, in the EXTRA EXPENSE COVERAGE FORM:

We will pay for the actual and necessary **"extra expense"** you incur due to direct physical loss of or damage to property, including property in the open (or in a vehicle), at a **"dependent premises"**. The loss or damage must be directly caused by a **"covered cause of loss"**. The most we will pay in any one occurrence is the Limit of Insurance shown on the Declarations for Dependent Premises Business Income--Unscheduled Locations. This Limit is included in, and not in addition to, any other applicable Limit of Insurance.

If a Blanket Business Income and Extra Expense Limit of Insurance applies, the Civil Authority Additional Coverage in the EXTRA EXPENSE COVERAGE FORM applies to the actual and necessary **"extra expense"** you incur for up to 30 days after an order of civil authority prohibits access to that **"dependent premises"**. That order must result from a civil authority's response to direct physical loss of or damage to property located within one mile from the **"dependent premises"**. The loss or damage must be directly caused by a **"covered cause of loss"**. The most we will pay under this Additional Coverage is the Limit of Insurance shown on the Declarations for Dependent Premises Business Income--Unscheduled Locations. The Limit for this Additional Coverage is included in, and not in addition to, any other applicable Limit of Insurance.

### D. LOSS DETERMINATION

With respect to a **"suspension"** of **"operations"** caused by direct physical loss of or damage to a **"dependent premises"**, the Resumption of Operations Loss Determination in the BUSINESS INCOME COVERAGE FORM (EXCLUDING EXTRA EXPENSE) and the BUSINESS INCOME COVERAGE FORM INCLUDING RESEARCH AND DEVELOPMENT CONTINUING EXPENSES (EXCLUDING EXTRA EXPENSE)--TECHNOLOGY is replaced by the following:

#### Resumption of Operations

We will reduce the amount of **"business income"** loss payment to the extent you could resume your **"operations"**, in whole or in part, by using:

- a. Sources of materials or services; or
- b. Outlets for your products or services,  
available to you.

### E. DEFINITIONS

With respect to a **"suspension"** of **"operations"** caused by direct physical loss of or damage to property at a **"dependent premises"**, the **"period of restoration"** definition in the COMMERCIAL PROPERTY DEFINITIONS is replaced by the following:

**"Period of restoration"** means the period of time that:

- a. Begins when the direct physical loss of or damage to property at a **"dependent premises"** occurs; and
- b. Ends on the date when the property at that **"dependent premises"** should be repaired, rebuilt, or replaced with reasonable speed and similar quality.

**"Period of restoration"** does not include any increased period required due to the enforcement of any ordinance or law that requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of **"pollutants"** or **"microorganisms"**.

The expiration of this policy will not cut short the **"period of restoration"**.

- F. Coverage provided by this endorsement does not apply at any location at which **"business income"** coverage is provided by any other Coverage Form included in this Commercial Property Coverage Part.



**ZURICH**

## **Enabling Endorsement**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement modifies the following:

**COMMERCIAL PROPERTY CONDITIONS  
REAL AND PERSONAL PROPERTY COVERAGE FORM**

The provisions of any forms or endorsements that make reference to the BUILDING AND PERSONAL PROPERTY COVERAGE FORM or the CAUSES OF LOSS SPECIAL FORM are applicable to the COMMERCIAL PROPERTY CONDITIONS and the REAL AND PERSONAL PROPERTY COVERAGE FORM.





# Unintentional Errors or Omissions Coverage

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement modifies insurance provided under the following:

## **ADDITIONAL COVERAGES FORM**

### **BUSINESS INCOME COVERAGE FORM (EXCLUDING EXTRA EXPENSE)**

The following is added to Section A., Additional Coverages, in the ADDITIONAL COVERAGES FORM and Section B., Additional Coverages, in the BUSINESS INCOME COVERAGE FORM (EXCLUDING EXTRA EXPENSE):

#### **Unintentional Errors or Omissions**

1. We will pay for direct physical loss of or damage to Covered Property and the actual loss of **"business income"** you sustain which is not payable under this policy as a result of:
  - a. Your unintentional error or omission in the description or location of such Covered Property; or
  - b. Failure to include a **"premises"** you own, lease, rent, or control as of the effective date shown on the Declarations due to your unintentional error or omission.

We will pay such loss or damage only to the extent such loss or damage would have been covered under the terms and conditions of this Commercial Property Coverage Part if the unintentional error or omission had not been made.

2. This Additional Coverage applies only if:
  - a. You report and correct such unintentional error or omission when discovered; and
  - b. You pay any additional premium that may be due.
3. This Additional Coverage does not apply if:
  - a. You collect or are entitled to collect any portion of the loss or damage under this or any other policy; or
  - b. The loss or damage is caused directly or indirectly by **"earth movement"** or **"flood"**.
4. The most we will pay under this Additional Coverage for direct physical loss of or damage to Covered Property and the actual loss of **"business income"** you sustain in any one occurrence is the Limit of Insurance shown on the Declarations for Unintentional Errors or Omissions.



# Commercial Property Coverage Part

## General Provisions

**IMPORTANT INFORMATION ABOUT THIS COMMERCIAL PROPERTY COVERAGE PART. PLEASE READ IT CAREFULLY.**

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties, and what is and what is not covered.

### DEFINITIONS AND MEANINGS

Throughout this Commercial Property Coverage Part, the words "you" and "your" refer to the Named Insured shown on the Commercial Property Coverage Part Declarations. The words "we", "us", and "our" refer to the Company providing this insurance coverage.

The word "occurrence" includes all losses or damages that are attributable directly or indirectly to one cause or a series of similar causes. All such losses or damages will be treated as one occurrence. However, if occurrence is specifically defined in a Coverage Form, that definition applies to the insurance provided by that Coverage Form and any endorsements to that Coverage Form.

For purposes of this Commercial Property Coverage Part:

- a. Covered Property is the property that is insured for loss or damage under the applicable Coverage Forms or endorsements.
- b. Covered Income is the income that is insured for loss under the applicable Coverage Forms or endorsements.

Other words and phrases that appear in bold and in quotation marks, or in quotation marks only, have special meaning. You will find these definitions in the Commercial Property Definitions, Coverage Forms, and in endorsements to the Coverage Forms.

Words or phrases that are not defined are intended to have their ordinary or common meaning. Disputes concerning the meaning of words or phrases will be resolved using the most recently published version of Webster's Unabridged Dictionary.

Unless otherwise stated, words that are used in the plural tense include the singular tense (and vice versa).

### FORMS

In addition to these General Provisions, the Commercial Property Coverage Part contains the Common Policy Conditions, Commercial Property Conditions, Commercial Property Definitions, and various Coverage Forms and endorsements as shown on the Property Forms and Endorsements Section of the Schedule of Forms and Endorsements. Some forms and endorsements may refer to other Coverage Forms, but you only have coverage under a particular Coverage Form if it is shown on the Property Forms and Endorsements Section of the Schedule of Forms and Endorsements. Similarly, even if the Property Forms and Endorsements Section of the Schedule of Forms and Endorsements shows that you have a Coverage Form, you will not have coverage for each coverage and optional coverage mentioned in that Coverage Form unless they are shown on the Commercial Property Coverage Part Declarations.

## DEDUCTIBLES

If a deductible applies, it is described in the applicable Coverage Form or endorsement. The amount of the deductible to be applied is shown on the Summary of Premises, Deductibles, or Catastrophe Coverage - Limits of Insurance and Deductibles sections of the Commercial Property Coverage Part Declarations.

Unless otherwise stated in a Coverage Form or endorsement, if more than one deductible applies, we will apply each deductible separately, but the total of all deductible amounts applied will not exceed the highest applicable deductible for loss or damage to Covered Property and the highest applicable deductible for loss under **"time element coverage"**. However, this provision does not apply to Covered Property and **"time element coverage"** for covered loss or damage due to **"earth movement"**, **"flood"**, or **"named storm"**, or to wind or hail when a separate Wind Deductible or Wind and Hail Deductible is applicable.

Loss or damage to Covered Property caused by **"earth movement"**, **"flood"**, **"named storm"**, water damage, theft and wind or hail may be subject to separate deductible amounts. The Summary of Premises section of the Commercial Property Coverage Part Declarations identify the **"premises"** subject to the separate deductibles and the deductible amounts. If the Earth Movement Deductibles, Flood Deductibles, Named Storm Deductibles, or Wind and Hail Deductibles apply to loss or damage at **"reported unscheduled premises"**, to **"contractor's equipment"** away from **"premises"**, or to **"installation property"** away from **"premises"**, the deductible amounts are stated on the Catastrophe Coverage - Limits of Insurance and Deductibles section of the Commercial Property Coverage Part Declarations.

The Earth Movement Deductibles, Flood Deductibles, Named Storm Deductibles, Wind Deductibles, and Wind and Hail Deductibles only apply to loss or damage that, but for the application of the Deductibles, would be paid by us under this Commercial Property Coverage Part.

# Commercial Property Conditions

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# Commercial Property Conditions

This Commercial Property Coverage Part is subject to the following conditions as well as the Common Policy Conditions.

## A. ABANDONMENT

There can be no abandonment of any property to us.

## B. APPRAISAL

If we and you disagree on the value of the property or the amount of the loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent, disinterested, and impartial appraiser who has no direct or indirect financial interest in the claim. The two appraisers will select an umpire. If they cannot agree, either may request that selection of an umpire be made by a judge of a court having jurisdiction. The appraisers will state separately the value of each item of lost or damaged property as of the date of loss and amount of loss in accordance with the Valuation provisions of the applicable Coverage Form or, if not stated, the **"actual cash value"** and **"replacement cost"**. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

1. Pay its chosen appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim in whole or in part, based on the terms and conditions of the policy.

## C. CONCEALMENT, MISREPRESENTATION, OR FRAUD

This policy is void in any case of fraud by you or any other insured as it relates to this Commercial Property Coverage Part at any time before or after a loss. It is also void as to you or any other insured, and we will not pay you or any other insured, if you or any other insured, at any time before or after a loss, intentionally conceal or misrepresent a material fact concerning:

1. The insurance provided by this policy;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under the policy.

## D. CONFORMITY TO STATUTE

Terms of this Commercial Property Coverage Part that are in conflict with the statutes of the state in which this policy is issued are hereby amended to conform to such statutes.

## E. CONTROL OF PROPERTY

Breach of any provision contained in the Commercial Property Conditions or Common Policy Conditions by any person, other than you, beyond your direction or control will not affect this insurance.

The breach of any provision contained in the Commercial Property Conditions or Common Policy Conditions at any one or more locations will not affect coverage at any location where, at the time of loss or damage, there was no breach.

## F. DUTIES IN THE EVENT OF LOSS OR DAMAGE

1. You must see that the following are done in the event of loss or damage to Covered Property:
  - a. Notify the police if a law may have been broken.
  - b. Give us prompt notice of the loss or damage, including a description of the property involved.
  - c. As soon as possible, give us a description of how, when, and where the loss or damage occurred.
  - d. Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a **"covered cause of loss"**. Also, if feasible, set the damaged property aside and in the best possible order for examination.
  - e. At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values, and amount of loss claimed.
  - f. As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also, permit us to take samples of damaged and undamaged property for inspection, testing, and analysis, and permit us to make copies from your books and records.
  - g. Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
  - h. Cooperate with us in the investigation or settlement of the claim.
2. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.
3. Failure of an agent or one of your employees, other than an officer, partner, manager, **"member"**, director, trustee, proprietor, or risk management employee, to notify us of any loss or damage that they know about will not affect the insurance afforded you by this Commercial Property Coverage Part.

## G. INSURANCE UNDER TWO OR MORE COVERAGES

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

## H. LEGAL ACTION AGAINST US

No one may bring a legal action against us under this Commercial Property Coverage Part unless:

1. All of its terms have been fully complied with; and
2. The action is brought within 2 years after the date on which the loss or damage commenced.

## I. LIBERALIZATION

If we adopt any revision that would broaden the coverage under this Commercial Property Coverage Part, without additional premium and within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Commercial Property Coverage Part.

## J. LOSS PAYMENT

The following apply unless otherwise provided in a Coverage Form in this Commercial Property Coverage Part:

1. In the event of loss or damage covered by this Commercial Property Coverage Part, at our option, we will either:

- a. Pay the amount of the loss or damage;
- b. Pay the cost of repairing or replacing the lost or damaged property;
- c. Take all or any part of the property at an agreed or appraised value; or
- d. Repair, rebuild, or replace the property with other property of like kind and quality.

We will give notice of our intentions within 30 days after we receive the sworn proof of loss.

2. If we elect to exercise option 1.c. with respect to any branded or labeled **"merchandise"** or **"finished stock"**, you may:

- a. Stamp salvage on the **"merchandise"** or **"finished stock"**, or its containers, if the stamp will not physically damage the **"merchandise"** or **"finished stock"**; or
- b. Remove the brands or labels, if doing so will not physically damage the **"merchandise"** or **"finished stock"**. You must relabel the **"merchandise"** or **"finished stock"**, or its containers, to comply with the law.

We will assume the cost of stamping or removal and charge it to salvage expense.

3. We will not pay you more than your financial interest in the Covered Property.
4. This Commercial Property Coverage Part provides no rights or benefits to any other person or organization, unless otherwise provided. Any claim for loss that is covered under this Commercial Property Coverage Part must be presented by you. At our option, we may adjust the loss with the owners of lost or damaged property if other than you. If we pay the owners, such payment will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
5. We may elect to defend you against suits arising from claims of owners of Covered Property. We will do this at our expense.
6. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Commercial Property Coverage Part and:
  - a. We have reached agreement with you on the amount of the loss; or
  - b. An appraisal award has been made.
7. The first Named Insured shown on the Declarations will be the payee for any payment of claims that we may make with respect to this Commercial Property Coverage Part, subject to the Mortgageholders Condition below and any endorsements. However, our payment for loss or damage to **"personal property of others"** may be to the account of the owner of the property.

## **K. MORTGAGEHOLDERS**

1. Mortgageholder includes trustee.
2. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown on the Declarations in their order of precedence, as interests may appear.
3. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
4. If we deny your claim because of your acts or because you have failed to comply with the terms of this Commercial Property Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
  - a. Pays the premium due under this Commercial Property Coverage Part at our request if you have failed to do so;
  - b. Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
  - c. Has notified us of any change in ownership, occupancy, or substantial change in risk known to the mortgageholder.

All of the terms of this Commercial Property Coverage Part will then apply directly to the mortgageholder.

5. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Commercial Property Coverage Part:
  - a. The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
  - b. The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

6. If we cancel the policy, we will give written notice to the mortgageholder at least:
  - a. 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
7. If we elect not to renew the policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

## **L. NO BENEFIT TO BAILEE**

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.



## **M. OTHER INSURANCE**

1. You may have other insurance subject to the same plan, terms, conditions, and provisions as the insurance under this Commercial Property Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Commercial Property Coverage Part bears to the sum of all the Limits of Insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only the least of the following amounts:
  - a. Any Limit of Insurance applicable to the Covered Property that has sustained such loss or damage;
  - b. The amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not, without application of any deductible amounts contained elsewhere in this Commercial Property Coverage Part; or
  - c. The amount we would have paid had such other insurance not existed.
3. Paragraphs 1. and 2. above do not apply to other insurance that is purchased as insurance in excess of the Limit of Insurance under this Commercial Property Coverage Part.

## **N. POLICY PERIOD, COVERAGE TERRITORY**

Under this Commercial Property Coverage Part:

1. We cover loss or damage which happens:
  - a. During the policy period shown on the Declarations; and
  - b. Within the coverage territory.
2. The coverage territory is:
  - a. The United States of America (including its territories and possessions); and
  - b. Puerto Rico.
3. When this Commercial Property Coverage Part provides coverage for property in transit:
  - a. The coverage territory is extended to Canada for property in transit as long as the origin or destination is included in 2. above, except when property is being transported by a vessel.
  - b. The coverage territory is extended to everywhere else in the world for property while being transported by an aircraft, as long as either the origin or destination is included in 2. above and neither the origin nor the destination is in any country upon which the United States government has imposed sanctions, embargoes or similar prohibitions.
4. If the property is in transit by a vessel that originated outside the coverage territory included in 2. above, then coverage commences when the property has been fully discharged from the vessel onto a point within the coverage territory.
5. If the property is in transit by a vessel with a destination outside the coverage territory included in 2. above, then coverage ends when the property has been loaded on board the vessel.

## O. RECOVERED PROPERTY

1. If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, you may do one of the following:
  - a. Keep the loss payment and transfer the recovered property to us; or
  - b. Keep the recovered property and return the loss payment to us. If you do this, we will pay for the recovery expenses and the expense to repair the recovered property up to the applicable Limit of Insurance.
2. The amount of loss can be reduced by any salvage recovery through the sale of the damaged Covered Property.
  - a. If, following a loss, a recovery is made from the sale of damaged Covered Property and your claim has not yet been paid, we will be entitled to this salvage recovery until we have recovered our salvaging fees and expenses. The balance of the salvage recovery will be paid to you and the amount of your loss settlement will be reduced by this balance.
  - b. If your claim has already been paid when a salvage recovery is made, we will be entitled to the salvage proceeds until we have recovered the difference between the amount we paid you for your claim and the amount we would have paid you had the salvage recovery been handled in accordance with a. above. Any balance of the salvage recovery will then be promptly refunded to you.

## P. SUSPENDED EQUIPMENT

We, or any of our representatives, have the right to declare property to be "**suspended equipment**" when the property is found to be in, or exposed to, a dangerous condition, provided we have:

1. Told you of the dangerous condition immediately upon discovering it and informed you of its designation as "**suspended equipment**"; and
2. Mailed or delivered a written notice of such condition and designation, within 24 hours of the discovery, which notice is mailed or delivered to:
  - a. Your last known address; or
  - b. The address where said object is located.

Any designation of "**suspended equipment**" can only be rescinded, in writing, by endorsement to this Commercial Property Coverage Part.

Any designation of "**suspended equipment**" will result in your receiving a pro rata refund of premium you paid for the coverage of that property under this Commercial Property Coverage Part. However, any designation of "**suspended equipment**" will be in effect if we have not yet made or offered the refund.

## Q. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this Commercial Property Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and cooperate with our efforts to recover our payment and must do nothing after loss to impair our rights. But you may, without restricting your coverage, waive your rights against another party in writing:

1. Prior to a loss to your Covered Property or Covered Income.
2. After a loss to your Covered Property or Covered Income only if, at the time of loss, that party is one of the following:
  - a. Someone insured under this Commercial Property Coverage Part;

- b.** A business firm owned or controlled by you;
- c.** A business firm, or an individual, that owns or controls you; or
- d.** Your tenant.

Any recovery as a result of subrogation proceedings arising out of a covered loss, net of fees (including legal fees) and expenses we incur in such subrogation proceedings, will be shared with you in the following manner:

- 1.** We will add the amount of any deductible you incurred to the amount of any other provable uninsured loss you incurred. This is your interest.
- 2.** We will determine the proportion your interest bears to the entire provable loss (both insured and uninsured). This is your pro rata share.
- 3.** We will reimburse to you your pro rata share of the recovery after deduction, from the total recovery, of recovery expenses paid by us and after deduction of any legal fees paid by us. We will retain the balance. We will not owe you any amount for any legal fees or any expenses incurred by you in furtherance of any recovery unless those fees or expenses are approved by us in writing and in advance of your incurring those fees or expenses.

## Commercial Property Definitions

1. **"Accounts receivable records"** means accounting records you use to document the billing and collection of **"money"** due from your customers, regardless of what material it is inscribed, printed, written, or recorded upon.
2. **"Actual cash value"** means **"replacement cost"** reduced by each of the following:
  - a. Physical deterioration;
  - b. Depreciation;
  - c. Obsolescence;
  - d. Depletion;
  - e. Non-conformity to codes, regulations, or statutes; and
  - f. The cost to reconstruct or remodel undamaged portions of **"real property"**.

But in no event will **"actual cash value"** be higher than the **"market value"**.

3. **"Amount you actually spend"** means:
  - a. The total payments you make to an entity you do not own or operate at the time of loss or damage to repair the damaged **"real property"** or **"personal property"**; and
  - b. For goods and services provided by entities you own or operate at the time of loss or damage to repair the damaged **"real property"** or **"personal property"**:
    - 1) Direct payroll cost, excluding fixed payroll, for labor directly chargeable to the repair, rebuilding, or replacement of the damaged property;
    - 2) **"Replacement cost"** for your **"merchandise"** used in the repair, rebuilding, or replacement of the damaged property;
    - 3) Regular cash selling price, less any discounts and expenses you otherwise would have had, for your **"finished stock"** used in the repair, rebuilding, or replacement of the damaged property; and
    - 4) **"Replacement cost"** for your property other than **"merchandise"** or **"finished stock"** used in the repair, rebuilding, or replacement of the damaged property if replaced within 24 months, otherwise your original cost.
4. **"Banking premises"** means the interior of that portion of any building occupied by a banking institution or similar safe depository.
5. **"Business income"** means:
  - a. **"Net income"**; plus
  - b. **"Continuing expenses"**.
6. **"Cessation of work"** means any period of time when your business activities have ceased.

**"Cessation of work"** does not mean:

- a. Any period of time during which your business activities would not normally have been conducted, such as weekends or holidays;
  - b. Seasonal activity planned in advance;
  - c. Schedule delays due to weather; or
  - d. Labor actions beyond your control.
7. **"Cloud facility"** means a data center(s) owned and operated by others whom you depend on to provide **"information technology services"**.
8. **"Computer systems"** means:
- a. Computer hardware, software, and electronic data;
  - b. Input and output devices;
  - c. Data storage devices;
  - d. Networking equipment and components;
  - e. Firmware; and
  - f. Electronic backup facilities, including systems accessible through the internet, intranets, or virtual private networks.
9. **"Contaminant"** means any substance that creates an impurity when it mixes with or comes into contact with another substance.
10. **"Continuing expenses"** means:
- a. Your continuing normal operating expenses including, but not limited to:
    - 1) Payroll;
    - 2) Rental payments as tenants; and
    - 3) Factory overhead; and
  - b. Charges, which are the legal obligations of your tenants and have not been satisfied, and which are now your obligation.
- "Continuing expenses"** does not mean:
- a. **"Extra expense"**;
  - b. Expediting expense;
  - c. **"Research and development continuing expenses"**;
  - d. Any charges or expenses that do not necessarily continue during the **"period of restoration"** or **"extended period of indemnity"**; or
  - e. Bad debts.
11. **"Contractor's employees' property"** means tools and clothing owned by your officers, directors, partners, **"managers"**, **"members"**, or employees (including leased or temporary employees).

**12. "Contractor's equipment" means:**

- a. Equipment, tools, machinery, and other mechanical and electrical devices of a mobile nature used for contracting, installation, erection, repair, or moving operations or projects;
- b. Self-propelled vehicles designed and used primarily to carry mounted equipment;
- c. Vehicles designed for highway use that are unlicensed and not operated on public roads; and
- d. Watercraft, marine floats, or barges less than 26 feet long,

owned by you or owned by others in your care, custody, or control.

**"Contractor's equipment"** does not mean:

- a. Contraband or property in the course of illegal transportation or trade;
- b. Aircraft;
- c. Railroad cars;
- d. Temporary or permanent forms, shoring, scaffolding, or falsework;
- e. **"Contractor's employees' property"**; or
- f. Recreational watercraft.

**13. "Contributing locations" means locations owned and operated by others who:**

- a. You depend on to deliver materials or services directly to you, or to others under your contract of sale; or
- b. Pay you royalties, licensing fees, or commissions under written agreements.

**"Contributing locations"** does not mean:

- a. Locations owned and operated by others who you depend upon to provide only power, communications, or other utility services to you; or
- b. **"Manufacturing locations"**.

**14. "Covered cause of loss" means a fortuitous cause or event, not otherwise excluded, which actually occurs during this policy period.**

**"Covered cause of loss"** does not mean:

- a. A fortuitous cause or event, whether or not excluded, which actually occurred prior to this policy period, regardless of the date on which it first becomes manifest or is first discovered; or
- b. Damage.

**15. "Defective materials" means materials which are broken, inadequate, improper, faulty, flawed, improperly specified, contaminated, unfit for the purpose intended, or which contain a latent defect.**

**16. "Denial of service" means the direction of a high volume of inquiries to web site or e-mail destinations, effectively denying or limiting legitimate access, whether or not known to you.**

**17. "Dependent premises" means the following types of locations:**

- a. **"Contributing locations"**;
- b. **"Recipient locations"**;

c. **"Manufacturing locations"**; and

d. **"Leader locations"**.

If the location is described by an address only, it includes the area associated with that address in which you or the occupant are legally entitled to conduct **"operations"** and includes that area extending 1,000 feet beyond that address.

If the location is described by an address and further described by geographic boundaries, only the area within such boundaries, and within 1,000 feet thereof, is included.

**"Dependent premises"** does not mean any of the above locations within any country in which the United States government or Canadian government have imposed sanctions, embargoes, or similar prohibitions.

18. **"Duplicate information property"** means recorded information in any format which can either be copied from an existing original or duplicate or replaced by purchasing an existing duplicate that is available for sale, including any material it is recorded upon.

**"Duplicate information property"** does not mean:

a. **"Stock"**;

b. **"Fine arts"**;

c. **"Money"**;

d. **"Securities"**; or

e. **"Electronic data processing hardware"**.

19. **"Earth movement"** means earthquake or other seismic activity, rising or shifting of earth (including frost heaves), or subsidence other than **"sinkhole collapse"**.

**"Earth movement"** does not mean landslide, avalanche, or volcanic eruption, explosion or effusion, or tsunami.

20. **"Electronic data processing hardware"** means:

a. A network of electronic components capable of accepting information and processing it according to a plan and which exists primarily to generate information in tangible form or on electronic media, as well as air conditioning equipment and fire protection equipment used exclusively for data processing operations;

b. Telephone equipment; and

c. Facsimile equipment.

**"Electronic data processing hardware"** does not mean computers, devices, or components which:

a. Exist primarily to control or operate machinery or equipment or to produce **"stock in process"** or **"finished stock"**; or

b. Are **"stock"**.

21. **"Electronic vandalism"** means:

a. Willful or malicious electronic alteration, manipulation, tampering, or destruction of **"accounts receivable records"**, **"duplicate information property"**, **"electronic data processing hardware"**, **"original information property"**, or **"research and development property"**;

b. Introduction of a virus, code, or similar instruction that disrupts the normal operation of **"electronic data processing hardware"** and may destroy, alter, contaminate, or compromise the integrity, quality, or

performance of **"accounts receivable records"**, **"duplicate information property"**, **"electronic data processing hardware"**, **"original information property"**, or **"research and development property"**;

- c. Unauthorized viewing, copying, or use of any electronic **"accounts receivable records"**, **"duplicate information property"**, **"original information property"**, or **"research and development property"**; and
- d. **"Denial of service"**.

22. **"Equipment breakdown cause of loss"** means any of the following:

- a. Artificially generated electrical current, including electrical arcing, that injures or disturbs electrical devices, wiring, or equipment;
- b. Explosion, rupture, or bursting of steam boilers, steam pipes, steam engines, steam turbines, gas turbines, or apparatus attached to and forming a part thereof, when owned, operated, or controlled by you; except for explosion of accumulated gases or fuel within the furnace of any fired vessel, other than gas turbines, or within the flues or passages through which the products of combustion pass;
- c. Any condition or event inside steam boilers, steam pipes, steam engines, steam turbines, gas turbines, or apparatus attached to and forming a part thereof, when owned, operated, or controlled by you; except for explosion of accumulated gases or fuel within the furnace of any fired vessel, other than gas turbines, or within the flues or passages through which the gases of combustion pass;
- d. Any condition or event, other than an explosion, inside hot water boilers, other water heating equipment, engines other than steam engines, or pressure vessels when owned, operated, or controlled by you; and
- e. Mechanical or machinery breakdown, including rupture or bursting caused by centrifugal force, of property owned, operated, or controlled by you.

23. **"Extended period of indemnity"** means the period of time that begins on the date the **"period of restoration"** ends and ends on the earlier of:

- a. The date your gross sales, including rental income, are restored to the amount that would have existed if no direct physical loss or damage occurred; or
- b. The date calculated by adding the number of days shown on the Declarations for Extended Period of Indemnity--Business Income to the date the **"period of restoration"** ended.

**"Extended period of indemnity"** does not mean **"research and development extended period of indemnity"**.

24. **"Extra expense"** means operating expenses you incur during the **"period of restoration"** that would not have been necessary to incur if there had been no direct physical loss or damage to the property, provided such expenses are incurred:

- a. In an attempt to avoid a **"suspension"** of or to continue those **"operations"** which have been affected by the direct physical loss or damage to the property; or
- b. In an attempt to minimize the **"period of restoration"**.

**"Extra expense"** does not mean:

- a. Costs incurred to purchase **"merchandise"** as a replacement for your **"finished stock"**;
- b. **"Continuing expenses"** or **"research and development continuing expenses"**;
- c. Costs to repair, rebuild, or replace any property, or research or restore **"original information property"**; or
- d. Amounts incurred on financing or investment activity conducted for your own account.



25. **"Fine arts"** means paintings, etchings, pictures, tapestries, and other bona fide works of art, rarity, historical value, or artistic merit such as rugs, statuary, marbles, bronzes, antiques, furniture, rare books, antique silver, manuscripts, porcelains, rare glass, and bric-a-brac.
26. **"Finished stock"** means **"goods you have manufactured"** which are completed and ready for packing, shipment, installation, or sale.
- "Finished stock"** does not mean **"goods you have manufactured"** which are completed and ready for packing, shipment, installation, or sale on a **"premises"** or **"reported unscheduled premises"** of any retail outlet at which you are insured by Business Income Insurance.
27. **"Fire protection sprinkler system piping"** means valves, fittings, and piping located above the lowest floor, and limited to risers, check valves, control valves, gauges, feed mains, cross mains, branch lines, arm-overs, sprigs, and automatic sprinkler heads located inside the building as part of the fire protection sprinkler system.
28. **"Flood"** means a general and temporary condition of partial or complete inundation of land areas from:
- The overflow, or the expansion beyond normal boundaries, of inland or tidal waters, including natural or man-made lakes, reservoirs, ponds, brooks, rivers, streams, harbors, oceans, or any other body of water or watercourse;
  - Waves or tides, including tsunami;
- or their spray, whether driven by wind or not.
29. **"Fungus"** means any type or form of fungus, mold, or mildew and any mycotoxins, spores, scents, or by-products produced or released by fungi.
30. **"Goods you have manufactured"** means:
- Goods manufactured at a location you own or operate; and
  - Goods manufactured at a location that you do not own or operate, provided:
    - You contracted for the goods to be manufactured exclusively for you; and
    - You are the owner or licensee of the design, patent, trademark, or copyright for the goods.
31. **"Green roofing systems"** means environmentally friendly roof coverings as defined by the LEED® Green Building Rating System™ of the U.S. Green Building Council or any other trees, shrubs, plants, grass, or lawns and other landscaping materials which are part of a vegetated roof.
32. **"Gross leasehold interest"** means:
- The monthly rental value of the **"premises"** or **"reported unscheduled premises"** you rent or lease on the date the direct physical loss or damage occurs; minus
  - The actual monthly rent you pay, including taxes, insurance, janitorial, or other services you pay as part of the rent.
- Example:
- |  |         |
|--|---------|
| Monthly rental value of your leased <b>"premises"</b> :  | \$1,000 |
| Monthly rent including taxes, insurance, janitorial, or other services that you pay for as part of the rent: | - \$700 |
| <b>"Gross leasehold interest"</b>  | \$300   |

33. **"Improvements and betterments"** means fixtures, alterations, installations, or additions:

- a. Comprising a part of the building you occupy as a tenant but do not own;
- b. Made or acquired at your expense exclusive of rent paid by you or for which you are legally required by written contract to insure; and
- c. Which you cannot remove legally.

34. **"Information technology services"** means technology services provided under a written contract consisting of:

- a. Maintaining, managing, or controlling **"computer systems"**;
- b. Hosting or facilitating your internet website or web application(s); and
- c. Other related technology services.

**"Information technology services"** does not mean video, voice, or data communication services.

35. **"Installation property"** means materials, supplies, equipment, and machinery, and any other similar property owned by you or owned by others, which are in your care, custody, or control, that you are contractually responsible for, which are intended to become a permanent part of an **"installation or service premises"**.

**"Installation property"** does not mean **"landscaping materials"** or land.

36. **"Installation or service premises"** means a location that is not owned, leased, or operated by you, at which you are installing, constructing, or servicing property.

**"Installation or service premises"** does not mean a **"rigging premises"**.

37. **"Landscaping materials"** means trees, shrubs, plants, grass, lawns, and other landscaping materials, including **"green roofing systems"** owned by you or owned by others, which are in your care, custody, or control that you are contractually responsible for, and intended to become a permanent part of an **"installation or service premises"**.

**"Landscaping materials"** does not mean trees, shrubs, plants, grass, lawns, or other landscaping materials or **"green roofing systems"** that exist as a permanent part of an **"installation or service premises"** prior to the start of the project.

38. **"Leader locations"** means locations owned and operated by others who you depend on to attract customers to your business.

39. **"Malfunction"** means any abnormal or imperfect function, including the failure to function, of machinery, systems, apparatus, or equipment.

40. **"Manager"** means a person elected by the **"members"** to direct the limited liability company's business affairs.

41. **"Manufacturing locations"** means locations owned and operated by others who you depend on to manufacture products for delivery to your customers under contract of sale.

42. **"Market value"** means the price which the property might be expected to realize if offered for sale in a fair market on the date of loss or damage.

43. **"Member"** means an owner of a limited liability company represented by its membership interest, who also may serve as a **"manager"**.

44. **"Merchandise"** means:

- a. Goods held for sale or installation by you which are not **"goods you have manufactured"**; and

b. **"Goods you have manufactured"** which are completed and ready for packing, shipment, installation, or sale on a **"premises"** or **"reported unscheduled premises"** of any retail outlet at which you are insured by Business Income Insurance.

45. **"Microorganism"** means any type or form of organism of microscopic or ultramicroscopic size including, but not limited to, **"fungus"**, wet or dry rot, virus, algae, or bacteria, or any by-product.

46. **"Mistake"** means any act or decision, whether intentional or negligent, including the failure to act or decide, of any person, group, organization, or governmental body which creates or allows a result which is unexpected, inadequate, defective, faulty, or otherwise unsuitable for the intended purpose.

47. **"Money"** means:

- a. Currency, coins, bullion, or bank notes, whether or not in current use; and
- b. Travelers checks, register checks, food stamps, and money orders held for sale to the public.

48. **"Monthly leasehold interest"** means the original costs you paid for:

- a. Bonus Payments – **"Money"** you originally paid to acquire your lease, but not including rent, prepaid rent, or security; and
- b. Prepaid Rent - Advance rent you paid that will not be refunded to you, other than periodic rental payments, divided by the number of months left in your lease at the time of the expenditure.

Example:

Original cost of Bonus Payment	\$4,000
With 20 months left in the lease at the time of Bonus Payment	÷20
<b>"Monthly leasehold interest"</b>	<b>\$200</b>

49. **"Net income"** means the net profit or loss, including rental income from tenants, that would have been earned or incurred before taxes.

50. **"Net leasehold interest"** means the sum of:

- a. The net present value of your **"gross leasehold interest"** for each remaining month of your lease, discounted at the Prime Rate prevailing on the date the direct physical loss or damage occurs, rounded to the nearest whole number; plus
- b. Your **"monthly leasehold interest"** times the number of months left in your lease on the date direct physical loss or damage occurs, rounded to the nearest whole number.

Example:

With 20 months left in lease and 10% Prime Rate:

<b>"Gross leasehold interest"</b>	<b>\$300</b>
Net Present Value Factor x 18.419 for 20 months	X 18.419
Subtotal a.	<b>\$5,526</b>
<b>"Monthly leasehold interest"</b>	<b>\$200</b>
With 20 months left in lease	x 20
Subtotal b.	<b>\$4,000</b>

**"Net leasehold interest"**

Subtotal a. + Subtotal b.

\$9,526

51. **"Newly acquired premises"** means a permanently fixed location you own, lease, rent, or control. The location becomes a **"newly acquired premises"** on the later of:

- a. The date you obtain possession or control of the location; or
- b. The date **"real property"** or **"personal property"** in which you have an insurable interest is first placed at the location.

**"Newly acquired premises"** does not mean:

- a. A **"premises"**;
- b. An **"unreported premises"**;
- c. A **"reported unscheduled premises"**;
- d. A fair or exhibition;
- e. An **"installation or service premises"**;
- f. A **"rigging premises"**; or
- g. A **"temporary storage location"**.

52. **"Off-premises service interruption"** means the interruption of power or other utility services supplied to a covered location, however caused, if the interruption takes place away from the covered location.

53. **"Operations"** means:

- a. Your business activities occurring at the covered location prior to the physical loss or damage; and
- b. The covered location is tenantable prior to the physical loss or damage.

**"Operations"** does not mean:

- a. The activities of those with whom you do business;
- b. Investing or financing activities conducted for your own account; or
- c. **"Research and development operations"**.

54. **"Original information property"** means recorded information in any format which cannot be copied from an existing original or duplicate or replaced by purchasing an existing duplicate that is available for sale, including any material it is recorded upon.

**"Original information property"** does not mean:

- a. **"Stock"**;
- b. **"Fine arts"**;
- c. **"Money"**;
- d. **"Securities"**;
- e. **"Electronic data processing hardware"**; or
- f. **"Research and development property"**.

55. **"Outdoor trees, shrubs, plants, or lawns"** means outdoor trees, shrubs, plants, grass, or lawns you own.

**"Outdoor trees, shrubs, plants, or lawns"** does not mean:

- a. Growing crops;
- b. Standing timber;
- c. **"Landscaping materials"**;
- d. **"Stock"**, or
- e. **"Green roofing systems"**.

56. **"Period of restoration"** means the period of time that begins when:

- a. The direct physical loss or damage that causes **"suspension"** of your **"operations"** occurs; or
- b. The date **"operations"** would have begun if the start of **"operations"** is delayed because of loss of or damage to any of the following:
  - 1) **"Real property"**, whether complete or under construction;
  - 2) Alterations or additions to **"real property"**; or
  - 3) **"Personal property"**:
    - a) Used in such construction, alterations, or additions;
    - b) Incidental to the occupancy of the area intended for construction, alteration, or addition; or
    - c) Incidental to the alteration of the occupancy of an existing building or structure.

If you resume **"operations"**, with reasonable speed, the **"period of restoration"** ends on the earlier of:

- a. The date when the location where the loss or damage occurred could have been physically capable of resuming the level of **"operations"** which existed prior to the loss or damage, if the location had been restored to the physical size, construction, configuration, location, and material specifications which would satisfy the minimum requirements necessary to obtain all required building permits, occupancy permits, operating licenses, or similar documents; or
- b. The date when a new permanent location is physically capable of resuming the level of **"operations"** which existed prior to the loss or damage, if you resume **"operations"** at a new permanent location.

If you do not resume **"operations"**, or do not resume **"operations"** with reasonable speed (whether at your **"premises"** or **"reported unscheduled premises"** or elsewhere), the **"period of restoration"** will end on the date when the location where the loss or damage occurred could have been restored to the physical size, construction, configuration, location, and material specifications which existed at the time of loss or damage, with no consideration for any time:

- a. Which would have been required to make changes in order to satisfy the minimum requirements necessary to obtain all required building permits, occupancy permits, operating licenses, or similar documents; and
- b. Which would have been necessary to make the location physically capable of resuming the level of **"operations"** which existed prior to the loss or damage after the completion of repairs, replacement, or rebuilding.

**"Period of restoration"** does not include any increased period required due to the enforcement of any ordinance or law that requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **"pollutants"** or **"microorganisms"**.

The expiration date of this policy will not cut short the **"period of restoration"**.

57. **"Personal property"** means:

- a. **"Your personal property"**;
- b. **"Your employees' personal property"**;
- c. **"Personal property of others"** in your care, custody, or control;
- d. The value of labor, materials, or services furnished or arranged by you on **"personal property of others"**;
- e. Your interest in **"improvements and betterments"** to buildings or structures; and
- f. Glass which, as a tenant, you are required to insure.

**"Personal property"** does not mean:

- a. Naturally occurring water;
- b. Growing crops or standing timber;
- c. **"Outdoor trees, shrubs, plants, or lawns"**;
- d. **"Green roofing systems"**;
- e. **"Money"**, bills, notes, or **"securities"**;
- f. Contraband or property in the course of illegal transportation or trade;
- g. Animals, unless:
  - 1) Owned by others and boarded by you; or
  - 2) Owned by you as **"stock"** while inside of buildings;
- h. **"Fine arts"**;
- i. **"Original information property"**;
- j. Vehicles or self-propelled machines (including aircraft or watercraft) that:
  - 1) Are licensed for use on public roads; or
  - 2) Are operated principally away from a **"premises"** or **"reported unscheduled premises"**;

But not:

- 1) Vehicles or self-propelled machines you manufacture, process, warehouse, or hold for sale, other than vehicles licensed for use on public roads;
- 2) Vehicles licensed for use on public roads that you manufacture, process, warehouse, or hold for sale, while on a **"premises"** or **"reported unscheduled premises"**; or
- 3) Unpowered watercraft while out of water on a **"premises"** or **"reported unscheduled premises"**;
- k. Property contained in underground mines, mine shafts, caverns, open pits, or quarries; or
- l. **"Research and development property"**.

58. **"Personal property of others"** means personal property not owned by you, your officers, directors, partners, **"managers"**, **"members"**, or employees (including leased or temporary employees).

59. **"Pollutants"** means any solid, liquid, gaseous, or thermal irritant, or **"contaminant"**, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, and waste. Waste includes materials to be recycled, reconditioned, or reclaimed.

**60. "Premises" means:**

A location scheduled on the Declarations for this Commercial Property Coverage Part.

- a. If the location is described by an address only, it includes the area associated with that address in which you are legally entitled to conduct your business activities and includes that area extending 1,000 feet beyond the address.
- b. If the location is described by an address and further described by geographic boundaries, it includes only the area within such geographic boundaries in which you are legally entitled to conduct your business activities and includes that area extending 1,000 feet beyond that area.

If you are a tenant, for purposes of **"time element coverage"**, **"premises"** includes those portions of the location not rented or intended to be rented to others.

**61. "Raw stock" means material in the state in which you acquired it for conversion into "finished stock".**

**62. "Real property" means:**

- a. Buildings, including their **"green roofing systems"**;
- b. Permanent structures;
- c. Equipment and apparatus used to maintain or service the buildings, structures, or their **"premises"** or **"reported unscheduled premises"**; and
- d. Materials, equipment, supplies, and temporary structures used for making additions, alterations, or repairs to the buildings or permanent structures.

**"Real property"** does not mean:

- a. **"Fine arts"**;
- b. Land;
- c. Water;
- d. Underground mines, mine shafts, caverns, open pits, or quarries;
- e. Growing crops or standing timber;
- f. **"Outdoor trees, shrubs, plants, or lawns"**;
- g. **"Research and development property"**;
- h. **"Contractor's equipment"**;
- i. **"Contractor's employees' property"**;
- j. **"Installation property"**;
- k. **"Landscaping materials"**; or
- l. Property of others in your care, custody, or control for **"rigging"**.

**63. "Recipient locations" means locations owned or operated by others, who you depend on to accept your products or services.**

**64. "Replacement cost" means the lesser of:**

**a. Repair Cost**

The cost to repair the **"real property"** or **"personal property"** at the time of direct physical loss or damage with new materials of like kind and quality, of similar size, for the same use or occupancy, and in compliance



with all applicable zoning, land use, or construction codes in force at the time of loss or damage. This includes the cost to reconstruct or remodel undamaged portions of the **"real property"** when those costs are a consequence of enforcement of such codes.

**b. Rebuild Cost**

The cost to rebuild the **"real property"** or **"personal property"** at the time of direct physical loss or damage with new materials of like kind and quality, of similar size, for the same use or occupancy, and in compliance with all applicable zoning, land use, or construction codes in force at the time of loss or damage. Unless otherwise required at the time of loss by the applicable codes, this cost will be based on rebuilding at the same location where the loss occurred.

**c. Replace Cost**

The cost to replace the **"real property"** or **"personal property"** at the time of direct physical loss or damage with new materials of like kind and quality, of similar size, for the same use or occupancy, and in compliance with all applicable zoning, land use, or construction codes in force at the time of loss. Unless otherwise required at the time of loss by the applicable codes, this cost will be based on replacing at the same location where the loss or damage occurred.

If property of the same kind and quality is no longer available, we will pay to replace it with other property of similar quality and function, including property of greater processing capacity.

**"Real property"** and **"personal property"** valuation includes the cost you paid for non-refundable or non-transferable extended warranties, maintenance contracts, or service contracts which were still in force at the time of loss or damage and are no longer valid as a result of loss of or damage to **"real property"** or **"personal property"**.

If there is an ordinance or law in force at the time of loss or damage that regulates zoning, land use, or construction of **"real property"** or **"personal property"** at the **"premises"** or **"reported unscheduled premises"**, and if loss or damage covered by this Commercial Property Coverage Part causes a demolition order to be issued pursuant to any such ordinance or law, **"replacement cost"** includes the costs to demolish and clear the site of the undamaged portion of the **"real property"** or **"personal property"**.

**"Replacement cost"** does not mean:

- a. Costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of, **"pollutants"** or **"microorganisms"**;
- b. Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling, or remediation of property due to contamination by **"pollutants"** or due to the presence, growth, proliferation, spread, or any activity of **"microorganisms"**; or
- c. Costs to comply with any ordinance or law that you were required to comply with before the loss or damage.

**65. "Reported unscheduled premises"** means permanently fixed locations for which you have submitted a schedule on file with us containing:

- a. The address of the location and includes that area extending 1000 feet beyond the address;
- b. An identification of the property, business income, or extra expense to be covered; and
- c. The value of such identified property, business income, or extra expense.

If you are a tenant, for purposes of **"time element coverage"**, **"reported unscheduled premises"** includes those portions of the location not rented or intended to be rented to others.

**"Reported unscheduled premises"** does not mean:

- a. A **"premises"**;



- b. A **"newly acquired premises"**;
  - c. An **"unreported premises"**;
  - d. A fair or exhibition;
  - e. An **"installation or service premises"**;
  - f. A **"temporary storage location"**;
  - g. A **"rigging premises"**; or
  - h. With respect to loss or damage covered by any **"time element coverage"**, a **"dependent premises"**.
66. **"Research and development continuing expenses"** means your continuing normal operating expenses that are directly attributable to **"research and development operations"**, including payroll, rental payments as tenants, and factory overhead.
67. **"Research and development extended period of indemnity"** means the period of time that begins on the date the **"period of restoration"** ends and ends on the earlier of:
- a. The effective date of new contracts that will utilize that portion of your **"research and development continuing expenses"** attributable to a suspension, lapse, or cancellation for which coverage is provided under paragraph **b.** of the Extended Period of Indemnity Additional Coverage; or
  - b. The date calculated by adding the number of days shown on the Declarations for Research and Development Extended Period of Indemnity--Business Income to the date the **"period of restoration"** ended.
68. **"Research and development operations"** means your business activities where **"research and development property"** is being planned, created, developed, or tested.
69. **"Research and development property"** means:
- a. Information which cannot be duplicated or purchased from another source, including any material it is inscribed, printed, written, or recorded upon, including documents, manuscripts, records, data, or programs, developed or used in conjunction with any research and development project;
  - b. Original or experimental property;
  - c. Prototypes or samples;
  - d. Experiments in progress;
  - e. Biological products, processes, or cultures; and
  - f. **"Research animals"**.
- "Research and development property"** does not mean:
- a. Animals, other than **"research animals"**;
  - b. **"Money"**, bills, notes, or **"securities"**;
  - c. **"Stock"**;
  - d. **"Fine arts"**; or
  - e. Growing plants or crops.
70. **"Research animal"** means any multi-cellular organism that is used in your **"research and development operations"**.

71. **"Rigging"** means rigging, hoisting, moving, erecting, lowering, and millwright work.

72. **"Rigging premises"** means a location for the purpose of:

- a. **"Rigging"**;
- b. Assembling or dismantling work done in connection with a **"rigging"** project; or
- c. Operations incidental to a **"rigging"**, assembling, or dismantling project.

73. **"Salespersons samples"** means **"personal property"** that is in the custody of one of your salespersons and used only for sample purposes.

74. **"Securities"** means negotiable and non-negotiable instruments or contracts representing either **"money"** or property and includes:

- a. Tokens, tickets, revenue, and other stamps whether or not in current use; and
- b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you.

**"Securities"** does not mean:

- a. **"Money"**; or
- b. Lottery tickets held for sale.

75. **"Sinkhole collapse"** means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or similar rock formations.

**"Sinkhole collapse"** does not mean the:

- a. Sinking or collapse of land into man-made underground cavities;
- b. Sinking or collapse of land caused by or resulting from **"flood"**; or
- c. Cost of filling sinkholes.

76. **"Specified causes of loss"** means the following:

- a. Fire;
- b. Lightning;
- c. Explosion;
- d. Windstorm or hail;
- e. Smoke;
- f. Aircraft or vehicles;
- g. Riot or civil commotion;
- h. Vandalism;
- i. Leakage from fire extinguishing equipment;
- j. **"Sinkhole collapse"**;
- k. Volcanic action;
- l. Falling objects, excluding loss or damage to:

- 1) **"Personal property"** in the open; or
  - 2) The interior of buildings or property inside buildings, unless the roof or an outside wall of the building is first damaged by a falling object;
- m. Weight of snow, ice, or sleet;
- n. Accidental discharge or leakage of water or steam from any part of a system or appliance containing water or steam; and
- o. **"Equipment breakdown cause of loss"**, excluding loss of or damage to **"stock"** caused by the discharge, dispersal, release, or escape of refrigerants.

77. **"Stock"** means the following:

- a. **"Raw stock"**;
- b. **"Stock in process"**;
- c. **"Finished stock"**; and
- d. **"Merchandise"**.

78. **"Stock in process"** means **"raw stock"** which has undergone aging, seasoning, mechanical, or other process of manufacture but which has not become **"finished stock"**.

79. **"Suspended equipment"** means any boiler, fired or unfired vessel, refrigerating or air conditioning system, piping and its accessory equipment, and any mechanical or electrical machine or apparatus used for the generation, transmission, or utilization of mechanical or electrical power, provided we have complied with the requirements described in the Suspended Equipment Condition contained in the COMMERCIAL PROPERTY CONDITIONS.

80. **"Suspension"** means:

- a. The slowdown or cessation of your business activities; or
- b. That a part or all of the covered location is rendered untenable.

81. **"Temporary storage location"** means a permanently fixed location that you lease, rent, or occupy for a period of less than one year where **"stock"** or **"installation property"** that is to become a permanent part of an **"installation or service premises"** is stored while waiting to be delivered to an **"installation or service premises"** and there is a written construction or installation contract or agreement to install that **"stock"** or **"installation property"** at that **"installation or service premises"**.

**"Temporary storage location"** does not mean:

- a. A **"premises"**;
- b. A **"newly acquired premises"**;
- c. A **"reported unscheduled premises"**;
- d. A **"rigging premises"**;
- e. A fair or exhibition; or
- f. An **"unreported premises"**.

82. **"Time element coverage"** means the coverage provided under any of the following:

- a. BUSINESS INCOME COVERAGE FORM (EXCLUDING EXTRA EXPENSE);

b. BUSINESS INCOME COVERAGE FORM INCLUDING RESEARCH AND DEVELOPMENT CONTINUING EXPENSES (EXCLUDING EXTRA EXPENSE)--TECHNOLOGY; or

c. EXTRA EXPENSE COVERAGE FORM.

83. **"Unreported premises"** means a permanently fixed location that contains **"real property"** or **"personal property"** in which you have an insurable interest, but has not been reported to us.

**"Unreported premises"** does not mean:

a. A **"premises"**;

b. A **"newly acquired premises"**;

c. A **"reported unscheduled premises"**;

d. A **"rigging premises"**;

e. A fair or exhibition;

f. An **"installation or service premises"**;

g. A **"temporary storage location"**; or

h. With respect to loss or damage covered by any **"time element coverage"**, a **"dependent premises"**.

84. **"Your employees' personal property"** means personal property owned by your officers, directors, partners, **"managers"**, **"members"**, or employees (including leased or temporary employees).

85. **"Your personal property"** means personal property owned by you.

# Real and Personal Property Coverage Form

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# Real and Personal Property Coverage Form

## A. COVERAGE

We will pay for direct physical loss of or damage to **"real property"** and **"personal property"** at a **"premises"** directly caused by a **"covered cause of loss"**. We will not pay more in any one occurrence than the applicable Limit of Insurance shown on the Declarations for such loss of or damage to Covered Property at that **"premises"**.

## B. EXCLUDED CAUSES OF LOSS

### 1. Artificially Maintained Conditions

We will not pay for loss of or damage to **"personal property"** caused by or resulting from the loss of or change in any artificially maintained or generated temperature, humidity, or atmosphere. This exclusion applies even if one of these excluded causes of loss was caused by or resulted from an **"equipment breakdown cause of loss"**, **"mistake"**, or **"malfunction"**.

But if a result of one of these excluded causes of loss is a **"covered cause of loss"**, we will pay for that portion of the loss or damage which was solely caused by that **"covered cause of loss"**.

This exclusion does not apply to **"electronic data processing hardware"** or **"duplicate information property"**.

### 2. Cracking and Settling

We will not pay for loss or damage caused by or resulting from bulging, cracking, shrinkage, expansion, or settling of **"real property"** or **"personal property"**. This exclusion applies even if one of these excluded causes of loss was caused by or resulted from a **"mistake"** or **"malfunction"**.

But if a result of one of these excluded causes of loss is a **"covered cause of loss"**, we will pay for that portion of the loss or damage which was solely caused by that **"covered cause of loss"**.

### 3. Disappearance or Shortage

We will not pay for loss caused by or resulting from disappearance or shortage disclosed on taking inventory or where there is no physical evidence to show what happened to the property. This exclusion applies even if one of these excluded causes of loss was caused by or resulted from a **"mistake"** or **"malfunction"**.

### 4. Dishonest Acts

We will not pay for loss or damage caused by or resulting from fraudulent, dishonest, or criminal acts or omissions, committed by you, your partners, **"members"**, officers, **"managers"**, employees (including leased or temporary employees), directors, trustees, authorized representatives, or anyone else to whom you have entrusted the property for any purpose:

- a. Acting alone or in collusion with others; or
- b. Whether or not occurring during the hours of employment.

This exclusion applies even if one of these excluded causes of loss was caused by or resulted from a **"mistake"** or **"malfunction"**.

This exclusion does not apply to:

- a. Acts of vandalism committed by your employees (including leased or temporary employees); or
- b. Carriers for hire or anyone claiming to be a carrier for hire at the time the property is entrusted to them.

## 5. Earth Movement

We will not pay for loss or damage caused directly or indirectly by **"earth movement"**. Such loss or damage is excluded regardless of any other cause or event, including a **"mistake"**, **"malfunction"**, or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered. But if **"earth movement"** results in fire, explosion, or theft, we will pay for that portion of the loss or damage which was solely caused by that fire, explosion, or theft.

If loss of or damage to **"real property"** or **"personal property"** caused by leakage from **"fire protection sprinkler system piping"** results from **"earth movement"**, and there is no other loss or damage from **"earth movement"** to that same property, we will pay for the direct physical loss or damage caused solely from the **"fire protection sprinkler system piping"** leakage.

## 6. Electronic Vandalism

We will not pay for loss or damage caused by or resulting from **"electronic vandalism"**.

This exclusion applies even if the **"electronic vandalism"** was caused by or resulted from a **"mistake"** or **"malfunction"**.

## 7. Expected, Preventable, or Accumulated Losses

We will not pay for loss or damage caused by or resulting from:

- a. Wear and tear;
- b. Smoke, vapor, or gas from agricultural smudging or industrial operations;
- c. Smog;
- d. Rust or other corrosion, decay, deterioration, fading, hidden or latent defect, or any quality of the property that causes it to damage or destroy itself;
- e. Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents, or other animals; or
- f. Inherent vice.

Such loss or damage is excluded regardless of any other cause or event, including a **"mistake"**, **"malfunction"**, or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered.

But if a result of one of these excluded causes of loss is a **"covered cause of loss"**, we will pay for that portion of the loss or damage which was solely caused by that **"covered cause of loss"**.

## 8. Flood

We will not pay for loss or damage caused directly or indirectly by **"flood"**. Such loss or damage is excluded regardless of any other cause or event, including a **"mistake"**, **"malfunction"**, or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered. But if **"flood"** results in fire, explosion, or theft, we will pay for that portion of the loss or damage which was solely caused by that fire, explosion, or theft.

## 9. Governmental Action

We will not pay for loss or damage caused directly or indirectly by any seizure, confiscation, expropriation, nationalization, or destruction of property by order of governmental authority. Such loss or damage is excluded regardless of any other cause or event, including a **"mistake"**, **"malfunction"**, or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered.

This exclusion does not apply to:

- a. Seizure or destruction of property by order of governmental authority and taken at the time of fire to prevent its spread; or
- b. Demolition orders issued pursuant to any ordinance or law in effect at the time of loss or damage regulating construction, use, or repair of any property; provided such demolition order has become legally enforceable as a result of physical damage to:

- 1) Covered **"real property"**; or

- 2) Covered **"personal property"**;

directly caused by a **"covered cause of loss"**.

However, this exception does not apply to demolition orders issued pursuant to any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of, **"pollutants"** or **"microorganisms"**.

## 10. Impact Damage

We will not pay for loss or damage caused by or resulting from water, including water pressure, ice, or impact of watercraft to buildings or structures located on or partially over water, including retaining walls, bulkheads, piers, wharves, docks, or any other property located on those structures. This exclusion applies even if one of these excluded causes of loss was caused by or resulted from a **"mistake"** or **"malfunction"**.

## 11. Loss of Market or Delay

We will not pay for loss or damage caused by or resulting from loss of market, loss of use, or delay. This exclusion applies even if one of these excluded causes of loss was caused by or resulted from a **"mistake"** or **"malfunction"**.

## 12. Microorganisms

We will not pay for loss or damage consisting of, directly or indirectly caused by, contributed to, or aggravated by the presence, growth, proliferation, spread, or any activity of **"microorganisms"**, unless resulting from fire or lightning. Such loss or damage is excluded regardless of any other cause or event, including a **"mistake"**, **"malfunction"**, or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered.



But if a result of one of these excluded causes of loss is a **"specified cause of loss"**, other than fire or lightning, we will pay that portion of the loss or damage which was solely caused by that **"specified cause of loss"**.

We will also not pay for loss, cost, or expense arising out of any request, demand, order, or statutory or regulatory requirement that requires any insured or others to test for, monitor, clean up, remove, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of **"microorganisms"**.

### 13. Nuclear Hazard

We will not pay for loss or damage caused directly or indirectly by nuclear reaction or radiation, or radioactive contamination, however caused. Such loss or damage is excluded regardless of any other cause or event, including a **"mistake"** or **"malfunction"**, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered. But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for that portion of the loss or damage which was solely caused by that fire.

### 14. Off-Premises Service Interruption

We will not pay for loss or damage caused by or resulting from any **"off-premises service interruption"**. Such loss or damage is excluded regardless of any other cause or event, including a **"mistake"**, **"malfunction"**, or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered.

But if a result of this excluded cause of loss is a **"covered cause of loss"**, we will pay for that portion of the loss or damage which was solely caused by that **"covered cause of loss"**.

This exclusion does not apply to **"electronic data processing hardware"** or **"duplicate information property"**.

### 15. Pollutants

We will not pay for loss or damage caused by or resulting from the discharge, dispersal, seepage, migration, release, or escape of **"pollutants"**. But, if the discharge, dispersal, seepage, migration, release, or escape is caused by a **"specified cause of loss"**, we will pay only for that portion of the loss or damage solely caused by that **"specified cause of loss"**.

We will also not pay for loss, cost, or expense arising out of any request, demand, order, or statutory or regulatory requirement that requires any insured or others to test for, monitor, clean up, remove, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of **"pollutants"**.

This exclusion does not apply to **"electronic data processing hardware"** or **"duplicate information property"**.

### 16. Process Failures, Defects, or Errors

We will not pay for any of the following:

- a. Loss or damage due to spoilage, destruction, adulteration, discard, reduction in value, or any other loss or damage to **"stock"** caused by or resulting from a **"mistake"** or **"malfunction"** in the alteration, calibration, development, distribution, installation, manufacturing, maintenance, processing, repair, research, or testing of such **"stock"**.
- b. Loss or damage, including the costs of correcting or making good, caused by or resulting from:

- 1) A **"mistake"** in planning, zoning, development, surveying, siting;
  - 2) A **"mistake"** in design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
  - 3) A **"mistake"** in materials used in repair, construction, renovation, or remodeling; or
  - 4) Insufficient or failure of maintenance or servicing,
- of part or all of any property on or off a **"premises"**.

But if a result of one of these excluded causes of loss is a **"covered cause of loss"**, we will pay for that portion of the loss or damage which was solely caused by that **"covered cause of loss"**.

- c. Loss or damage, including the costs of correcting or making good, caused by or resulting from incorporating **"defective materials"** into part or all of any property on or off a **"premises"**.

But if a result of this excluded cause of loss is a **"covered cause of loss"**, we will pay for that portion of the loss or damage which was solely caused by that **"covered cause of loss"**.

- d. Loss of or damage to machinery or equipment while undergoing a pressure or electrical test. This exclusion applies even if this excluded cause of loss was caused by or resulted from an **"equipment breakdown cause of loss"**, **"mistake"**, or **"malfunction"**.

But if a result of this excluded cause of loss is a **"covered cause of loss"**, we will pay for that portion of the loss or damage which was solely caused by that **"covered cause of loss"**.

## 17. Suspended Equipment

We will not pay for loss or damage caused by or resulting from an **"equipment breakdown cause of loss"** to **"suspended equipment"**. This exclusion applies even if this excluded cause of loss was caused by or resulted from a **"mistake"** or **"malfunction"**.

But if a result of this excluded cause of loss is a **"covered cause of loss"**, we will pay for that portion of the loss or damage which was solely caused by that **"covered cause of loss"**.

## 18. War and Military Action

We will not pay for loss or damage arising, directly or indirectly, out of:

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority by hindering or defending against any of these.

Such loss or damage is excluded regardless of any other cause or event, including a **"mistake"** or **"malfunction"**, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered.

### C. LIMITATIONS

1. The following types of property are covered only up to the Limits of Insurance shown below in any one occurrence for loss or damage due to theft:
  - a. \$2,500 for furs, fur garments, and garments trimmed with fur.
  - b. \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semiprecious stones, bullion, gold, silver, platinum, and other precious alloys or metals.

This limit does not apply to:

- i. Jewelry or watches worth \$100 or less per item; or
  - ii. Precious or semiprecious stones or metals used for industrial purposes.
- c. \$250 for lottery tickets held for sale.

These Limits of Insurance are included in, and not in addition to, any other applicable Limits of Insurance.

2. We will pay for direct physical loss of or damage to **"green roofing systems"** directly caused by a **"covered cause of loss"** other than loss or damage caused by or resulting from:
  - a. Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents, or other animals;
  - b. Disease;
  - c. Changes in or extremes of temperature;
  - d. Dampness or dryness of atmosphere or of soil supporting the vegetation; or
  - e. Rain, snow, hail, ice, or sleet.

### D. DEDUCTIBLE

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the applicable Deductibles shown on the Declarations. We will then pay the amount of loss or damage in excess of the Deductibles, up to the applicable Limits of Insurance.

### E. VALUATION

We will determine the amount of covered loss or damage as follows:

1. Except as provided in 2., 3., 4., 5., 6., and 7. below, the lesser of the following amounts:
  - a. The **"replacement cost"**; or
  - b. The **"amount you actually spend"** to repair, rebuild, or replace the **"real property"** or **"personal property"** at the same or another location.
2. Except as provided in 3., 5., 6., and 7. below, **"real property"** or **"personal property"**, other than **"improvements and betterments"**, which is not repaired, rebuilt, or replaced will be valued at the **"actual cash value"** at the time and place of loss or damage. If you commence the repair, rebuilding, or replacement of the lost or damaged **"real property"** or **"personal property"** within 24 months from the date the loss or damage occurred, upon completion of the repair, rebuilding, or replacement, we will pay you the difference between the **"actual cash value"** previously paid and the **"replacement cost"** at the time of loss or damage.

3. **"Merchandise"** which has been sold but not delivered and **"finished stock"** at the regular cash selling price, less any discounts and expenses you otherwise would have had.
4. **"Stock in process"** at the value of **"raw stock"**, your labor expended, and your materials incorporated plus the proper proportion of your overhead charges, calculated in accordance with principles of Direct Costing. In no event will overhead be calculated in accordance with the principles of Absorption Costing.
5. **"Improvements and betterments"** at:
  - a. The **"replacement cost"** if you make repairs with reasonable speed.
  - b. A proportion of your original cost if you do not make repairs with reasonable speed. We will determine the proportionate value as follows:
    - 1) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
    - 2) Divide the amount determined in 1) above by the number of days from the installation of **"improvements and betterments"** to the expiration of the lease.If your lease contains a renewal option, the expiration of the renewal option period will be used as the expiration of the lease.
  - c. That portion which has not been paid if others pay for repairs, rebuilding, or replacement.
6. **"Personal property"** which has been permanently removed from service at **"actual cash value"**.
7. **"Duplicate information property"** at the lesser of:
  - a. The cost to purchase a duplicate copy, if a duplicate copy exists and is available for sale; or
  - b. The cost of blank materials, plus any cost incurred to copy data onto blank materials from a duplicate source on the same type of materials, provided such copying does not violate licensing or contract agreements.

## F. OPTIONAL COVERAGE

### Margin Clause

If Margin Clause is shown on the Declarations, we will not pay more than the lesser of the following:

1. The amount of covered loss or damage at the **"premises"**; or
2. The percentage applied to the applicable Limit of Insurance for such property at the **"premises"**.

The most we will pay is the applicable percentage shown on the Declarations for Margin Clause. However, in no event will we pay more than \$5,000,000 over the applicable Limits of Insurance shown on the Declarations for that **"premises"**.

This Optional Coverage for **"real property"** or **"personal property"** does not apply to:

1. Any Limit of Insurance applicable to more than one **"premises"**; or
2. Any other Limit of Insurance applicable for which a specific coverage Limit of Insurance is provided.

# Additional Coverages Form

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## Additional Coverages Form

### A. ADDITIONAL COVERAGES

The following are Additional Coverages to coverages set forth in this Commercial Property Coverage Part. If you have not chosen a coverage elsewhere in this Commercial Property Coverage Part, there is no coverage under its corresponding Additional Coverages. For example, if you do not have coverage for **"stock"** under the REAL AND PERSONAL PROPERTY COVERAGE FORM, you will not have coverage related to **"stock"** under the Consequential Loss--Undamaged Stock Additional Coverage, or any other Additional Coverage for **"stock"**.

Each of the following Additional Coverages apply independently of one another. Unless otherwise stated, the excluded causes of loss, exclusions, terms, and conditions in the applicable Coverage Forms apply to these Additional Coverages.

The most we will pay for loss, damage, cost, or expense under any of the following Additional Coverages are the Limits of Insurance shown on the Declarations. Limits for these Additional Coverages apply in addition to any other applicable policy limits, unless otherwise stated.

#### 1. Consequential Loss--Net Leasehold Interest

We will pay for the loss of **"net leasehold interest"** you sustain when your lease is cancelled:

- a. By the lessor; and
- b. As a result of a valid condition of your lease,

due to direct physical loss of or damage to **"real property"** or **"personal property"** directly caused by a **"covered cause of loss"** at a **"premises"** or **"reported unscheduled premises"**. We will not pay more than the **"net leasehold interest"** at the time of the cancellation of the lease. However, if your lease is cancelled and your landlord lets you continue to use the **"premises"** or **"reported unscheduled premises"** under a new lease, we will not pay more than:

- a. The rent you will pay under the new lease; minus
- b. The rent you were paying at the time of cancellation.

We will not pay under this Additional Coverage if the **"premises"** or **"reported unscheduled premises"** where the lease is cancelled had been vacant for more than 60 consecutive days prior to the loss or damage unless you had entered into an agreement to sublease the **"premises"** or **"reported unscheduled premises"**.

The most we will pay under this Additional Coverage at any one **"premises"** or **"reported unscheduled premises"** is the Limit of Insurance shown on the Declarations for Consequential Loss--Net Leasehold Interest.

The Limit for this Additional Coverage is included in, and not in addition to, any other applicable Limits of Insurance.

## 2. Consequential Loss--Tenant's Improvements and Betterments

We will pay for the value of undamaged **"improvements and betterments"** when your lease is cancelled:

- a. By the lessor; and
- b. As a result of a valid condition of your lease,

due to direct physical loss of or damage to **"real property"** or **"personal property"** directly caused by a **"covered cause of loss"** at a **"premises"** or **"reported unscheduled premises"**.

If you rent an entire building, we will pay only if:

- a. At least 25% of the area of that entire building has been damaged; or
- b. A minimum of 6 months remains in your current lease and at least 6 months is required to repair the building for your occupancy.

If you rent a portion of a building, we will only pay if:

- a. A minimum of 6 months remains in your lease; and
- b. At least 6 months is required to repair the building for your occupancy.

The most we will pay under this Additional Coverage at any one **"premises"** or **"reported unscheduled premises"** is the Limit of Insurance shown on the Declarations for Consequential Loss--Tenant's Improvements and Betterments.

The Limit for this Additional Coverage is included in, and not in addition to, any other applicable Limits of Insurance.

## 3. Consequential Loss--Undamaged Stock

We will pay for the consequential loss in value of undamaged **"stock"** which has become unmarketable as a complete product because of direct physical loss of or damage to other **"stock"** directly caused by a **"covered cause of loss"**.

The most we will pay under this Additional Coverage at any one **"premises"** or **"reported unscheduled premises"** is the Limit of Insurance shown on the Declarations for Consequential Loss--Undamaged Stock.

The Limit for this Additional Coverage is included in, and not in addition to, any other applicable Limits of Insurance.

## 4. Contamination by a Refrigerant

We will pay for direct physical loss of or damage to **"stock"** caused by the release or escape of refrigerants from any equipment located at a **"premises"** or **"reported unscheduled premises"** provided the release or escape was not caused by or resulted from **"flood"** or **"earth movement"**.

The most we will pay under this Additional Coverage at any one **"premises"** or **"reported unscheduled premises"** is the Limit of Insurance shown on the Declarations for Contamination by a Refrigerant.

The Limit for this Additional Coverage is included in, and not in addition to, any other applicable Limits of Insurance.



## 5. Debris Removal

- a. We will pay your expense to remove debris of Covered Property, for which a Limit of Insurance is shown on the Declarations, remaining after a **"covered cause of loss"**. The most we will pay under this Additional Coverage for Debris Removal is the remaining applicable Limit of Insurance for the Covered Property shown on the Declarations after payment of the covered physical loss or damage.

If the total of the loss or damage and debris removal expense exceeds the applicable Limit of Insurance, we will pay the remaining debris removal expenses. The most we will pay under this Additional Coverage in any one occurrence is the Limit of Insurance shown on the Declarations for Debris Removal--Supplemental Limit.

- b. If wind causes direct physical loss of or damage to Covered Property, we will also pay for the expenses you incur to remove debris of uncovered property that is blown on to the **"premises"** or **"reported unscheduled premises"** by wind and to remove debris of **"outdoor trees, shrubs, plants, or lawns"** damaged by wind.

The most we will pay under this Additional Coverage in any one occurrence is the Limit of Insurance shown on the Declarations for Debris Removal--Uncovered Property.

In no event will there be any coverage under this Debris Removal Additional Coverage for any costs to:

- a. Extract **"pollutants"** from land or water; or
- b. Remove, restore, or replace polluted land or water.

The expenses will be paid only if they are reported to us in writing within 180 days of the date of loss or damage.

## 6. Deferred Payments

We will pay your financial interest in **"personal property"** that suffers direct physical loss or damage directly caused by a **"covered cause of loss"** after delivery to buyers and sold by you on a conditional sale or trust agreement, or any installment or deferred payment plan.

This Additional Coverage does not apply to default of such agreement or plan by the buyer.

We will determine the amount of covered loss or damage as follows:

- a. In the event of a total loss and the buyer refuses to continue payment, coverage will be valued based on the amount shown on your books as due from the buyer;
- b. In the event of partial loss or damage and the buyer refuses to continue payment, forcing you to repossess, coverage will be valued as follows:

If the realized value of the repossessed **"personal property"** is:

- 1) Greater than or equal to the amount shown on your books as due from the buyer, we will make no payment; or
- 2) Less than the amount shown on your books as due from the buyer, we will pay the difference, less any amount that was past due at the time of loss by more than 30 days; and
- c. When a loss occurs and the buyer continues to pay you, there will be no loss payment.

The most we will pay under this Additional Coverage in any one occurrence is the Limit of Insurance shown on the Declarations for Deferred Payments.

The Limit for this Additional Coverage is included in, and not in addition to, any other applicable Limits of Insurance.

## 7. **Electronic Vandalism--Direct Damage**

We will pay for loss of or damage to **"accounts receivable records"**, **"duplicate information property"**, **"electronic data processing hardware"**, **"original information property"** or **"research and development property"** caused by **"electronic vandalism"**.

The most we will pay under this Additional Coverage in any one policy year is the Annual Aggregate Limit of Insurance shown on the Declarations for Electronic Vandalism--Direct Damage.

The Limit for this Additional Coverage is included in, and not in addition to, any other applicable Limits of Insurance.

## 8. **Expediting Expense**

In the event of covered loss of or damage to **"real property"** or **"personal property"** at a **"premises"** or **"reported unscheduled premises"** directly caused by a **"covered cause of loss"**, we will pay reasonable and necessary additional expenses you incur for temporary repair of damage to such **"real property"** or **"personal property"** and the additional expenses you incur for expediting the permanent repair or replacement of such damaged property. This Additional Coverage does not include expenses recoverable elsewhere in this Commercial Property Coverage Part.

The most we will pay under this Additional Coverage at any one **"premises"** or **"reported unscheduled premises"** is the Limit of Insurance shown on the Declarations for Expediting Expense.

## 9. **Fairs or Exhibitions**

We will pay for direct physical loss of or damage to **"personal property"**:

- a. At fairs or exhibitions; and
- b. In transit to or from fairs or exhibitions,

directly caused by a **"covered cause of loss"**.

The most we will pay under this Additional Coverage in any one occurrence is the Limit of Insurance shown on the Declarations for Fairs or Exhibitions--Personal Property.

The Limit for this Additional Coverage is included in, and not in addition to, any other applicable Limits of Insurance.

## 10. **Fire Department Service Charge**

When the fire department is called to save or protect Covered Property from a **"covered cause of loss"** at a **"premises"** or **"reported unscheduled premises"**, we will pay for your liability for the fire department service charges:

- a. Assumed by contract or agreement prior to loss; or
- b. Required by local ordinance, law, or statute.

We will also pay for those costs incurred by your fire brigade to save or protect Covered Property from a fire, but not including the costs to refill fire protective equipment.

The most we will pay under this Additional Coverage at any one **"premises"** or **"reported unscheduled premises"** is the Limit of Insurance shown on the Declarations for Fire Department Service Charge.

No deductible applies to this Additional Coverage.

#### 11. Fire Protective Equipment Refills

We will pay the reasonable and necessary costs you incur to refill fire protective equipment which has been discharged:

- a. Accidentally; or
- b. In the course of saving or protecting Covered Property from a **"covered cause of loss"**.

No Limit applies to this Additional Coverage.

#### 12. Inflation Guard

The Limits of Insurance to which the Inflation Guard applies will automatically increase by the annual percentage shown on the Declarations.

The amount of the increase will be:

- a. The Limit of Insurance that applied on the most recent of this Commercial Property Coverage Part's inception date, anniversary date, or date of any other Commercial Property Coverage Part change amending the Limit of Insurance, multiplied by
- b. The percentage of annual increase shown on the Declarations, expressed as a decimal (Example: 8% is .08), multiplied by
- c. The number of days since the beginning of the most recent Commercial Property Coverage Part year or the effective date of the most recent Commercial Property Coverage Part change amending the Limit of Insurance, divided by 365.

##### Example:

If:	The applicable Limit of Insurance is	\$100,000
	The annual percentage increase is	8%
	The number of days since the beginning of the Coverage Part Year (or last Coverage Part change) is	146
Then:	The amount of increase is $\$100,000 \times .08 \times 146 / 365 = \$ 3,200$	
	The available Limit of Insurance is	\$103,200

#### 13. Lock and Key Replacement

We will pay the reasonable cost of:

- a. Entry key replacement if keys to a **"premises"** or **"reported unscheduled premises"** are stolen; or
- b. Entry lock repair or replacement made necessary by theft or attempted theft at a **"premises"** or **"reported unscheduled premises"**.

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The most we will pay under this Additional Coverage at any one **"premises"** or **"reported unscheduled premises"** is the Limit of Insurance shown on the Declarations for Lock and Key Replacement.

The Limit for this Additional Coverage is included in, and not in addition to, any other applicable Limits of Insurance.

#### 14. **Microorganisms**

We will pay the following when **"microorganisms"** are the result of a **"covered cause of loss"**, other than fire or lightning:

- a. Direct physical loss of or damage to Covered Property caused by **"microorganisms"**, including the cost of removal of the **"microorganisms"**;
- b. The reasonable cost to tear out and replace any part of the covered building or other property needed to gain access to the **"microorganisms"**; and
- c. The reasonable cost of testing performed after removal, repair, replacement, or restoration of the damaged property is completed, provided there is a reason to believe that the **"microorganisms"** are still present.

The most we will pay under this Additional Coverage in any one policy year is the Annual Aggregate Limit of Insurance shown on the Declarations for Microorganisms. Regardless of the number of claims, this Limit is the most we will pay for the total of all loss, damage, or cost, even if the **"microorganisms"** continue to be present, active, or recur.

The Limit for this Additional Coverage is included in, and not in addition to, any other applicable Limits of Insurance.

#### 15. **Newly Acquired Premises**

We will pay for direct physical loss of or damage to **"real property"** or **"personal property"** at a **"newly acquired premises"** directly caused by a **"covered cause of loss"**.

This Additional Coverage will automatically expire on the earliest of the following dates:

- a. The date you report the **"newly acquired premises"** to us;
- b. The number of days shown on the Declarations from the date the location becomes a **"newly acquired premises"**; or
- c. The date this policy expires or is cancelled.

We will charge you additional premium for values reported from the date the location becomes a **"newly acquired premises"**.

The most we will pay under this Additional Coverage at any one **"newly acquired premises"** is the applicable Limit of Insurance shown on the Declarations for Newly Acquired Premises.

#### 16. **Newly Acquired Property**

We will pay for direct physical loss of or damage to:

- a. Your newly acquired or constructed **"real property"** at a **"premises"** if coverage is not currently shown for **"real property"** at that **"premises"** on the Declarations; and
- b. Your newly acquired **"personal property"** at a **"premises"** if coverage is not currently shown for **"personal property"** at that **"premises"** on the Declarations.

This Additional Coverage will automatically expire on the earliest of the following dates:

- a. The date you report the newly acquired property to us;
- b. The number of days shown on the Declarations from the date construction of **"real property"** begins or completed **"real property"** or **"personal property"** is acquired; or
- c. The date this policy expires or is cancelled.

We will charge you additional premium for values reported from the date construction of **"real property"** begins or **"personal property"** or completed **"real property"** is acquired.

The most we will pay under this Additional Coverage at any one **"premises"** is the applicable Limit of Insurance shown on the Declarations for Newly Acquired Property.

#### 17. Off-Premises Service Interruption--Direct Damage

We will pay for direct physical loss of or damage to **"real property"** and **"personal property"** at a **"premises"** or **"reported unscheduled premises"** directly caused by an **"off-premises service interruption"**. The interruption must result from direct physical loss or damage directly caused by a **"covered cause of loss"** to any property located away from the **"premises"** or **"reported unscheduled premises"** and used to provide any of the following services to the **"premises"** or **"reported unscheduled premises"**:

- a. Water;
- b. Power, including steam and natural gas; or
- c. Communication.

The most we will pay under this Additional Coverage at any one **"premises"** or **"reported unscheduled premises"** is the Limit of Insurance shown on the Declarations for Off-Premises Service Interruption--Direct Damage.

The Limit for this Additional Coverage is included in, and not in addition to, any other applicable Limits of Insurance.

#### 18. Outdoor Trees, Shrubs, Plants, or Lawns

We will pay for direct physical loss of or damage to **"outdoor trees, shrubs, plants, or lawns"** at a **"premises"** or **"reported unscheduled premises"** directly caused by:

- a. Fire;
- b. Lightning;
- c. Explosion;
- d. Riot or civil commotion; or
- e. Aircraft.

The most we will pay under this Additional Coverage at any one **"premises"** or **"reported unscheduled premises"** and for any one tree, shrub, plant, or lawn are the Limits of Insurance shown on the Declarations for Outdoor Trees, Shrubs, Plants, or Lawns.

#### 19. Pollutant Clean Up and Removal--Land and Water

We will pay the reasonable expenses you incur to extract **"pollutants"** from land or water at a **"premises"** or **"reported unscheduled premises"** if the discharge, dispersal, seepage, migration, release, or escape of the **"pollutants"** is directly caused by a **"covered cause of loss"**.

This Additional Coverage does not apply to the costs to test for, monitor, or assess the existence, concentration, or effects of **"pollutants"**. But we will pay for the reasonable cost of testing performed in the course of extracting the **"pollutants"** from the land or water.

The most we will pay under this Additional Coverage at any one **"premises"** or **"reported unscheduled premises"** in any one policy year is the Annual Aggregate Limit of Insurance shown on the Declarations for Pollutant Clean Up and Removal--Land and Water.

The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the **"covered cause of loss"** occurs.

#### 20. Preservation of Property

If Covered Property is removed from a **"premises"** or **"reported unscheduled premises"** to preserve it from actual or imminent physical loss or damage caused by a **"covered cause of loss"**:

We will pay for:

- a. Any direct physical loss of or damage to Covered Property while it is being moved to or while stored at another location for up to the number of days shown on the Declarations for Preservation of Property; and
- b. The reasonable cost to remove Covered Property from the **"premises"** or **"reported unscheduled premises"**.

The Limit for this Additional Coverage is included in, and not in addition to, the applicable Limit of Insurance shown on the Declarations for that Covered Property.

#### 21. Professional Fees

We will reimburse you for the reasonable expenses you incur for professional services for auditors, accountants, architects, or engineers which are necessary to prepare a statement of loss or exhibits required in connection with any loss covered under this Commercial Property Coverage Part. This Additional Coverage does not apply to fees and costs of:

- a. Your employees; or
- b. Attorneys, public adjusters, loss appraisers, or loss consultants.

The most we will pay under this Additional Coverage in any one occurrence is the Limit of Insurance shown on the Declarations for Professional Fees.

#### 22. Reported Unscheduled Premises

We will pay for direct physical loss of or damage to **"real property"** and **"personal property"** at a **"reported unscheduled premises"** directly caused by a **"covered cause of loss"**.

The most we will pay under this Additional Coverage at any one **"reported unscheduled premises"** is the applicable Limit of Insurance shown on the Declarations for Reported Unscheduled Premises.

### 23. Reward Payments

We will reimburse you for rewards you pay for information leading to:

- a. The successful return of undamaged stolen Covered Property to you or a law enforcement agency;  
or
- b. The arrest and conviction of any persons for having damaged or stolen your Covered Property.

The reward payments must be documented.

The most we will pay under this Additional Coverage in any one occurrence is 25% of the covered loss, prior to the application of any applicable deductible and recovery of any Covered Property, up to the Limit of Insurance shown on the Declarations for Reward Payments.

### 24. Salespersons Samples

We will pay for direct physical loss of or damage to **"salespersons samples"** in transit while in the custody of a salesperson or at any location, other than a **"premises"** or **"reported unscheduled premises"**, directly caused by a **"covered cause of loss"**.

The most we will pay under this Additional Coverage in any one occurrence is the Limit of Insurance shown on the Declarations for Salespersons Samples.

The Limit for this Additional Coverage is included in, and not in addition to, any other applicable Limits of Insurance.

### 25. Spoilage--Equipment Breakdown

We will pay for direct physical loss of or damage to **"stock"** at a **"premises"** or **"reported unscheduled premises"** directly caused by the loss of or changes in any artificially maintained or generated temperature, humidity, or atmosphere resulting from an **"equipment breakdown cause of loss"** to atmosphere control equipment at the **"premises"** or **"reported unscheduled premises"**.

The most we will pay under this Additional Coverage at any one **"premises"** or **"reported unscheduled premises"** is the Limit of Insurance shown on the Declarations for Spoilage--Equipment Breakdown.

The Limit for this Additional Coverage is included in, and not in addition to, any other applicable Limits of Insurance.

### 26. Theft Damage to Buildings

We will pay for direct physical loss of or damage to **"real property"** at a **"premises"** or **"reported unscheduled premises"** in which you are a tenant directly caused by theft, burglary, or robbery, provided you are legally obligated to pay for such loss or damage.

The most we will pay under this Additional Coverage is the Limit of Insurance shown on the Declarations for **"personal property"** at that **"premises"** or **"reported unscheduled premises"**.

The Limit for this Additional Coverage is included in, and not in addition to, any other applicable Limits of Insurance.

## 27. Unreported Premises

We will pay for direct physical loss of or damage to **"real property"** and **"personal property"**, other than **"salespersons samples"** or property in transit, at an **"unreported premises"** directly caused by a **"covered cause of loss"**.

The most we will pay under this Additional Coverage at any one **"unreported premises"** is the Limit of Insurance shown on the Declarations for Unreported Premises.

## B. DEDUCTIBLE

We will not pay for loss, damage, cost, or expense in any one occurrence until the amount of loss, damage, cost, or expense exceeds the applicable Deductibles shown on the Declarations. We will then pay the amount of loss, damage, cost, or expense in excess of the Deductibles, up to the applicable Limits of Insurance.



Accounts Receivable Coverage Form  
(Revenue Loss)



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**ZURICH**<sup>®</sup>

# Accounts Receivable Coverage Form (Revenue Loss)

## A. COVERAGES

### 1. Accounts Receivable (Revenue Loss)

We will pay for:

- a. The "**money**" due you from customers that you are unable to collect;
- b. Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts; and
- c. Collection expenses in excess of your normal collection expenses that are made necessary by the loss or damage,

that result from direct physical loss of or damage to your "**accounts receivable records**" at a "**premises**" or "**reported unscheduled premises**" directly caused by a "**covered cause of loss**".

The most we will pay under this Marine Coverage at any one "**premises**" or "**reported unscheduled premises**" is the Limit of Insurance shown on the Declarations for Accounts Receivable (Revenue Loss).

### 2. Accounts Receivable (Revenue Loss)--Away From Premises

We will also pay for:

1. The "**money**" due you from customers that you are unable to collect;
2. Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts; and
3. Collection expenses in excess of your normal collection expenses that are made necessary by the loss or damage,

that result from direct physical loss of or damage to your "**accounts receivable records**" away from a "**premises**" or "**reported unscheduled premises**" directly caused by a "**covered cause of loss**".

The most we will pay under this Marine Coverage in any one occurrence is the Limit of Insurance shown on the Declarations for Accounts Receivable (Revenue Loss)--Away From Premises.

## B. EXCLUDED CAUSES OF LOSS

### 1. Alteration, Falsification, Concealment, or Destruction

We will not pay for loss or damage caused by or resulting from alteration, falsification, concealment, or destruction of "**accounts receivable records**" done to conceal the wrongful giving, taking, or withholding of "**money**", "**securities**", or other property.

## 2. Bookkeeping, Accounting, or Billing Mistakes

We will not pay for loss or damage caused by or resulting from a **"mistake"** or **"malfunction"** in bookkeeping, accounting, or billing.

## 3. Defects or Errors

We will not pay for any of the following:

a. Loss or damage caused by or resulting from a **"mistake"** in:

- 1) Programming;
- 2) Instructions to a machine; or
- 3) Installation or maintenance of **"electronic data processing hardware"** or component parts.

But if a result of one of these excluded causes of loss is a **"covered cause of loss"**, we will pay for that portion of the loss or damage which was solely caused by that **"covered cause of loss"**.

b. Loss or damage, including the costs of correcting or making good, caused by or resulting:

- 1) A **"mistake"** in planning, zoning, development, surveying, siting;
- 2) A **"mistake"** in design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- 3) A **"mistake"** in materials used in repair, construction, renovation, or remodeling; or
- 4) Insufficient or failure of maintenance or servicing,

of part or all of any property on or off a **"premises"** or **"reported unscheduled premises"**.

But if a result of one of these excluded causes of loss is a **"covered cause of loss"**, we will pay for that portion of the loss or damage which was solely caused by that **"covered cause of loss"**.

c. Loss or damage, including the costs of correcting or making good, caused by or resulting from incorporating **"defective materials"** into part or all of any property on or off a **"premises"** or **"reported unscheduled premises"**.

But if a result of one of these excluded causes of loss is a **"covered cause of loss"**, we will pay for that portion of the loss or damage which was solely caused by that **"covered cause of loss"**.

## 4. Disappearance or Shortage

We will not pay for loss caused by or resulting from disappearance or shortage disclosed on taking inventory or where there is no physical evidence to show what happened to the **"accounts receivable records"**. This exclusion applies even if one of these excluded causes of loss was caused by or resulted from a **"mistake"** or **"malfunction"**.

## 5. Dishonest Acts

We will not pay for loss or damage caused by or resulting from fraudulent, dishonest, or criminal acts or omissions, committed by you, your partners, **"members"**, officers, **"managers"**, employees (including leased or temporary employees), directors, trustees, authorized representatives, or anyone else to whom you have entrusted the **"accounts receivable records"** for any purpose:

- a. Acting alone or in collusion with others; or
- b. Whether or not occurring during the hours of employment.

This exclusion applies even if one of these excluded causes of loss was caused by or resulted from a **"mistake"** or **"malfunction"**.

This exclusion does not apply to:

- a. Acts of vandalism committed by your employees (including leased or temporary employees); or
- b. Carriers for hire or anyone claiming to be a carrier for hire at the time the property is entrusted to them.

## 6. Earth Movement

We will not pay for loss or damage caused directly or indirectly by **"earth movement"**. Such loss or damage is excluded regardless of any other cause or event, including a **"mistake"**, **"malfunction"**, or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered. But if **"earth movement"** results in fire, explosion, or theft, we will pay for that portion of the loss or damage which was solely caused by that fire, explosion, or theft.

If loss of or damage to **"accounts receivable records"** caused by leakage from **"fire protection sprinkler system piping"** results from **"earth movement"**, and there is no other loss or damage from **"earth movement"** to that same property, we will pay for the direct physical loss or damage caused solely from the **"fire protection sprinkler system piping"** leakage.

## 7. Electronic Vandalism

We will not pay for loss or damage caused by or resulting from **"electronic vandalism"**.

This exclusion applies even if the **"electronic vandalism"** was caused by or resulted from a **"mistake"** or **"malfunction"**.

## 8. Expected, Preventable, or Accumulated Losses

We will not pay for loss or damage caused by or resulting from:

- a. Wear and tear;
- b. Smoke, vapor, or gas from agricultural smudging or industrial operations;
- c. Smog;
- d. Rust or other corrosion, decay, deterioration, fading, hidden or latent defect, or any quality of the property that causes it to damage or destroy itself;
- e. Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents, or other animals; or
- f. Inherent vice.

Such loss or damage is excluded regardless of any other cause or event, including a **"mistake"**, **"malfunction"**, or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered.

But if a result of one of these excluded causes of loss is a **"covered cause of loss"**, we will pay for that portion of the loss or damage which was solely caused by that **"covered cause of loss"**.

## 9. Flood

We will not pay for loss or damage caused directly or indirectly by **"flood"**. Such loss or damage is excluded regardless of any other cause or event, including a **"mistake"**, **"malfunction"**, or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered. But if **"flood"** results in fire, explosion, or theft, we will pay for that portion of the loss or damage which was solely caused by that fire, explosion, or theft.

## 10. Governmental Action

We will not pay for loss or damage caused directly or indirectly by any seizure, confiscation, expropriation, nationalization, or destruction of property by order of governmental authority. Such loss or damage is excluded regardless of any other cause or event, including a **"mistake"**, **"malfunction"**, or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered.

This exclusion does not apply to acts of destruction of **"accounts receivable records"** ordered by governmental authority and taken at the time of fire to prevent its spread.

## 11. Loss of Market or Delay

We will not pay for loss or damage caused by or resulting from loss of market, loss of use, or delay. This exclusion applies even if one of these excluded causes of loss was caused by or resulted from a **"mistake"** or **"malfunction"**.

## 12. Microorganisms

We will not pay for loss or damage consisting of, directly or indirectly caused by, contributed to, or aggravated by the presence, growth, proliferation, spread, or any activity of **"microorganisms"**, unless resulting from fire or lightning. Such loss or damage is excluded regardless of any other cause or event, including a **"mistake"**, **"malfunction"**, or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered.

But if a result of one of these excluded causes of loss is a **"specified cause of loss"**, other than fire or lightning, we will pay that portion of the loss or damage which was solely caused by that **"specified cause of loss"**.

We will also not pay for loss, cost, or expense arising out of any request, demand, order, or statutory or regulatory requirement that requires any insured or others to test for, monitor, clean up, remove, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of **"microorganisms"**.

## 13. Nuclear Hazard

We will not pay for loss or damage caused directly or indirectly by nuclear reaction or radiation, or radioactive contamination, however caused. Such loss or damage is excluded regardless of any other cause or event, including a **"mistake"** or **"malfunction"**, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered. But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for that portion of the loss or damage which was solely caused by that fire.

## 14. War and Military Action

We will not pay for loss or damage arising, directly or indirectly, out of:

- a. War, including undeclared or civil war;

- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority by hindering or defending against any of these.

Such loss or damage is excluded regardless of any other cause or event, including a **"mistake"** or **"malfunction"**, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered.

#### C. DEDUCTIBLE

We will not pay for loss, damage, or expense in any one occurrence until the amount of loss, damage, or expense exceeds the applicable Deductibles shown on the Declarations. We will then pay the amount of loss, damage, or expense in excess of the Deductibles, up to the applicable Limits of Insurance.

#### D. VALUATION

If you cannot accurately establish the amount of accounts receivable outstanding at the time of loss or damage to **"accounts receivable records"**, the following method will be used to determine the amount of covered loss, damage, or expense:

1. Determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurred; and
2. Adjust that total for normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.

The following will be deducted from the total amount of accounts receivable, however that amount is established:

1. The amount of the accounts receivable for which there is no loss or damage;
2. The amount of the accounts receivable that you are able to re-establish or collect;
3. An amount to allow for probable bad debts that you are normally unable to collect; and
4. All unearned interest and service charges.

# Fine Arts Coverage Form

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# Fine Arts Coverage Form



## A. COVERAGES

### 1. Fine Arts

We will pay for direct physical loss of or damage to **"fine arts"** at a **"premises"** or **"reported unscheduled premises"** directly caused by a **"covered cause of loss"**.

The most we will pay under this Marine Coverage at any one **"premises"** or **"reported unscheduled premises"** is the Limit of Insurance shown on the Declarations for Fine Arts.

### 2. Fine Arts--Away From Premises

We will also pay for direct physical loss of or damage to **"fine arts"** away from a **"premises"** or **"reported unscheduled premises"** directly caused by a **"covered cause of loss"**.

The most we will pay under this Marine Coverage in any one occurrence is the Limit of Insurance shown on the Declarations for Fine Arts--Away From Premises.

## B. EXCLUDED CAUSES OF LOSS

### 1. Defects or Errors

We will not pay for any of the following:

a. Loss or damage, including the costs of correcting or making good, caused by or resulting from:

- 1) A "mistake" in planning, zoning, development, surveying, siting;
- 2) A "mistake" in design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- 3) A "mistake" in materials used in repair, construction, renovation, or remodeling; or
- 4) Insufficient or failure of maintenance or servicing,

of part or all of any property on or off a **"premises"** or **"reported unscheduled premises"**.

But if a result of one of these excluded causes of loss is a **"covered cause of loss"**, we will pay for that portion of the loss or damage which was solely caused by that **"covered cause of loss"**.

b. Loss or damage, including the costs of correcting or making good, caused by or resulting from incorporating **"defective materials"** into part or all of any property on or off a **"premises"** or **"reported unscheduled premises"**.

But if a result of one of these excluded causes of loss is a **"covered cause of loss"**, we will pay for that portion of the loss or damage which was solely caused by that **"covered cause of loss"**.



## 2. Disappearance or Shortage

We will not pay for loss caused by or resulting from disappearance or shortage disclosed on taking inventory or where there is no physical evidence to show what happened to the **"fine arts"**. This exclusion applies even if one of these excluded causes of loss was caused by or resulted from a **"mistake"** or **"malfunction"**.

## 3. Dishonest Acts

We will not pay for loss or damage caused by or resulting from fraudulent, dishonest, or criminal acts or omissions, committed by you, your partners, **"members"**, officers, **"managers"**, employees (including leased or temporary employees), directors, trustees, authorized representatives, or anyone else to whom you have entrusted the **"fine arts"** for any purpose:

- a. Acting alone or in collusion with others; or
- b. Whether or not occurring during the hours of employment.

This exclusion applies even if one of these excluded causes of loss was caused by or resulted from a **"mistake"** or **"malfunction"**.

This exclusion does not apply to:

- a. Acts of vandalism committed by your employees (including leased or temporary employees); or
- b. Carriers for hire or anyone claiming to be a carrier for hire at the time the property is entrusted to them.

## 4. Earth Movement

We will not pay for loss or damage caused directly or indirectly by **"earth movement"**. Such loss or damage is excluded regardless of any other cause or event, including a **"mistake"**, **"malfunction"**, or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered. But if **"earth movement"** results in fire, explosion, or theft, we will pay for that portion of the loss or damage which was solely caused by that fire, explosion, or theft.

If loss of or damage to **"fine arts"** caused by leakage from **"fire protection sprinkler system piping"** results from **"earth movement"**, and there is no other loss or damage from **"earth movement"** to that same property, we will pay for the direct physical loss or damage caused solely from the **"fire protection sprinkler system piping"** leakage.

## 5. Expected, Preventable, or Accumulated Losses

We will not pay for loss or damage caused by or resulting from:

- a. Wear and tear;
- b. Smoke, vapor, or gas from agricultural smudging or industrial operations;
- c. Smog;
- d. Rust or other corrosion, decay, deterioration, fading, hidden or latent defect, or any quality of the property that causes it to damage or destroy itself;
- e. Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents, or other animals; or
- f. Inherent vice.

Such loss or damage is excluded regardless of any other cause or event, including a **"mistake"**, **"malfunction"**, or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered.

But if a result of one of these excluded causes of loss is a **"covered cause of loss"**, we will pay for that portion of the loss or damage which was solely caused by that **"covered cause of loss"**.

## 6. Flood

We will not pay for loss or damage caused directly or indirectly by **"flood"**. Such loss or damage is excluded regardless of any other cause or event, including a **"mistake"**, **"malfunction"**, or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered. But if **"flood"** results in fire, explosion, or theft, we will pay for that portion of the loss or damage which was solely caused by that fire, explosion, or theft.

## 7. Governmental Action

We will not pay for loss or damage caused directly or indirectly by any seizure, confiscation, expropriation, nationalization, or destruction of property by order of governmental authority. Such loss or damage is excluded regardless of any other cause or event, including a **"mistake"**, **"malfunction"**, or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered.

This exclusion does not apply to:

- a. Seizure or destruction of **"fine arts"** by order of governmental authority and taken at the time of fire to prevent its spread; or
- b. Demolition orders issued pursuant to any ordinance or law in effect at the time of loss or damage regulating construction, use, or repair of any property; provided such demolition order has become legally enforceable as a result of physical damage to:

- 1) Covered **"real property"**; or

- 2) Covered **"personal property"**,

directly caused by a **"covered cause of loss"**.

However, this exception does not apply to demolition orders issued pursuant to any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of, **"pollutants"** or **"microorganisms"**.

## 8. Loss of Market or Delay

We will not pay for loss or damage caused by or resulting from loss of market, loss of use, or delay. This exclusion applies even if one of these excluded causes of loss was caused by or resulted from a **"mistake"** or **"malfunction"**.

## 9. Microorganisms

We will not pay for loss or damage consisting of, directly or indirectly caused by, contributed to, or aggravated by the presence, growth, proliferation, spread, or any activity of **"microorganisms"**, unless resulting from fire or lightning. Such loss or damage is excluded regardless of any other cause or event, including a **"mistake"**, **"malfunction"**, or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered.

But if a result of one of these excluded causes of loss is a "**specified cause of loss**", other than fire or lightning, we will pay that portion of the loss or damage which was solely caused by that "**specified cause of loss**".

We will also not pay for loss, cost, or expense arising out of any request, demand, order, or statutory or regulatory requirement that requires any insured or others to test for, monitor, clean up, remove, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of "**microorganisms**".

#### 10. Nuclear Hazard

We will not pay for loss or damage caused directly or indirectly by nuclear reaction or radiation, or radioactive contamination, however caused. Such loss or damage is excluded regardless of any other cause or event, including a "**mistake**" or "**malfunction**", that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered. But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for that portion of the loss or damage which was solely caused by that fire.

#### 11. Pollutants

We will not pay for loss or damage caused by or resulting from the discharge, dispersal, seepage, migration, release, or escape of "**pollutants**". But, if the discharge, dispersal, seepage, migration, release, or escape is caused by a "**specified cause of loss**", we will pay only for that portion of the loss or damage which was solely caused by that "**specified cause of loss**".

We will also not pay for loss, cost, or expense arising out of any request, demand, order, or statutory or regulatory requirement that requires any insured or others to test for, monitor, clean up, remove, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of "**pollutants**".

#### 12. Repair, Restoration, or Retouching

We will not pay for loss of or damage to "**fine arts**" caused by or resulting from repair, restoration, or retouching.

#### 13. War and Military Action

We will not pay for loss or damage arising, directly or indirectly, out of:

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority by hindering or defending against any of these.

Such loss or damage is excluded regardless of any other cause or event, including a "**mistake**" or "**malfunction**", that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered.

### C. DEDUCTIBLE

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the applicable Deductibles shown on the Declarations. We will then pay the amount of loss or damage in excess of the Deductibles, up to the applicable Limits of Insurance.

## D. VALUATION

1. **"Fine arts"** are valued based on the lesser of:

- a. **"Market value"** at the time of loss or damage; or
- b. The value of **"fine arts"** that are individually listed and described on the schedule on file with us.

### 2. **Pairs or Sets**

In case of loss to any part of a pair or set, we may:

- a. Repair or replace any part to restore the pair or set to its value before the loss; or
- b. Pay the difference between the value of the pair or set before and after the loss.

# Installation and Service Property Coverage Form

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# Installation and Service Property Coverage Form

## A. COVERAGES

### 1. Stock to be Installed

We will pay for direct physical loss of or damage to **"stock"** directly caused by a **"covered cause of loss"** while such **"stock"** is:

- a. At an **"installation or service premises"**;
- b. At a **"temporary storage location"**; or
- c. In transit, to or from an **"installation or service premises"** or a **"temporary storage location"**.

Coverage ends at the earlier of the following:

- a. Your insurable interest in the **"stock"** ceases;
- b. The **"stock"** is accepted by the purchaser;
- c. The **"stock"** is installed and you have been paid;
- d. The **"stock"** is installed and put to its intended use; or
- e. The policy expires or is cancelled.

The most we will pay under this Marine Coverage in any one occurrence is the applicable Limit of Insurance shown on the Declarations for Installation and Service Property--Stock to be Installed.

### 2. Tools and Equipment

We will pay for direct physical loss of or damage to:

- a. **"Personal property"** that are tools and equipment; and
- b. Vehicles that are not licensed for use on public roads,

used by you to install or service property at an **"installation or service premises"** directly caused by a **"covered cause of loss"**. Coverage applies while such property is:

- a. At an **"installation or service premises"**; or
- b. In transit, to or from an **"installation or service premises"**.

The most we will pay under this Marine Coverage for any one item and in any one occurrence is the applicable Limit of Insurance shown on the Declarations for Installation and Service Property--Tools and Equipment or in a schedule on file with us.

## B. EXCLUDED CAUSES OF LOSS

### 1. Artificially Maintained Conditions

We will not pay for loss of or damage to **"personal property"** caused by or resulting from the loss of or change in any artificially maintained or generated temperature, humidity, or atmosphere. This exclusion applies even if one of these excluded causes of loss was caused by or resulted from an **"equipment breakdown cause of loss"**, **"mistake"**, or **"malfunction"**.

But if a result of one of these excluded causes of loss is a **"covered cause of loss"**, we will pay for that portion of the loss or damage which was solely caused by that **"covered cause of loss"**.

This exclusion does not apply to **"electronic data processing hardware"** or **"duplicate information property"**.

### 2. Disappearance or Shortage

We will not pay for loss caused by disappearance or shortage disclosed on taking inventory or where there is no physical evidence to show what happened to the property. This exclusion applies even if one of these excluded causes of loss was caused by or resulted from a **"mistake"** or **"malfunction"**.

### 3. Dishonest Acts

We will not pay for loss caused by or resulting from fraudulent, dishonest, or criminal acts or omissions, committed by you, your partners, **"members"**, officers, **"managers"**, employees (including leased or temporary employees), directors, trustees, authorized representatives, or anyone else to whom you have entrusted the property for any purpose:

- a. Acting alone or in collusion with others; or
- b. Whether or not occurring during the hours of employment.

This exclusion applies even if one of these excluded causes of loss was caused by or resulted from a **"mistake"** or **"malfunction"**.

This exclusion does not apply to:

- a. Acts of vandalism committed by your employees (including leased or temporary employees); or
- b. Carriers for hire or anyone claiming to be a carrier for hire at the time the property is entrusted to them.

### 4. Expected, Preventable, or Accumulated Losses

We will not pay for loss or damage caused by or resulting from:

- a. Wear and tear;
- b. Smoke, vapor, or gas from agricultural smudging or industrial operations;
- c. Smog;
- d. Rust or other corrosion, decay, deterioration, fading, hidden or latent defect, or any quality of the property that causes it to damage or destroy itself;
- e. Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents, or other animals; or

f. Inherent vice.

Such loss or damage is excluded regardless of any other cause or event, including a **"mistake"**, **"malfunction"**, or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered.

But if a result of one of these excluded causes of loss is a **"covered cause of loss"**, we will pay for that portion of the loss or damage which was solely caused by that **"covered cause of loss"**.

## 5. Governmental Action

We will not pay for loss or damage caused directly or indirectly by any seizure, confiscation, expropriation, nationalization, or destruction of property by order of governmental authority. Such loss or damage is excluded regardless of any other cause or event, including a **"mistake"**, **"malfunction"**, or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered.

This exclusion does not apply to:

- a. Seizure or destruction of property by order of governmental authority and taken at the time of fire to prevent its spread; or
- b. Demolition orders issued pursuant to any ordinance or law in effect at the time of loss or damage regulating construction, use, or repair of any property; provided such demolition order has become legally enforceable as a result of physical damage to **"real property"** containing covered **"personal property"** directly caused by a **"covered cause of loss"**.

However, this exception does not apply to demolition orders issued pursuant to any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of **"microorganisms"**.

## 6. Loss of Market or Delay

We will not pay for loss or damage caused by or resulting from loss of market, loss of use, or delay. This exclusion applies even if one of these excluded causes of loss was caused by or resulted from a **"mistake"** or **"malfunction"**.

## 7. Microorganisms

We will not pay for loss or damage consisting of, directly or indirectly caused by, contributed to, or aggravated by the presence, growth, proliferation, spread, or any activity of **"microorganisms"**, unless resulting from fire or lightning. Such loss or damage is excluded regardless of any other cause or event, including a **"mistake"**, **"malfunction"**, or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered.

But if a result of one of these excluded causes of loss is a **"specified cause of loss"**, other than fire or lightning, we will pay that portion of the loss or damage which was solely caused by that **"specified cause of loss"**.

We will also not pay for loss, cost, or expense arising out of any request, demand, order, or statutory or regulatory requirement that requires any insured or others to test for, monitor, clean up, remove, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of **"microorganisms"**.

## 8. Nuclear Hazard

We will not pay for loss or damage caused directly or indirectly by nuclear reaction or radiation, or radioactive contamination, however caused. Such loss or damage is excluded regardless of any other cause or event, including a **"mistake"** or **"malfunction"**, that contributes concurrently or in any sequence



to the loss, even if such other cause or event would otherwise be covered. But, if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for that portion of the loss or damage which was solely caused by that fire.

## 9. Precipitation

We will not pay for loss or damage caused by or resulting from rain, hail, snow, ice, or sleet to property in the open. This exclusion applies even if one of these excluded causes of loss was caused by or resulted from a **"mistake"** or **"malfunction"**.

This exclusion does not apply to:

- a. **"Stock"** in the custody of a carrier for hire; or
- b. Vehicles that are not licensed for use on public roads.

## 10. Process Failures, Defects, or Errors

We will not pay for any of the following:

- a. Loss or damage due to spoilage, destruction, adulteration, discard, reduction in value, or any other loss or damage to **"stock"** caused by or resulting from a **"mistake"** or **"malfunction"** in the alteration, development, distribution, installation, manufacturing, maintenance, processing, repair, or testing of such **"stock"**.
- b. Loss or damage, including the costs of correcting or making good, caused by or resulting from:
  - 1) A **"mistake"** in planning, zoning, development, surveying, siting;
  - 2) A **"mistake"** in design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
  - 3) A **"mistake"** in materials used in repair, construction, renovation, or remodeling; or
  - 4) Insufficient or failure of maintenance or servicing,

of part or all of any property on or off an **"installation or service premises"**.

But if a result of one of these excluded causes of loss is a **"covered cause of loss"**, we will pay for that portion of the loss or damage which was solely caused by that **"covered cause of loss"**.

- c. Loss or damage, including the costs of correcting or making good, caused by or resulting from incorporating **"defective materials"** into part or all of any property on or off an **"installation or service premises"**.

But if a result of this excluded cause of loss is a **"covered cause of loss"**, we will pay for that portion of the loss or damage which was solely caused by that **"covered cause of loss"**.

- d. Loss of or damage to machinery or equipment while undergoing a pressure or electrical test. This exclusion applies even this excluded cause of loss was caused by or resulted from an **"equipment breakdown cause of loss"**, **"mistake"**, or **"malfunction"**.

But if a result of this excluded cause of loss is a **"covered cause of loss"**, we will pay for that portion of the loss or damage which was solely caused by that **"covered cause of loss"**.

## 11. Suspended Equipment

We will not pay for loss or damage caused by or resulting from an **"equipment breakdown cause of loss"** to **"suspended equipment"**. This exclusion applies even if this excluded cause of loss was caused by or resulted from a **"mistake"** or **"malfunction"**.

But if a result of this excluded cause of loss is a **"covered cause of loss"**, we will pay for that portion of the loss or damage which was solely caused by that **"covered cause of loss"**.

## 12. War and Military Action

We will not pay for loss or damage arising, directly or indirectly, out of:

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority by hindering or defending against any of these.

Such loss or damage is excluded regardless of any other cause or event, including a **"mistake"** or **"malfunction"**, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered.

## 13. Weight of Load

We will not pay for loss of or damage to **"personal property"** that are tools and equipment or vehicles used by you to install or service property caused by or resulting from the weight of a load exceeding the manufacturer's rated lifting or supporting capacity of any machine under the operating conditions at the time of loss or damage.

## C. DEDUCTIBLE

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the applicable Deductibles shown on the Declarations. We will then pay the amount of loss or damage in excess of the Deductibles, up to the applicable Limits of Insurance.

## D. ADDITIONAL CONDITIONS

The following conditions apply in addition to the COMMERCIAL PROPERTY CONDITIONS and the COMMON POLICY CONDITIONS:

1. In the event of any loss or damage to Covered Property in transit, you must immediately make a claim in writing against the carrier, bailee, or others involved.
2. The coverage provided for **"stock"** by this Coverage Form is primary to any other insurance not subject to the same plan, terms, conditions, and provisions as this Coverage Form.

## E. VALUATION

We will determine the value of covered loss or damage as follows:

1. Except as provided in 2., 3., 4., 5., 6., and 7. below, the lesser of the following amounts:
  - a. The **"replacement cost"**; or

- b. The **"amount you actually spend"** to repair, rebuild, or replace Covered Property.
- 2. Except as provided in 3., 5., 6., and 7. below, Covered Property which is not repaired, rebuilt, or replaced will be valued at the **"actual cash value"** at the time and place of loss or damage. If you commence the repair, rebuilding, or replacement of the lost or damaged Covered Property within 24 months from the date the loss or damage occurred, upon completion of the repair, rebuilding, or replacement we will pay you the difference between the **"actual cash value"** previously paid and the **"replacement cost"** at the time of loss or damage.
- 3. **"Merchandise"** and **"finished stock"** at the regular cash selling price, less any discounts and expenses you otherwise would have had.
- 4. **"Stock in process"** at the value of **"raw stock"**, your labor expended, and your materials incorporated plus the proper proportion of your overhead charges, calculated in accordance with principles of Direct Costing. In no event will overhead be calculated in accordance with the principles of Absorption Costing.
- 5. Covered Property which has been permanently removed from service at **"actual cash value"**.
- 6. **"Duplicate information property"** at the lesser of:
  - a. The cost to purchase a duplicate copy, if a duplicate copy exists and is available for sale; or
  - b. The cost of blank materials, plus any cost incurred to copy data onto blank materials from a duplicate source on the same type of materials, provided such copying does not violate licensing or contract agreements.
- 7. Subject to 1., 2., and 5. above, the most we will pay for any one item for scheduled equipment is the value per item shown on the schedule on file with us.

# Original Information Property Coverage Form

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# Original Information Property Coverage Form

## A. COVERAGES

### 1. Original Information Property

We will pay for direct physical loss of or damage to **"original information property"** at a **"premises"** or **"reported unscheduled premises"** directly caused by a **"covered cause of loss"**.

The most we will pay under this Marine Coverage at any one **"premises"** or **"reported unscheduled premises"** is the Limit of Insurance shown on the Declarations for Original Information Property.

### 2. Original Information Property--Away From Premises

We will also pay for direct physical loss of or damage to **"original information property"** away from a **"premises"** or **"reported unscheduled premises"** directly caused by a **"covered cause of loss"**.

The most we will pay under this Marine Coverage in any one occurrence is the Limit of Insurance shown on the Declarations for Original Information Property--Away From Premises.

## B. EXCLUDED CAUSES OF LOSS

### 1. Alteration, Falsification, Concealment, or Destruction

We will not pay for loss or damage caused by or resulting from alteration, falsification, concealment, or destruction of **"original information property"** done to conceal the wrongful giving, taking, or withholding of **"money"**, **"securities"**, or other property.

### 2. Bookkeeping, Accounting, or Billing Mistakes

We will not pay for loss or damage caused by or resulting from a **"mistake"** or **"malfunction"** in bookkeeping, accounting, or billing.

### 3. Defects or Errors

We will not pay for any of the following:

a. Loss or damage caused by or resulting from a **"mistake"** in:

- 1) Programming;
- 2) Instructions to a machine; or
- 3) Installation or maintenance of **"electronic data processing hardware"** or component parts.

But if a result of one of these excluded causes of loss is a **"covered cause of loss"**, we will pay for that portion of the loss or damage which was solely caused by that **"covered cause of loss"**.

b. Loss or damage, including the costs of correcting or making good, caused by or resulting from:

- 1) A **"mistake"** in planning, zoning, development, surveying, siting;
- 2) A **"mistake"** in design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;

3) A **"mistake"** in materials used in repair, construction, renovation, or remodeling; or

4) Insufficient or failure of maintenance or servicing,

of part or all of any **"original information property"** on or off a **"premises"** or **"reported unscheduled premises"**.

But if a result of one of these excluded causes of loss is a **"covered cause of loss"**, we will pay for that portion of the loss or damage which was solely caused by that **"covered cause of loss"**.

- c. Loss or damage, including the costs of correcting or making good, caused by or resulting from incorporating **"defective materials"** into part or all of any **"original information property"** on or off a **"premises"** or **"reported unscheduled premises"**.

But if a result of one of these excluded causes of loss is a **"covered cause of loss"**, we will pay for that portion of the loss or damage which was solely caused by that **"covered cause of loss"**.

#### 4. Disappearance or Shortage

We will not pay for loss caused by or resulting from disappearance or shortage disclosed on taking inventory or where there is no physical evidence to show what happened to the **"original information property"**. This exclusion applies even if one of these excluded causes of loss was caused by or resulted from a **"mistake"** or **"malfunction"**.

#### 5. Dishonest Acts

We will not pay for loss or damage caused by or resulting from fraudulent, dishonest, or criminal acts or omissions, committed by you, your partners, **"members"**, officers, **"managers"**, employees (including leased or temporary employees), directors, trustees, authorized representatives, or anyone else to whom you have entrusted the **"original information property"** for any purpose:

- a. Acting alone or in collusion with others; or
- b. Whether or not occurring during the hours of employment.

This exclusion applies even if one of these excluded causes of loss was caused by or resulted from a **"mistake"** or **"malfunction"**.

This exclusion does not apply to:

- a. Acts of vandalism committed by your employees (including leased or temporary employees); or
- b. Carriers for hire or anyone claiming to be a carrier for hire at the time the property is entrusted to them.

#### 6. Earth Movement

We will not pay for loss or damage caused directly or indirectly by **"earth movement"**. Such loss or damage is excluded regardless of any other cause or event, including a **"mistake"**, **"malfunction"**, or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered. But if **"earth movement"** results in fire, explosion, or theft, we will pay for that portion of the loss or damage which was solely caused by that fire, explosion, or theft.

If loss of or damage to **"original information property"** caused by leakage from **"fire protection sprinkler system piping"** results from **"earth movement"**, and there is no other loss or damage from **"earth movement"** to that same property, we will pay for the direct physical loss or damage caused solely from the **"fire protection sprinkler system piping"** leakage.

#### 7. Electronic Vandalism

We will not pay for loss or damage caused by or resulting from **"electronic vandalism"**.

This exclusion applies even if the **"electronic vandalism"** was caused by or resulted from a **"mistake"** or **"malfunction"**.

## 8. Expected, Preventable, or Accumulated Losses

We will not pay for loss or damage caused by or resulting from:

- a. Wear and tear;
- b. Smoke, vapor, or gas from agricultural smudging or industrial operations;
- c. Smog;
- d. Rust or other corrosion, decay, deterioration, fading, hidden or latent defect, or any quality of the property that causes it to damage or destroy itself;
- e. Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents, or other animals; or
- f. Inherent vice.

Such loss or damage is excluded regardless of any other cause or event, including a **"mistake"**, **"malfunction"**, or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered.

But if a result of one of these excluded causes of loss is a **"covered cause of loss"**, we will pay for that portion of the loss or damage which was solely caused by that **"covered cause of loss"**.

## 9. Flood

We will not pay for loss or damage caused directly or indirectly by **"flood"**. Such loss or damage is excluded regardless of any other cause or event, including a **"mistake"**, **"malfunction"**, or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered. But if **"flood"** results in fire, explosion, or theft, we will pay for that portion of the loss or damage which was solely caused by that fire, explosion, or theft.

## 10. Governmental Action

We will not pay for loss or damage caused directly or indirectly by any seizure, confiscation, expropriation, nationalization, or destruction of property by order of governmental authority. Such loss or damage is excluded regardless of any other cause or event, including a **"mistake"**, **"malfunction"**, or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered.

This exclusion does not apply to acts of destruction of **"original information property"** ordered by governmental authority and taken at the time of fire to prevent its spread.

## 11. Loss of Market or Delay

We will not pay for loss or damage caused by or resulting from loss of market, loss of use, or delay. This exclusion applies even if one of these excluded causes of loss was caused by or resulted from a **"mistake"** or **"malfunction"**.

## 12. Microorganisms

We will not pay for loss or damage consisting of, directly or indirectly caused by, contributed to, or aggravated by the presence, growth, proliferation, spread, or any activity of "**microorganisms**", unless resulting from fire or lightning. Such loss or damage is excluded regardless of any other cause or event, including a "**mistake**", "**malfunction**", or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered.

But if a result of one of these excluded causes of loss is a "**specified cause of loss**", other than fire or lightning, we will pay that portion of the loss or damage which was solely caused by that "**specified cause of loss**".

We will also not pay for loss, cost, or expense arising out of any request, demand, order, or statutory or regulatory requirement that requires any insured or others to test for, monitor, clean up, remove, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of "**microorganisms**".

### 13. Nuclear Hazard

We will not pay for loss or damage caused directly or indirectly by nuclear reaction or radiation, or radioactive contamination, however caused. Such loss or damage is excluded regardless of any other cause or event, including a "**mistake**" or "**malfunction**", that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered. But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for that portion of the loss or damage which was solely caused by that fire.

### 14. War and Military Action

We will not pay for loss or damage arising, directly or indirectly, out of:

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority by hindering or defending against any of these.

Such loss or damage is excluded regardless of any other cause or event, including a "**mistake**" or "**malfunction**", that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered.

## C. DEDUCTIBLE

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the applicable Deductibles shown on the Declarations. We will then pay the amount of loss or damage in excess of the Deductibles, up to the applicable Limits of Insurance.

## D. VALUATION

We will determine the value of covered loss or damage to lost or damaged "**original information property**" at the full cost necessary to research and reproduce a master copy, including the information and material on which it resides. However, we will only pay for costs of research and reproduction if you reproduce your "**original information property**". We will not include the cost of making additional copies.



# Transit Coverage Form

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# Transit Coverage Form

## A. COVERAGE

We will pay for direct physical loss of or damage to **"personal property"** in transit, including:

1. Your interest in shipments sold under Free on Board or Freight Allowed terms;
2. **"Personal property"** when the purchaser refuses to accept delivery or returns it to the shipper; or
3. General average and salvage charges on shipments while waterborne,  
directly caused by a **"covered cause of loss"**.

The most we will pay under this Marine Coverage in any one occurrence is the Limit of Insurance shown on the Declarations for Transit--Personal Property.

## B. PROPERTY NOT COVERED

This Coverage Form does not apply to:

1. **"Personal property"** in transit to or from a fair or exhibition;
2. **"Salespersons samples"**;
3. Property of others in your care, custody, or control if you are acting as a carrier for hire, broker, loader, consolidator, or freight forwarder with a written contract or bill of lading;
4. **"Personal property"** used by you to install or service property at an **"installation or service premises"**;
5. **"Stock"** in transit to or from an **"installation or service premises"** or a **"temporary storage location"**;
6. Furs, fur garments, and garments trimmed with fur;
7. Jewelry, watches, watch movements, jewels, pearls, precious or semiprecious stones, bullion, gold, silver, platinum, and other precious alloys or metals, except for:
  - a. Jewelry or watches worth \$100 or less per item; or
  - b. Precious or semiprecious stones or metals used for industrial purposes; or
8. Lottery tickets held for sale.

## C. EXCLUDED CAUSES OF LOSS

### 1. Artificially Maintained Conditions

We will not pay for loss of or damage to **"personal property"** caused by or resulting from the loss of or change in any artificially maintained or generated temperature, humidity, or atmosphere. This exclusion applies even if one of these excluded causes of loss was caused by or resulted from an **"equipment breakdown cause of loss"**, **"mistake"**, or **"malfunction"**.

But if a result of one of these excluded causes of loss is a **"covered cause of loss"**, we will pay for that portion of the loss or damage which was solely caused by that **"covered cause of loss"**.

This exclusion does not apply to **"electronic data processing hardware"** or **"duplicate information property"**.

### 2. Dishonest Acts

We will not pay for loss or damage caused by or resulting from fraudulent, dishonest, or criminal acts or omissions, committed by you, your partners, **"members"**, officers, **"managers"**, employees (including leased or temporary employees), directors, trustees, authorized representatives, or anyone else to whom you have entrusted the **"personal property"** for any purpose:

- a. Acting alone or in collusion with others; or
- b. Whether or not occurring during the hours of employment.

This exclusion applies even if one of these excluded causes of loss was caused by or resulted from a **"mistake"** or **"malfunction"**.

This exclusion does not apply to:

- a. Acts of vandalism committed by your employees (including leased or temporary employees); or
- b. Carriers for hire or anyone claiming to be a carrier for hire at the time the property is entrusted to them.

### 3. Expected, Preventable, or Accumulated Losses

We will not pay for loss or damage caused by or resulting from:

- a. Wear and tear;
- b. Smoke, vapor, or gas from agricultural smudging or industrial operations;
- c. Smog;
- d. Rust or other corrosion, decay, deterioration, fading, hidden or latent defect, or any quality of the property that causes it to damage or destroy itself;
- e. Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents, or other animals; or
- f. Inherent vice.

Such loss or damage is excluded regardless of any other cause or event, including a **"mistake"**, **"malfunction"**, or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered.

But if a result of one of these excluded causes of loss is a **"covered cause of loss"**, we will pay for that portion of the loss or damage which was solely caused by that **"covered cause of loss"**.

#### 4. Governmental Action

We will not pay for loss or damage caused directly or indirectly by any seizure, confiscation, expropriation, nationalization, or destruction of property by order of governmental authority. Such loss or damage is excluded regardless of any other cause or event, including a **"mistake"**, **"malfunction"**, or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered.

This exclusion does not apply to seizure or destruction of property by order of governmental authority and taken at the time of fire to prevent its spread.

#### 5. Loss of Market or Delay

We will not pay for loss or damage caused by or resulting from loss of market, loss of use, or delay. This exclusion applies even if one of these excluded causes of loss was caused by or resulted from a **"mistake"** or **"malfunction"**.

#### 6. Microorganisms

We will not pay for loss or damage consisting of, directly or indirectly caused by, contributed to, or aggravated by the presence, growth, proliferation, spread, or any activity of **"microorganisms"**, unless resulting from fire or lightning. Such loss or damage is excluded regardless of any other cause or event, including a **"mistake"**, **"malfunction"**, or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered.

But if a result of one of these excluded causes of loss is a **"specified cause of loss"**, other than fire or lightning, we will pay that portion of the loss or damage which was solely caused by that **"specified cause of loss"**.

We will also not pay for loss, cost, or expense arising out of any request, demand, order, or statutory or regulatory requirement that requires any insured or others to test for, monitor, clean up, remove, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of **"microorganisms"**.

#### 7. Nuclear Hazard

We will not pay for loss or damage caused directly or indirectly by nuclear reaction or radiation, or radioactive contamination, however caused. Such loss or damage is excluded regardless of any other cause or event, including a **"mistake"** or **"malfunction"**, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered. But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for that portion of the loss or damage which was solely caused by that fire.

#### 8. Process Failures, Defects, or Errors

We will not pay for any of the following:

- a. Loss or damage due to spoilage, destruction, adulteration, discard, reduction in value, or any other loss or damage to **"stock"** caused by or resulting from a **"mistake"** or **"malfunction"** in the alteration, development, distribution, installation, manufacturing, maintenance, processing, repair, or testing of such **"stock"**.
- b. Loss or damage, including the costs of correcting or making good, caused by or resulting from incorporating **"defective materials"** into part or all of any property on or off the **"premises"**.

But if a result of this excluded cause of loss is a **"covered cause of loss"**, we will pay for that portion of the loss or damage which was solely caused by that **"covered cause of loss"**.

## 9. Suspended Equipment

We will not pay for loss or damage caused by or resulting from an **"equipment breakdown cause of loss"** to **"suspended equipment"**. This exclusion applies even if this excluded cause of loss was caused by or resulted from a **"mistake"** or **"malfunction"**.

But if a result of this excluded cause of loss is a **"covered cause of loss"**, we will pay for that portion of the loss or damage which was solely caused by that **"covered cause of loss"**.

## 10. War and Military Action

We will not pay for loss or damage arising, directly or indirectly, out of:

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority by hindering or defending against any of these.

Such loss or damage is excluded regardless of any other cause or event, including a **"mistake"** or **"malfunction"**, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered.

## D. DEDUCTIBLE

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the applicable Deductibles shown on the Declarations. We will then pay the amount of loss or damage in excess of the Deductibles, up to the applicable Limits of Insurance.

## E. ADDITIONAL CONDITIONS

The following conditions apply in addition to the COMMERCIAL PROPERTY CONDITIONS and the COMMON POLICY CONDITIONS:

1. In the event of any loss or damage to **"personal property"** in transit, you must immediately make a claim in writing against the carrier, bailee, or others involved.
2. If **"personal property"** in transit which was sold under Free on Board or Freight Allowed terms is lost or damaged and the consignee refuses to pay for such **"personal property"** because of the loss or damage, we will not attempt to enforce collection from the consignee without your written permission.

## F. VALUATION

We will determine the amount of covered loss or damage as follows:

1. Except as provided in 2., 3., 4., 5., and 6. below, the lesser of the following amounts:
  - a. The **"replacement cost"**; or
  - b. The **"amount you actually spend"** to repair, rebuild, or replace **"personal property"**.

2. Except as provided in 3., 5., and 6. below, **"personal property"** which is not repaired, rebuilt, or replaced will be valued at the **"actual cash value"** at the time and place of loss or damage. If you commence the repair, rebuilding, or replacement of the lost or damaged **"personal property"** within 24 months from the date the loss or damage occurred, upon completion of the repair, rebuilding, or replacement we will pay you the difference between the **"actual cash value"** previously paid and the **"replacement cost"** at the time of loss or damage.
3. **"Merchandise"** which has been sold but not delivered and **"finished stock"** at the regular cash selling price, less any discounts and expenses you otherwise would have had.
4. **"Stock in process"** at the value of **"raw stock"**, your labor expended, and your materials incorporated plus the proper proportion of your overhead charges, calculated in accordance with principles of Direct Costing. In no event will overhead be calculated in accordance with the principles of Absorption Costing.
5. **"Personal property"** which has been permanently removed from service at **"actual cash value"**.
6. **"Duplicate information property"** at the lesser of:
  - a. The cost to purchase a duplicate copy, if a duplicate copy exists and is available for sale; or
  - b. The cost of blank materials, plus any cost incurred to copy data onto blank materials from a duplicate source on the same type of materials, provided such copying does not violate licensing or contract agreements.



# Business Income Coverage Form (Excluding Extra Expense)

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## Business Income Coverage Form (Excluding Extra Expense)

### A. COVERAGE

We will pay for the actual loss of **"business income"** you sustain due to the necessary **"suspension"** of your **"operations"** during the **"period of restoration"**. The **"suspension"** must be caused by direct physical loss of or damage to property at a **"premises"** at which a Limit of Insurance is shown on the Declarations for Business Income. The loss or damage must be directly caused by a **"covered cause of loss"**. We will not pay more than the applicable Limit of Insurance shown on the Declarations for Business Income at that **"premises"**.

### B. ADDITIONAL COVERAGES

#### 1. Civil Authority

We will pay for the actual loss of **"business income"** you sustain for up to the number of days shown on the Declarations for Civil Authority resulting from the necessary **"suspension"**, or delay in the start, of your **"operations"** if the **"suspension"** or delay is caused by order of civil authority that prohibits access to the **"premises"** or **"reported unscheduled premises"**. That order must result from a civil authority's response to direct physical loss of or damage to property located within one mile from the **"premises"** or **"reported unscheduled premises"** which sustains a **"business income"** loss. The loss or damage must be directly caused by a **"covered cause of loss"**.

The most we will pay under this Additional Coverage is the Limit of Insurance shown on the Declarations for Business Income at the **"premises"** or **"reported unscheduled premises"** where access was prohibited.

The Limit for this Additional Coverage is included in, and not in addition to, the applicable Limit of Insurance.

#### 2. Contractual Penalties

We will pay contractual penalties you are legally liable to pay under the provisions of a written contract due to late or non-completion of orders. Those penalties must be the result of direct physical loss of or damage to property at a **"premises"** or **"reported unscheduled premises"** at which a Limit of Insurance is shown on the Declarations for Business Income. The loss or damage must be directly caused by a **"covered cause of loss"**.

The most we will pay under this Additional Coverage in any one occurrence is the Limit of Insurance shown on the Declarations for Contractual Penalties.

#### 3. Electronic Vandalism

We will pay for the actual loss of **"business income"** you sustain due to the necessary **"suspension"** of your **"operations"** provided the **"suspension"** was directly caused by **"electronic vandalism"**.

The most we will pay under this Additional Coverage in any one policy year is the Annual Aggregate Limit of Insurance shown on the Declarations for Electronic Vandalism--Business Income.



#### 4. Expense to Reduce Loss

We will pay reasonable and necessary expenses you incur, except the cost of extinguishing a fire, to reduce the amount of loss of **"business income"**. We will 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 Form and subject to the applicable Limit of Insurance shown on the Declarations for Business Income at that **"premises"** or **"reported unscheduled premises"**.

#### 5. Extended Period of Indemnity

If the necessary **"suspension"** of your **"operations"** produces a **"business income"** loss payable under this Coverage Form, and you resume **"operations"** with reasonable speed, we will pay for the actual loss of **"business income"** you sustain during the **"extended period of indemnity"**.

The most we will pay under this Additional Coverage is the Limit of Insurance shown on the Declarations for Business Income at the **"premises"** or **"reported unscheduled premises"** where the direct physical loss or damage occurred.

The Limit for this Additional Coverage is included in, and not in addition to, the applicable Limit of Insurance.

#### 6. Fairs or Exhibitions

We will pay for the actual loss of **"business income"** you sustain due to the necessary **"suspension"** of your **"operations"** during the **"period of restoration"**. The **"suspension"** must be caused by direct physical loss of or damage to property at, or while in transit to or from, any fair or exhibition. The loss or damage must be directly caused by a **"covered cause of loss"**.

The most we will pay under this Additional Coverage in any one occurrence is the Limit of Insurance shown on the Declarations for Fairs or Exhibitions--Business Income.

#### 7. Ingress/Egress

We will pay for the actual loss of **"business income"** you sustain for up to the number of days shown on the Declarations for Ingress/Egress following the necessary **"suspension"** of your **"operations"**, when ingress or egress by your suppliers, customers, or employees to the **"premises"** or **"reported unscheduled premises"** is physically obstructed due to direct physical loss or damage. The actual loss of **"business income"** you sustain must be caused by direct physical loss or damage to property not owned, occupied, leased, or rented by you, or insured under this Commercial Property Coverage Part. That property must be located within one mile from the **"premises"** or **"reported unscheduled premises"** which sustains a **"business income"** loss. The obstruction cannot be the result of an order of civil authority that prohibits access to that **"premises"** or **"reported unscheduled premises"**. The loss or damage must be directly caused by a **"covered cause of loss"**.

The most we will pay under this Additional Coverage is the Limit of Insurance shown on the Declarations for Business Income at the **"premises"** or **"reported unscheduled premises"** where ingress or egress was obstructed.

The Limit for this Additional Coverage is included in, and not in addition to, the applicable Limit of Insurance.

#### 8. Microorganisms

We will pay for the actual loss of **"business income"** you sustain due to the:

- a. Necessary **"suspension"** of your **"operations"** from direct physical loss of or damage to Covered Property caused by **"microorganisms"** when the **"microorganisms"** are the result of a **"covered cause of loss"**; or

- b. Prolonged "**period of restoration**" due to the remediation of "**microorganisms**" from a covered loss.

The most we will pay under this Additional Coverage in any one policy year is the Annual Aggregate Limit of Insurance shown on the Declarations for Microorganisms--Business Income. Regardless of the number of claims, this Limit of Insurance is the most we will pay for the total of all loss, even if the "**microorganisms**" continue to be present, active, or recur.

## 9. Newly Acquired Premises

We will pay for the actual loss of "**business income**" you sustain due to the necessary "**suspension**" of your "**operations**" during the "**period of restoration**". The "**suspension**" must be caused by direct physical loss of or damage to your property at a "**newly acquired premises**". The loss or damage must be directly caused by a "**covered cause of loss**".

This Additional Coverage will automatically expire on the earliest of the following dates:

- a. The date you report the "**newly acquired premises**" to us;
- b. The number of days shown on the Declarations from the date the location becomes a "**newly acquired premises**"; or
- c. The date this policy expires or is cancelled.

We will charge you additional premium for values reported from the date the location becomes a "**newly acquired premises**".

The most we will pay under this Additional Coverage at any one "**newly acquired premises**" is the Limit of Insurance shown on the Declarations for Newly Acquired Premises--Business Income.

## 10. Reported Unscheduled Premises

We will pay for the actual loss of "**business income**" you sustain due to the necessary "**suspension**" of your "**operations**" during the "**period of restoration**". The "**suspension**" must be caused by direct physical loss of or damage to property at a "**reported unscheduled premises**". The loss or damage must be directly caused by a "**covered cause of loss**".

The most we will pay under this Additional Coverage at any one "**reported unscheduled premises**" is the Limit of Insurance shown on the Declarations for Reported Unscheduled Premises--Business Income.

## 11. Transit

We will pay for the actual loss of "**business income**" you sustain due to the necessary "**suspension**" of your "**operations**" during the "**period of restoration**". The "**suspension**" must be caused by direct physical loss of or damage to property in transit, other than while in transit to or from any fair or exhibition. The loss or damage must be directly caused by a "**covered cause of loss**".

The most we will pay under this Marine Coverage in any one occurrence is the Limit of Insurance shown on the Declarations for Transit--Business Income.

## 12. Unreported Premises

We will pay for the actual loss of **"business income"** you sustain due to the necessary **"suspension"** of your **"operations"** during the **"period of restoration"**. The **"suspension"** must be caused by direct physical loss of or damage to your property, or property of your landlord, at an **"unreported premises"**. The loss or damage must be directly caused by a **"covered cause of loss"**.

The most we will pay under this Additional Coverage at any one **"unreported premises"** is the Limit of Insurance shown on the Declarations for Unreported Premises--Business Income.

## C. EXCLUSIONS

### 1. Real or Personal Property

The exclusions in paragraphs 5., 6., and 7. below and the excluded causes of loss in the REAL AND PERSONAL PROPERTY COVERAGE FORM, except Off-Premises Service Interruption, apply to loss of **"business income"** caused by or resulting from loss of or damage to any property other than:

- a. **"Fine arts"**;
- b. **"Original information property"**;
- c. **"Outdoor trees, shrubs, plants, or lawns"**;
- d. **"Green roofing systems"**; or
- e. **"Personal property"** in transit.

### 2. Fine Arts

The exclusions in paragraphs 5., 6., and 7. below and the excluded causes of loss in the FINE ARTS COVERAGE FORM apply to loss of **"business income"** caused by or resulting from loss of or damage to **"fine arts"**.

### 3. Original Information Property

The exclusions in paragraphs 5., 6., and 7. below and the excluded causes of loss in the ORIGINAL INFORMATION PROPERTY COVERAGE FORM apply to loss of **"business income"** caused by or resulting from loss of or damage to **"original information property"**.

### 4. Personal Property in Transit

The exclusions in paragraphs 5., 6., and 7. below and the excluded causes of loss in the TRANSIT COVERAGE FORM apply to loss of **"business income"** caused by or resulting from loss of or damage to **"personal property"** in transit.

### 5. Finished Stock

We will not pay for loss of **"business income"** caused by or resulting from:

- a. Loss of or damage to **"finished stock"**; or
- b. The time required to replace **"finished stock"**.

## 6. Off-Premises Service Interruption

We will not pay for loss of **"business income"** caused by or resulting from any **"off-premises service interruption"**. Such loss is excluded regardless of any other cause or event, including a **"mistake"**, **"malfunction"**, or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered.

## 7. Suspension, Lapse, or Cancellation

We will not pay for any loss of **"business income"** caused by or resulting from a suspension, lapse, or cancellation of any license, lease, or contract, unless the suspension, lapse, or cancellation is directly caused by the **"suspension"** of your **"operations"**. If the suspension, lapse, or cancellation of any license, lease, or contract is directly caused by the **"suspension"** of your **"operations"**, we will not pay for that portion of any loss from such suspension, lapse, or cancellation which occurs after the **"extended period of indemnity"**.

## D. LIMITATIONS

### 1. Idle Periods

We will not pay for loss of **"business income"** during any period in which business would not or could not have been conducted for any reason other than:

- a. Direct physical loss of or damage to property as described in Section A., Coverage, above;
- b. A civil authority prohibiting access to the **"premises"** or **"reported unscheduled premises"** as described in the Civil Authority Additional Coverage above; or
- c. A physical obstruction affecting ingress or egress to the **"premises"** or **"reported unscheduled premises"** as described in the Ingress/Egress Additional Coverage above.

### 2. Strikers or Others Causing Delay

We will not pay for any loss of **"business income"** caused by or resulting from delay in rebuilding, repairing, or replacing property, or resuming **"operations"**, due to the interference at the location of the rebuilding, repair, or replacement by strikers or other persons.

### 3. Outdoor Trees, Shrubs, Plants, or Lawns

We will not pay for loss of **"business income"** caused by or resulting from loss of or damage to **"outdoor trees, shrubs, plants, or lawns"** unless the loss or damage is directly caused by fire, lightning, explosion, riot or civil commotion, or aircraft.

### 4. Green Roofing Systems

We will not pay for loss of **"business income"** caused by or resulting from loss of or damage to **"green roofing systems"** unless the loss or damage is directly caused by a **"covered cause of loss"** other than loss or damage caused by or resulting from:

- a. Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents, or other animals;
- b. Disease;
- c. Changes in or extremes of temperature;

- d. Dampness or dryness of atmosphere or of soil supporting the vegetation; or
- e. Rain, snow, hail, ice, or sleet.

## E. DEDUCTIBLE

We will not pay for any loss of **"business income"** in any one occurrence until the amount of loss exceeds the applicable Deductibles or is incurred after the applicable Waiting Periods shown on the Declarations. We will then pay the amount of actual **"business income"** loss sustained in excess of the Deductibles or incurred after the Waiting Periods, up to the applicable Limits of Insurance.

If a Waiting Period is shown on the Declarations, the Waiting Period begins immediately following the direct physical loss of or damage to property, directly caused by a **"covered cause of loss"**.

## F. LOSS DETERMINATION

### 1. Sources of Information

The amount of actual **"business income"** loss sustained will be based on relevant sources of information, including, but not limited to:

- a. Your financial records, tax returns, and accounting procedures;
- b. Bills, invoices, and other vouchers; and
- c. Deeds, liens, and contracts.

### 2. Net Income

The amount of **"net income"** will be determined based on:

- a. The **"net income"** of the business before the direct physical loss or damage occurred; and
- b. The likely **"net income"** of the business if no direct physical loss or damage had occurred.

### 3. Continuing Expenses

The amount of **"continuing expenses"** will be determined based on those expenses which are necessary to resume your **"operations"** with the same quality of service that existed just before the direct physical loss or damage and which are incurred during the **"period of restoration"** or **"extended period of indemnity"**.

### 4. Resumption of Operations

We will reduce the amount of the **"business income"** loss payment:

- a. To the extent you could resume your **"operations"**, in whole or in part, by using damaged or undamaged property, including **"stock"**; or
- b. To the extent you could resume your **"operations"**, in whole or in part, by using any other location.

### 5. Finished Stock and Merchandise

Lost or damaged **"finished stock"** or **"merchandise"** that is valued at regular cash selling price will be considered to have been sold to your customers and will be credited against the lost sales.

## G. OPTIONAL COVERAGES

If shown on the Declarations, the following Optional Coverages apply separately to each item:

### 1. Maximum Period of Indemnity

The most we will pay for loss of "**business income**" is the lesser of:

- a. The amount of loss incurred during the 120 days immediately following the beginning of the "**period of restoration**"; or
- b. The Limit of Insurance shown on the Declarations.

The Additional Condition--Coinsurance endorsement does not apply to this Optional Coverage.

The Extended Period of Indemnity Additional Coverage does not apply.

### 2. Monthly Limit of Indemnity

The most we will pay for loss of "**business income**" in each period of 30 consecutive days after the beginning of the "**period of restoration**" is:

- a. The Limit of Insurance, multiplied by
- b. The fraction shown on the Declarations for this Optional Coverage.

The Additional Condition--Coinsurance endorsement does not apply to this Optional Coverage.

The Extended Period of Indemnity Additional Coverage does not apply.

#### Example:

If:

- a. The Limit of Insurance is \$120,000.
- b. The fraction shown on the Declarations for this Optional Coverage is 1/4.

The most we will pay for loss in each period of 30 consecutive days is \$30,000.

If, in this example, the actual amount of the loss is:

Days 1-30	\$40,000
Days 31-60	20,000
Days 61-90	<u>30,000</u>
	\$90,000

We will pay:

Days 1-30	\$30,000
Days 31-60	20,000
Days 61-90	<u>30,000</u>
	\$80,000

The remaining \$10,000 of loss is not covered.



# Extra Expense Coverage Form

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# Extra Expense Coverage Form

## A. COVERAGE

We will pay for the actual and necessary **"extra expense"** you incur due to direct physical loss of or damage to property at a **"premises"** at which a Limit of Insurance is shown for Extra Expense on the Declarations. The loss or damage must be directly caused by a **"covered cause of loss"**. We will not pay more than the applicable Limit of Insurance shown on the Declarations for Extra Expense at that **"premises"**.

## B. ADDITIONAL COVERAGES

### 1. Civil Authority

We will pay for the actual and necessary **"extra expense"** you incur for up to the number of days shown on the Declarations for Civil Authority when an order of civil authority prohibits access to the **"premises"** or **"reported unscheduled premises"**. That order must result from a civil authority's response to direct physical loss of or damage to property located within one mile from the **"premises"** or **"reported unscheduled premises"** where the **"extra expense"** was incurred. The loss or damage must be directly caused by a **"covered cause of loss"**.

The most we will pay under this Additional Coverage is the Limit of Insurance shown on the Declarations for Extra Expense at the **"premises"** or **"reported unscheduled premises"** where access was prohibited.

The Limit for this Additional Coverage is included in, and not in addition to, the applicable Limit of Insurance.

### 2. Ingress/Egress

We will pay for the actual and necessary **"extra expense"** you incur for up to the number of days shown on the Declarations for Ingress/Egress, when ingress or egress by your suppliers, customers, or employees to the **"premises"** or **"reported unscheduled premises"** is physically obstructed due to direct physical loss or damage. The actual and necessary **"extra expense"** you incur must be caused by direct physical loss of or damage to property not owned, occupied, leased, or rented by you, or insured under this Commercial Property Coverage Part. That property must be located within one mile from the **"premises"** or **"reported unscheduled premises"** where the **"extra expense"** was incurred. The obstruction cannot be the result of an order of civil authority that prohibits access to that **"premises"** or **"reported unscheduled premises"**. The loss or damage must be directly caused by a **"covered cause of loss"**.

The most we will pay under the Additional Coverage is the Limit of Insurance shown on the Declarations for Extra Expense at the **"premises"** or **"reported unscheduled premises"** where ingress or egress was obstructed.

The Limit for this Additional Coverage is included in, and not in addition to, the applicable Limit of Insurance.

### 3. Newly Acquired Premises

We will pay for the actual and necessary **"extra expense"** you incur due to direct physical loss of or damage to your property at a **"newly acquired premises"**. The loss or damage must be directly caused by a **"covered cause of loss"**.

This Additional Coverage will automatically expire on the earliest of the following dates:

- a. The date you report the **"newly acquired premises"** to us;



- b. The number of days shown on the Declarations from the date the location becomes a **"newly acquired premises"**; or
- c. The date this policy expires or is cancelled.

We will charge you additional premium for values reported from the date the location becomes a **"newly acquired premises"**.

The most we will pay under this Additional Coverage at any one **"newly acquired premises"** is the Limit of Insurance shown on the Declarations for Newly Acquired Premises--Extra Expense.

#### 4. **Reported Unscheduled Premises**

We will pay for the actual and necessary **"extra expense"** you incur due to direct physical loss of or damage to property at a **"reported unscheduled premises"**. The loss or damage must be directly caused by a **"covered cause of loss"**.

The most we will pay under this Additional Coverage at any one **"reported unscheduled premises"** is the Limit of Insurance shown on the Declarations for Reported Unscheduled Premises--Extra Expense.

#### 5. **Unreported Premises**

We will pay for the actual and necessary **"extra expense"** you incur due to direct physical loss of or damage to your property at an **"unreported premises"**. The loss or damage must be directly caused by a **"covered cause of loss"**.

The most we will pay under this Additional Coverage at any one **"unreported premises"** is the Limit of Insurance shown on the Declarations for Unreported Premises--Extra Expense.

### C. **EXCLUSIONS**

#### 1. **Real or Personal Property**

The exclusions in paragraphs 4. and 5. below and the excluded causes of loss in the REAL AND PERSONAL PROPERTY COVERAGE FORM, except Off Premises Service Interruption, apply to **"extra expense"** incurred caused by or resulting from loss of or damage to any property other than:

- a. **"Fine arts"**;
- b. **"Original information property"**;
- c. **"Outdoor trees, shrubs, plants, or lawns"**; or
- d. **"Green roofing systems"**.

#### 2. **Fine Arts**

The exclusions in paragraphs 4. and 5. below and the excluded causes of loss in the FINE ARTS COVERAGE FORM apply to **"extra expense"** incurred caused by or resulting from loss of or damage to **"fine arts"**.

### 3. Original Information Property

The exclusions in paragraphs 4. and 5. below and the excluded causes of loss in the ORIGINAL INFORMATION PROPERTY COVERAGE FORM apply to **"extra expense"** incurred caused by or resulting from loss of or damage to **"original information property"**.

### 4. Off-Premises Service Interruption

We will not pay for **"extra expense"** incurred caused by or resulting from any **"off-premises service interruption"**. Such loss is excluded regardless of any other cause or event, including a **"mistake"**, **"malfunction"**, or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered.

### 5. Suspension, Lapse, or Cancellation

We will not pay for **"extra expense"** incurred caused by or resulting from a suspension, lapse, or cancellation of any license, lease, or contract, unless the suspension, lapse, or cancellation is directly caused by the **"suspension"** of your **"operations"**. If the suspension, lapse, or cancellation of any license, lease, or contract is directly caused by the **"suspension"** of your **"operations"**, we will not pay for that portion of any **"extra expense"** incurred from such suspension, lapse, or cancellation which occurs after the **"period of restoration"**.

## D. LIMITATIONS

### 1. Idle Periods

We will not pay for **"extra expense"** incurred during any period in which business would not or could not have been conducted for any reason other than:

- a. Direct physical loss of or damage to property as described in Section A., Coverage, above;
- b. A civil authority prohibiting access to the **"premises"** or **"reported unscheduled premises"** as described in the Civil Authority Additional Coverage above; or
- c. A physical obstruction affecting ingress or egress to the **"premises"** or **"reported unscheduled premises"** as described in the Ingress/Egress Additional Coverage above.

### 2. Strikers or Others Causing Delay

We will not pay for any increase in **"extra expense"** incurred caused by delay in rebuilding, repairing, or replacing property or resuming **"operations"**, due to the interference at the location of the rebuilding, repair, or replacement by strikers or other persons.

### 3. Outdoor Trees, Shrubs, Plants, or Lawns

We will not pay for **"extra expense"** incurred caused by or resulting from loss of or damage to **"outdoor trees, shrubs, plants, or lawns"** unless the loss or damage is directly caused by fire, lightning, explosion, riot or civil commotion, or aircraft.

### 4. Green Roofing Systems

We will not pay for **"extra expense"** incurred caused by or resulting from loss of or damage to **"green roofing systems"** unless the loss or damage is directly caused by a **"covered cause of loss"** other than loss or damage caused by or resulting from:

- a. Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents, or other animals;
- b. Disease;
- c. Changes in or extremes of temperature;
- d. Dampness or dryness of atmosphere or of soil supporting the vegetation; or
- e. Rain, snow, hail, ice, or sleet.

## E. DEDUCTIBLE

We will not pay for any **"extra expense"** incurred in any one occurrence until the amount of **"extra expense"** incurred exceeds the applicable Deductibles shown on the Declarations. We will then pay the actual and necessary **"extra expense"** incurred in excess of the Deductibles up to the applicable Limits of Insurance.

## F. LOSS DETERMINATION

### 1. Sources of Information

The amount of actual and necessary **"extra expense"** incurred will be based on relevant sources of information, including, but not limited to:

- a. Your financial records, tax returns, and accounting procedures;
- b. Bills, invoices, and other vouchers; and
- c. Deeds, liens, and contracts.

### 2. Extra Expense

The amount of actual and necessary **"extra expense"** incurred will be determined based on:

- a. All **"extra expense"** that exceeds the normal operating expenses that would have been incurred by your **"operations"** during the **"period of restoration"** if no direct physical loss or damage had occurred; and
- b. All expenses that reduce the **"extra expense"** that otherwise would have been incurred.

We will deduct from the total **"extra expense"** incurred the salvage value of any property bought for temporary use during the **"period of restoration"**, once **"operations"** are resumed.

### 3. Resumption of Operations

We will reduce the amount of **"extra expense"** paid to the extent you can return **"operations"** to normal and discontinue such **"extra expense"**.

## Flood Coverage

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement modifies insurance provided under the following:

**ACCOUNTS RECEIVABLE COVERAGE FORM (REVENUE LOSS)**  
**BUSINESS INCOME COVERAGE FORM (EXCLUDING EXTRA EXPENSE)**  
**BUSINESS INCOME COVERAGE FORM INCLUDING RESEARCH AND DEVELOPMENT CONTINUING  
EXPENSES (EXCLUDING EXTRA EXPENSE)--TECHNOLOGY**  
**EXTRA EXPENSE COVERAGE FORM**  
**FINE ARTS COVERAGE FORM**  
**ORIGINAL INFORMATION PROPERTY COVERAGE FORM**  
**REAL AND PERSONAL PROPERTY COVERAGE FORM**  
**RESEARCH AND DEVELOPMENT PROPERTY COVERAGE FORM**

### A. COVERAGE

The Flood exclusion does not apply to loss or damage at a **"premises"** at which a Limit of Insurance is shown on the Declarations for Flood. However, we will not pay for loss or damage caused directly or indirectly by **"flood"** that begins before the inception of this Commercial Property Coverage Part.

If the Earth Movement and Flood Coverage--Specified Property endorsement is included in this Commercial Property Coverage Part, this endorsement does not apply to property covered by that endorsement.

### B. ADDITIONAL EXCLUDED CAUSES OF LOSS

#### Off-Premises Damage

We will not pay for loss or damage that is caused directly or indirectly by **"flood"** at any of the following locations:

1. **"Cloud facility"**;
2. **"Dependent premises"**;
3. Fairs or exhibitions;
4. **"Newly acquired premises"**;
5. **"Reported unscheduled premises"**;
6. **"Unreported premises"**; or
7. Any location used to provide power or other utility service to **"premises"**.

## C. LIMITS OF INSURANCE

### 1. Premises Limits

The most we will pay in any one occurrence for loss or damage caused directly or indirectly by **"flood"** at any one **"premises"** is the Limit of Insurance shown on the Declarations for Flood for that **"premises"**.

### 2. Occurrence Limit

The most we will pay in any one occurrence for all loss or damage caused directly or indirectly by **"flood"**, regardless of the number of **"premises"** involved, is the occurrence Limit of Insurance shown on the Declarations for Flood.

### 3. Annual Aggregate Limit

The most we will pay for loss or damage caused directly or indirectly by **"flood"** in any one policy year, regardless of the number of occurrences or **"premises"** involved, is the Annual Aggregate Limit of Insurance shown on the Declarations for Flood.

These Limits are included in, and not in addition to, any other applicable Limits of Insurance.

## D. DEDUCTIBLE

1. The Flood Deductible only applies to loss or damage that, but for the application of the Deductible, would be paid by us under this Commercial Property Coverage Part.
2. With respect to loss or damage caused directly or indirectly by **"flood"**, the Deductible section is replaced by the following:

We will not pay for loss, damage, cost, or expense at any one **"premises"** in any one occurrence until the amount of covered loss, damage, cost, or expense exceeds the Flood Deductible shown on the Declarations for that **"premises"**. We will then pay for the amount of covered loss, damage, cost, or expense in excess of the Deductible, up to the applicable Limits of Insurance.

If more than one **"premises"** suffers loss or damage in one occurrence, the applicable Deductibles shown on the Declarations will apply separately and individually to covered loss, damage, cost, or expense at each **"premises"**.

The Flood Deductibles apply to all covered loss, damage, cost, or expense covered by **"time element coverage"** when the loss, damage, cost, or expense is caused directly or indirectly by covered **"flood"** even if no other deductible applies to the **"time element coverage"**.

## E. COINSURANCE

The Additional Condition--Coinsurance endorsement does not apply to coverage provided by this endorsement.



## Off-Premises Service Interruption-- Direct Damage

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies the following:

### ADDITIONAL COVERAGES FORM COMMERCIAL PROPERTY DEFINITIONS

#### SCHEDULE

Premises #	Water	POWER		COMMUNICATION	
		With Overhead T&D Property	Without Overhead T&D Property	With Overhead T&D Property	Without Overhead T&D Property
1	Y	Y	N	Y	N

- A. The Off-Premises Service Interruption--Direct Damage Additional Coverage in Section A., Additional Coverages, in the ADDITIONAL COVERAGES FORM is replaced by the following:

We will pay for direct physical loss of or damage to **"real property"** and **"personal property"** at a **"premises"** or **"reported unscheduled premises"** directly caused by an **"off-premises service interruption"**. The interruption must result from direct physical loss or damage directly caused by a **"covered cause of loss"** to property:

- Located away from the **"premises"** or **"reported unscheduled premises"**; and
- Used to provide the services checked by an "X" in the Schedule above to the **"premises"** or **"reported unscheduled premises"**.

The most we will pay under this Additional Coverage at any one **"premises"** or **"reported unscheduled premises"** is the Limit of Insurance shown on the Declarations for Off-Premises Service Interruption--Direct Damage.

The Limit for this Additional Coverage is included in, and not in addition to, any other applicable Limits of Insurance.

- B. With respect to loss or damage covered by this endorsement, the terms used in the Schedule above mean:

#### 1. Communication

Communication includes video, voice, and data, but does not include **"information technology services"**.

## 2. Power

Power includes all sources of power, including steam and natural gas.

## 3. Reported Unscheduled Premises (RUP)

The Premises Symbol--RUP means all **"reported unscheduled premises"**.

## 4. T&D Property

The terms With Overhead T&D Property and Without Overhead T&D Property have the following meanings:

- a. With Overhead T&D Property means that the property providing the applicable service includes **"overhead transmission and distribution property"** and **"transmission and distribution property"**.
- b. Without Overhead T&D Property means that the property providing the applicable service includes **"transmission and distribution property"** but does not include **"overhead transmission and distribution property"**.

## C. The following are added to the COMMERCIAL PROPERTY DEFINITIONS:

**"Overhead transmission and distribution property"** means property located away from **"premises"** and **"reported unscheduled premises"** and used to provide power or communications services to **"premises"** and **"reported unscheduled premises"**, which consists of:

- a. Overhead wires, cables, lines, conductors, including related equipment used with such property; and
- b. Poles, towers, similar structures and any property mounted on them, including antennae, transmitters, and transformers.

**"Overhead transmission and distribution property"** does not mean satellites or any other orbiting equipment.

**"Transmission and distribution property"** means property located away from **"premises"** and **"reported unscheduled premises"** and used to provide power or communications services to **"premises"** and **"reported unscheduled premises"**, which consists of ground-level or underground wires, cables, lines, conductors, including related ground level or underground equipment, used with such property.

**"Transmission and distribution property"** does not mean **"overhead transmission and distribution property"**.

## D. The Additional Condition--Coinsurance endorsement does not apply to coverage provided by this endorsement.

## Off-Premises Service Interruption--Time Element

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies the following:

**BUSINESS INCOME COVERAGE FORM (EXCLUDING EXTRA EXPENSE)**  
**BUSINESS INCOME COVERAGE FORM INCLUDING RESEARCH AND DEVELOPMENT CONTINUING EXPENSES**  
**(EXCLUDING EXTRA EXPENSE)--TECHNOLOGY**  
**COMMERCIAL PROPERTY DEFINITIONS**  
**EXTRA EXPENSE COVERAGE FORM**

### SCHEDULE

Premises #	Water/ Sewer	POWER		COMMUNICATION	
		With Overhead T&D Property	Without Overhead T&D Property	With Overhead T&D Property	Without Overhead T&D Property
20	X	X		X	
19	X	X		X	
18	X	X		X	

### A. COVERAGE

#### 1. Blanket Business Income and Extra Expense

For those "**premises**" and "**reported unscheduled premises**" at which a Blanket Business Income and Extra Expense Limit of Insurance is shown on the Declarations:

a. The following Additional Coverage is added to the following forms:

**BUSINESS INCOME COVERAGE FORM (EXCLUDING EXTRA EXPENSE)**  
**BUSINESS INCOME COVERAGE FORM INCLUDING RESEARCH AND DEVELOPMENT CONTINUING**  
**EXPENSES (EXCLUDING EXTRA EXPENSE)--TECHNOLOGY**

We will pay for the actual loss of "**business income**" you sustain, as determined by the applicable Coverage Form, provided such loss was caused by an "**off-premises service interruption**". The interruption must result from direct physical loss or damage directly caused by a "**covered cause of loss**" to property:

- a. Located away from the "**premises**" or "**reported unscheduled premises**"; and
- b. Used to provide the services checked by an "X" in the Schedule above to the "**premises**" or "**reported unscheduled premises**".

The most we will pay under this Additional Coverage at any one "**premises**" or "**reported unscheduled premises**" is the Limit of Insurance shown on the Declarations for Off-Premises Service Interruption--Business Income and Extra Expense.



## Off-Premises Service Interruption--Time Element

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies the following:

**BUSINESS INCOME COVERAGE FORM (EXCLUDING EXTRA EXPENSE)**  
**BUSINESS INCOME COVERAGE FORM INCLUDING RESEARCH AND DEVELOPMENT CONTINUING EXPENSES**  
**(EXCLUDING EXTRA EXPENSE)--TECHNOLOGY**  
**COMMERCIAL PROPERTY DEFINITIONS**  
**EXTRA EXPENSE COVERAGE FORM**

### SCHEDULE

Premises #	Water/ Sewer	POWER		COMMUNICATION	
		With Overhead T&D Property	Without Overhead T&D Property	With Overhead T&D Property	Without Overhead T&D Property
13	X	X		X	
16	X	X		X	
1	X	X		X	

### A. COVERAGE

#### 1. Blanket Business Income and Extra Expense

For those "**premises**" and "**reported unscheduled premises**" at which a Blanket Business Income and Extra Expense Limit of Insurance is shown on the Declarations:

a. The following Additional Coverage is added to the following forms:

**BUSINESS INCOME COVERAGE FORM (EXCLUDING EXTRA EXPENSE)**  
**BUSINESS INCOME COVERAGE FORM INCLUDING RESEARCH AND DEVELOPMENT CONTINUING**  
**EXPENSES (EXCLUDING EXTRA EXPENSE)--TECHNOLOGY**

We will pay for the actual loss of "**business income**" you sustain, as determined by the applicable Coverage Form, provided such loss was caused by an "**off-premises service interruption**". The interruption must result from direct physical loss or damage directly caused by a "**covered cause of loss**" to property:

- a. Located away from the "**premises**" or "**reported unscheduled premises**"; and
- b. Used to provide the services checked by an "X" in the Schedule above to the "**premises**" or "**reported unscheduled premises**".

The most we will pay under this Additional Coverage at any one "**premises**" or "**reported unscheduled premises**" is the Limit of Insurance shown on the Declarations for Off-Premises Service Interruption--Business Income and Extra Expense.

The Limit for this Additional Coverage is included in, and not in addition to, any other applicable Limits of Insurance.

**b.** The following Additional Coverage is added to the EXTRA EXPENSE COVERAGE FORM:

We will pay for the actual and necessary **"extra expense"** you incur, provided such **"extra expense"** was caused by an **"off-premises service interruption"**. The interruption must result from direct physical loss or damage directly caused by a **"covered cause of loss"** to property:

- a.** Located away from the **"premises"** or **"reported unscheduled premises"**; and
- b.** Used to provide the services checked by an "X" in the Schedule above to the **"premises"** or **"reported unscheduled premises"**.

The most we will pay under this Additional Coverage at any one **"premises"** or **"reported unscheduled premises"** is the Limit of Insurance shown on the Declarations for Off-Premises Service Interruption--Business Income and Extra Expense.

The Limit for this Additional Coverage is included in, and not in addition to, any other applicable Limits of Insurance.

## **2. Business Income**

For those **"premises"** and **"reported unscheduled premises"** at which a Business Income Limit of Insurance is shown on the Declarations, the following Additional Coverage is added to the following forms:

BUSINESS INCOME COVERAGE FORM (EXCLUDING EXTRA EXPENSE)  
BUSINESS INCOME COVERAGE FORM INCLUDING RESEARCH AND DEVELOPMENT CONTINUING  
EXPENSES (EXCLUDING EXTRA EXPENSE)--TECHNOLOGY

We will pay for the actual loss of **"business income"** you sustain, as determined by the applicable Coverage Form, provided such loss was caused by an **"off-premises service interruption"**. The interruption must result from direct physical loss or damage directly caused by a **"covered cause of loss"** to property:

- a.** Located away from the **"premises"** or **"reported unscheduled premises"**; and
- b.** Used to provide the services checked by an "X" in the Schedule above to the **"premises"** or **"reported unscheduled premises"**.

The most we will pay under this Additional Coverage at any one **"premises"** or **"reported unscheduled premises"** is the Limit of Insurance shown on the Declarations for Off-Premises Service Interruption--Business Income.

The Limit for this Additional Coverage is included in, and not in addition to, any other applicable Limits of Insurance.

## **3. Extra Expense**

For those **"premises"** and **"reported unscheduled premises"** at which an Extra Expense Limit of Insurance is shown on the Declarations, the following Additional Coverage is added to the EXTRA EXPENSE COVERAGE FORM:

We will pay for the actual and necessary **"extra expense"** you incur, provided such **"extra expense"** was caused by an **"off-premises service interruption"**. The interruption must result from direct physical loss or damage directly caused by a **"covered cause of loss"** to property:

- a.** Located away from the **"premises"** or **"reported unscheduled premises"**; and

- b. Used to provide the services checked by an "X" in the Schedule above to the **"premises"** or **"reported unscheduled premises"**.

The most we will pay under this Additional Coverage is the Limit of Insurance shown on the Declarations for Off-Premises Service Interruption--Extra Expense.

The Limit for this Additional Coverage is included in, and not in addition to, any other applicable Limits of Insurance.

#### 4. Research and Development Continuing Expenses

For those **"premises"** at which a Research and Development Continuing Expenses Limit of Insurance is shown on the Declarations, the following Additional Coverage is added to the BUSINESS INCOME COVERAGE FORM INCLUDING RESEARCH AND DEVELOPMENT CONTINUING EXPENSES (EXCLUDING EXTRA EXPENSE)--TECHNOLOGY:

We will pay for the actual and necessary **"research and development continuing expenses"** you incur, provided such **"research and development continuing expenses"** were caused by an **"off-premises service interruption"**. The interruption must result from direct physical loss or damage directly caused by a **"covered cause of loss"** to property:

- a. Located away from the **"premises"**; and
- b. Used to provide the services checked by an "X" in the Schedule above to the **"premises"**.

The most we will pay under this Additional Coverage is the Limit of Insurance shown on the Declarations for Off-Premises Service Interruption--Research and Development Continuing Expenses.

The Limit for this Additional Coverage is included in, and not in addition to, any other applicable Limits of Insurance.

#### B. With respect to loss or expense covered by this endorsement, the terms used in the Schedule above mean:

##### 1. Communication

Communication includes video, voice, and data, but does not include **"information technology services"**.

##### 2. Power

Power includes all sources of power, including steam and natural gas.

##### 3. Reported Unscheduled Premises (RUP)

The Premises Symbol--RUP means all **"reported unscheduled premises"**.

##### 4. T&D Property

The terms With Overhead T&D Property and Without Overhead T&D Property have the following meanings:

- a. With Overhead T&D Property means the property providing the applicable service includes **"overhead transmission and distribution property"** and **"transmission and distribution property"**.
- b. Without Overhead T&D Property means the property providing the applicable service includes **"transmission and distribution property"** but does not include **"overhead transmission and distribution property"**.

#### C. ADDITIONAL COVERAGES

- 1. The Civil Authority and Contractual Penalties Additional Coverages contained in the BUSINESS INCOME COVERAGE FORM (EXCLUDING EXTRA EXPENSE) apply to loss of **"business income"** covered by this

endorsement. However, these Additional Coverages will not increase the applicable Off-Premises Service Interruption Limits of Insurance.

2. The Civil Authority, Contractual Penalties, and Delayed Net Income Additional Coverages contained in the BUSINESS INCOME COVERAGE FORM INCLUDING RESEARCH AND DEVELOPMENT CONTINUING EXPENSES (EXCLUDING EXTRA EXPENSE)--TECHNOLOGY apply to loss of **"business income"** and **"research and development continuing expenses"** covered by this endorsement. However, these Additional Coverages will not increase the applicable Off-Premises Service Interruption Limits of Insurance.
3. The Civil Authority Additional Coverage contained in the EXTRA EXPENSE COVERAGE FORM is extended to apply to **"extra expense"** covered by this endorsement. However, this Additional Coverage will not increase the applicable Off-Premises Service Interruption Limits of Insurance.

#### D. ADDITIONAL DEFINITIONS

The following definitions are added to the COMMERCIAL PROPERTY DEFINITIONS:

**"Overhead transmission and distribution property"** means property located away from **"premises"** and **"reported unscheduled premises"** and used to provide power or communications services to **"premises"** and **"reported unscheduled premises"**, which consists of:

- a. Overhead wires, cables, lines, conductors, including related equipment used with such property; and
- b. Poles, towers, similar structures, and any property mounted on them, including antennae, transmitters, and transformers.

**"Overhead transmission and distribution property"** does not mean satellites or any other orbiting equipment.

**"Transmission and distribution property"** means property located away from **"premises"** and **"reported unscheduled premises"** and used to provide power or communications services to **"premises"** and **"reported unscheduled premises"**, which consists of ground-level or underground wires, cables, lines, conductors, including related ground level or underground equipment used with such property.

**"Transmission and distribution property"** does not mean **"overhead transmission and distribution property"**.

- E. The Additional Condition--Coinsurance endorsement does not apply to coverage provided by this endorsement.

#### F. DEDUCTIBLE

We will not pay for any loss of **"business income"**, **"extra expense"**, or **"research and development continuing expenses"** incurred in any one occurrence until the amount of loss or expense incurred exceeds the applicable Deductibles or is incurred after the applicable Waiting Periods shown on the Declarations for Off-Premises Service Interruption--Time Element. We will then pay the amount of actual **"business income"** loss sustained or actual and necessary **"extra expense"** or **"research and development continuing expenses"** incurred in excess of the Deductibles or incurred after the Waiting Periods, up to the applicable Limits of Insurance.

If a Waiting Period is shown on the Declarations, the Waiting Period begins immediately following the direct physical loss of or damage to property directly caused by a **"covered cause of loss"**.

With the exception of any applicable Named Storm Deductibles, any other deductible otherwise applicable to **"business income"**, **"extra expense"**, or **"research and development continuing expenses"** does not apply to coverage provided by this endorsement.

# Loss Payable Provisions

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement modifies the following:

## **COMMERCIAL PROPERTY CONDITIONS**

If loss or damage occurs to Covered Property in which both you and a Loss Payee shown on the Declarations have an insurable interest, the applicable paragraph below will be added to the Loss Payment Condition.

If the Loss Payee is described as Loss Payable, paragraph 1. below applies. If the Loss Payee is described as Lender's Loss Payable, paragraph 2. below applies. A Lender's Loss Payable is a creditor, including a mortgageholder or trustee, whose interest in Covered Property is established by a written instrument, including a warehouse receipt, a contract for deed, bill of lading, financing statement, mortgage, deed of trust, or security agreement. If the Loss Payee is described as Contract of Sale, paragraph 3. below applies. A Contract of Sale is a person or organization that you have entered into a contract with for the sale of Covered Property. If the Loss Payee is described as Building Owner, paragraph 4. below applies. A Building Owner is the owner of the building in which you are a tenant.

### **1. LOSS PAYABLE**

For Covered Property in which both you and the Loss Payee have an insurable interest, we will:

- a. Adjust losses with you; and
- b. Pay any claim for covered loss or damage jointly to you and the Loss Payee, as interests may appear.

### **2. LENDER'S LOSS PAYABLE**

a. For Covered Property in which both you and the Loss Payee have an insurable interest:

- 1) We will adjust losses with you and pay for covered loss or damage to each Loss Payee in their order of precedence, as interests may appear.
- 2) The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure or similar action on the Covered Property.
- 3) If we deny your claim because of your acts or because you failed to comply with the terms of this Commercial Property Coverage Part, the Loss Payee will still have the right to receive loss payment if the Loss Payee:
  - a) Pays any premium due under this Commercial Property Coverage Part at our request if you have failed to do so;
  - b) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
  - c) Has notified us of any change in ownership, occupancy, or substantial change in risk known to the Loss Payee.

All of the terms of this Commercial Property Coverage Part will then apply directly to the Loss Payee.

- 4) If we pay the Loss Payee for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Commercial Property Coverage Part:
  - a) The Loss Payee's rights will be transferred to us to the extent of the amount we pay; and
  - b) The Loss Payee's rights to recover the full amount of the Loss Payee's claim will not be impaired.

At our option, we may pay to the Loss Payee the principal of the debt plus any accrued interest. In this event, you will pay your remaining debt to us.

- b. If we cancel this policy, we will give written notice to the Loss Payee at least:
  - 1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
  - 2) 30 days before the effective date of cancellation if we cancel for any other reason.
- c. If we elect not to renew this policy, we will give written notice to the Loss Payee at least 10 days before the expiration date of this policy.

### 3. CONTRACT OF SALE

- a. For Covered Property in which both you and the Loss Payee have an insurable interest we will:
  - 1) Adjust losses with you; and
  - 2) Pay any claim for covered loss or damage jointly to you and the Loss Payee, as interests may appear.
- b. The following is added to the Other Insurance Condition:

For Covered Property that is the subject of a contract of sale, the word "you" includes the Loss Payee.

### 4. BUILDING OWNER

- a. We will adjust losses to the building with the Loss Payee. Any loss payment made to the Loss Payee will satisfy your claims against us for the owner's property.
- b. We will adjust losses to "**improvements and betterments**" with you, unless the lease provides otherwise.

# Commercial Property Coverage Part Property Portfolio Protection Revision of Forms and Endorsements Advisory Notice to Policyholders

This is a summary of the major changes in your Commercial Property Coverage Part. No coverage is provided by this summary nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations Page for complete information on the coverage you are provided. If there is any conflict between the policy and this summary, **THE PROVISIONS OF THIS POLICY SHALL PREVAIL.**

The areas within the policy that broaden or reduce coverage, and other changes, are highlighted below. This notice does not reference every editorial change made in your policy.

The material in this notice makes reference to form and endorsement numbers; **however, not all forms and endorsements are included in a particular policy.**

## Commercial Property Coverage Part General Provisions (PPP-0101)

- Language has been added under the Deductibles section to contemplate that water damage and theft may be subject to separate deductible amounts. The wind or wind/hail deductible language has been modified to clarify the all other peril deductible applies unless there is a separate wind or wind/hail deductible on the policy.

## Commercial Property Conditions (PPP-0102)

### Reduction or Potential Reduction in Coverage:

- The Coverage Territory condition has been modified to eliminate Canada for other than transit losses. Our Envoy product would cover Canada risks.

## Commercial Property Definitions (PPP-0103)

- Four new definitions have been added:
- **“Cloud Facility”** to specify intent for new **Cloud Coverage** form **PPP-0417**
- **“Computer systems”** added as a term within **Cloud Coverage** form **PPP-0417**
- **“Green roofing systems”** to provide coverage without the optional **Better Green** endorsement
- **“Information technology services”** added as a term within **Cloud Coverage** form **PPP-0417**

A number of definitions have been modified

- **“Continuing expenses”** was amended to clarify that **“continuing expenses”** does not include non-continuing expenses
- **“Contractor’s equipment”** was amended to add what **“contractor’s equipment”** does not mean as temporary forms, shoring and false work are provided as an additional coverage with a sub limit in the Contractors Equipment Coverage Form.
- **“Contributing locations”** was amended to clarify the intent
- **“Electronic vandalism”** was broadened to include **“research and development property”**
- **“Improvements and betterments”** was broadened to include additional cover for tenant contract responsibility
- **“Installation or service premises”** was broadened to include a location where you are constructing property
- **“Landscaping materials”** was amended to include **“green roofing systems”**
- **“Outdoor trees, shrubs, plants, or lawns”** was amended for what **“green roofing systems”** does not mean
- **“Personal property”** was amended for what **“green roofing systems”** does not mean
- **“Real property”** was amended to include **“green roofing systems”**
- **“Temporary storage location”** was amended to expand coverage for locations leased, rented or occupied for less than one year



**Real and Personal Property Coverage Form (PPP-0110)**

- Language under the exclusion of Process Failures, Defects or Errors has been modified to clarify the coverage intent of lack of maintenance and not an error while performing maintenance
- Language under Dishonest Acts has been reformatted

**Broadened Coverage:**

- **“Green roofing systems”** has been added to the form with a broadened peril set than previously provided under the optional **Better Green** endorsement.

**Additional Coverages Form (PPP-0111)**

- Language under Electronic Vandalism-Direct Damage was expanded to include **“research and development property”** and will apply when the Research and Development Property Coverage Form (PPP-0118) applies to a premises.

**Accounts Receivable Coverage Form (Revenue Loss) (PPP-0112)****Fine Arts Coverage Form (PPP-0114)****Original Information Property Coverage Form (PPP-0116)**

- Language under Defects or Errors has been modified to clarify the coverage intent of lack of maintenance and not an error while performing maintenance.
- Language under Dishonest Acts has been reformatted

**Installation and Service Property Coverage Form (PPP-0115)**

- Language under Process Failures, Defects or Errors has been modified to clarify the coverage intent of lack of maintenance and not an error while performing maintenance.
- Language under Dishonest Acts has been reformatted

**Transit Coverage Form (PPP-0117)**

- Language under Dishonest Acts has been reformatted

**Research and Development Property Coverage Form (PPP-0118)**

- Language under the Additional Coverages has been revised to clarify that the additional coverage applies to a “premises” for which you have purchased the optional coverage for **“research and development property”**
- Language under the Artificially Maintained Conditions and the Off-Premises Service Interruption exclusion had been clarified to indicate the exception for coverage provided in the Additional Coverages section
- Language under Process Failures, Defects or Errors has been modified to clarify the coverage intent of lack of maintenance and not an error while performing maintenance.
- Language under Dishonest Acts has been reformatted

**Business Income Coverage Form (Excluding Extra Expense) (PPP-0130)****Business Income Coverage Form Including Research and Development Continuing Expenses (Excluding Extra Expense)--Technology (PPP-0131)**

- Language under Civil Authority has been revised to clarify the intent
- Language under Expense to Reduce loss has been amended to clarify it is subject to the Business Income limit
- Language under Ingress/Egress has been amended to clarify the loss or damage but be directly caused by a **“covered cause of loss”**
- **“Green roofing systems”** has been added to the list of excepted property types under the Real or Personal Property exclusion.
- **“Green roofing systems”** has been added to the Limitations to remain consistent with the causes of loss excepted in the Real and Personal Property Coverage Form.



**Extra Expense Coverage Form (PPP-0132)**

- Language under Civil Authority has been revised to clarify the intent
- Language under Ingress/Egress has been amended to clarify the loss or damage but be directly caused by a **“covered cause of loss”**
- **“Green roofing systems”** has been added to the list of excepted property types under the Real or Personal Property exclusion.
- **“Green roofing systems”** has been added to the Limitations to remain consistent with the causes of loss excepted in the Real and Personal Property Coverage Form.

**Contractor’s Equipment Coverage Form (PPP-0140)**

- Language under the exclusion for Process Failures, Defects or Errors has been modified to clarify the coverage intent of lack of maintenance and not an error while performing maintenance
- Language was modified in the Deductible section to allow for an option of waiting period
- Language under Dishonest Acts has been reformatted

Broadened Coverage:

- Language was amended to include two new additional coverages
  1. Contractor’s Equipment Continuing Lease or Rental Payments
  2. Contractor’s Equipment Fire Department Service Charge
- Language was modified in the Deductible section to \$ 0 out the deductible for theft if the “contractors equipment” was registered with National Equipment Register prior to the loss

**Installation Property Coverage Form (PPP-0141)**

- Language under the exclusion for Process Failures, Defects or Errors has been modified to clarify the coverage intent of lack of maintenance and not an error while performing maintenance
- Language under the valuation for installation property was clarified to reflect what the cost was at the time of loss or damage if not repaired, replaced or rebuilt
- Language under Dishonest Acts has been reformatted

Broadened Coverage:

- Language was amended to include two new additional coverages
  1. Installation Property Fire Department Service Charge
  2. Installation Property Pollutant Clean Up- Land and Water
- Language was added to the Additional Conditions section to address additional insured’s as respects to their financial interest

Reduction or Potential Reduction in Coverage

- A Property Not Covered section was added to the policy to exclude coverage for contraband or property in the course of illegal transportation or trade.

**Riggers Liability Coverage Form (PPP-0142)**

- Language under the exclusion for Process Failures, Defects or Errors has been modified to clarify the coverage intent of lack of maintenance and not an error while performing maintenance

Reduction or Potential Reduction in Coverage

- Language under Property Not Covered has been modified from lawns to land
- Buildings or other structures has been added to the list of Property Not Covered
- Precipitation damage to property in the open has been added as an exclusion

**Increased Cost of Construction Exclusion (PPP-0210)**

- Language has been amended under the definition for **“replacement cost”** to reflect “new” materials
- Language has been clarified under the definition of “period of restoration” with no change in intent

**Named Storm--Direct Damage Deductible (PPP-0216)**

**Named Storm--Direct Damage and Time Element Deductible (PPP-0217)**

**Named Storm--Direct Damage and Time Element Deductible (Premises and Reported Unscheduled Premises) (PPP-0218)**

**Named Storm Occurrence--Direct Damage and Time Element Deductible (PPP-0219)**

**Named Storm Sublimit--Contractor's Equipment and Installation Property (PPP-0247)**

Reduction or Potential Reduction in Coverage

- The definition of **"named storm"** has been amended by separating out the occurrence portion of the definition.
- Language has been added to clarify an occurrence of when a "named storm" begins and ends

**Personal Property Redefined--Contractors (PPP-0240)**

- **"Green roofing systems"** was added to the list of what **"personal property"** does not mean. This is to remain consistent with adding **"green roofing systems"** under what **"real property"** does mean within the Commercial Property Definitions form

**Dependent Premises Business Income Coverage--Scheduled Limits and Locations (PPP-0301)**

- Language under Additional Coverages for Civil Authority has been modified to clarify intent
- Language with respect to civil authority has been added to the Optional Coverage section
- The Deductible section has been moved to follow the Optional Coverage section

**Dependent Premises Business Income Coverage--Unscheduled Locations (PPP-0302)**

- Language under Additional Coverages for Civil Authority has been modified to clarify intent
- Language with respect to civil authority has been added to the Optional Coverage section

**Dependent Premises Extra Expense Coverage--Scheduled Limits and Locations (PPP-0303)**

- Language was restated to include the time limitation for Civil Authority within the Civil authority coverage grant

**Earth Movement Coverage (PPP-0304)**

**Earth Movement Coverage--Premises and Reported Unscheduled Premises (PPP-0306)**

**Flood Coverage (PPP-0310)**

**Flood Coverage--Premises and Reported Unscheduled Premises (PPP-0311)**

- These optional endorsements were modified to reflect that a "cloud facility" as part of the new Cloud Facility Coverage is added as a location under Off-Premises Damage locations excluded from coverage.

**Off-Premises Service Interruption--Direct Damage (PPP-0320)**

- Language referencing Including or Excluding was modified to With or Without
- Language was added to advise what the term Communication does and does not include to clarify **"information technology systems"** is not included

**Off-Premises Service Interruption--Time Element (PPP-0321)**

- Language referencing Including or Excluding was modified to With or Without
- Language was added to advise what the term Communication does and does not include to clarify **"information technology systems"** is not included
- Language was modified by splitting out how the policy responds to Business Income and Extra Expense when the policy is issued with a Blanket Business Income and Extra Expense limit
- Language under the deductible section was clarified to restate what we pay after the deductible or waiting period is exceeded

**Better Green Coverage (PPP-0331)**

- Language throughout the form relating to “**green roofing systems**” was removed from this Optional Endorsement as it is now provided with a broader peril set under the Real and Personal Property Coverage Form (PPP-0110)

**Scheduled Contractor’s Equipment—Special Valuation (PPP-0340)**Broadened Coverage:

- Language has been amended to reflect “new” materials for valuation
- Language has been added to include the costs of in force service contracts, warranties, and the like in the valuation

**Financial Institution Coverage (PPP-0402)**

- Language has been modified under the definitions of “**newly acquired premises**” and “**unreported premises**” to add “**rigging premises**” to what each does not mean. This remains consistent with their definitions as listed in the Commercial Property Definitions Form PPP-0103
- Language for the definition of “**personal property**” does not mean was modified to include “**Green roofing systems**” which remains consistent with its definitions as listed in the Commercial Property Definitions Form PPP-0103 (03 14)

**Golf Course Outdoor Grounds Coverage (PPP-0404)****Limited Golf Course Outdoor Grounds Coverage (PPP-0407)**Reduction or Potential Reduction in Coverage:

- The valuation provision has been amended to reduce the number of months from 24 to 12 in which you have to replace damaged trees and receive loss payment.
- The valuation provision has been amended to sub limit per occurrence the amount payable for all damaged trees that are not replaced.

**Healthcare Industry Coverage (PPP-0409)**

- Language has been added to the mobile medical equipment provision to reflect how the amount of covered damage will be determined in a loss.
- Language has been added to optionally choose a per item limit lower than the occurrence limit

Broadened Coverage:

- The definition of “**Mobile medical equipment**” has been amended to include any trailer to which the equipment is permanently attached.
- Language has been added to include the costs of in force service contracts, warranties, and the like in the valuation

**Contingent Real Property Coverage (PPP-0410)**

- A modification of language was made as to reasons this insurance is primary

**Loss Payable Provisions (PPP-0502)**Broadened Coverage:

- A provision has been added to include Building Owner as an option for Loss payee



# Recording And Distribution Of Material Or Information In Violation Of Law Exclusion **ZURICH®**

Policy No.	Eff. Date of Pol.	Exp. Date of Pol.	Eff. Date of End.	Producer No.	Add'l. Prem	Return Prem.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement modifies insurance provided under the:

## **Commercial General Liability Coverage Part**

- A. Exclusion q. Recording And Distribution Of Material Or Information In Violation Of Law** of Paragraph 2. **Exclusions** of Section I – Coverage A – Bodily Injury And Property Damage Liability is replaced by the following:

### **2. Exclusions**

This insurance does not apply to:

#### **q. Recording And Distribution Of Material Or Information In Violation Of Law**

"Bodily injury" or "property damage" directly or indirectly arising out of or based upon any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, or any other legal liability, at common law or otherwise, that addresses, prohibits, or limits the printing, dissemination, disposal, monitoring, collecting, recording, use of, sending, transmitting, communicating or distribution of material or information.

- B. Exclusion p. Recording And Distribution Of Material Or Information In Violation Of Law** of Paragraph 2. **Exclusions** of Section I – Coverage B – Personal And Advertising Injury Liability is replaced by the following:

### **2. Exclusions**

This insurance does not apply to:

#### **p. Recording And Distribution Of Material Or Information In Violation Of Law**

"Personal and advertising injury" directly or indirectly arising out of or based upon any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or

- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, or any other legal liability, at common law or otherwise, that addresses, prohibits, or limits the printing, dissemination, disposal, monitoring, collecting, recording, use of, sending, transmitting, communicating or distribution of material or information.

All other terms and conditions of this policy remain unchanged.

# Employee Benefits Liability - Occurrence Coverage Form



This Coverage Form provides *occurrence* coverage. Please read the entire form carefully. **Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties, and what is and is not covered.**

**Throughout this policy, the words 'you' and 'your' refer to the Named Insured shown in the Declarations. The words 'we', 'us', and 'our' refer to the Company providing this insurance.**

Other words and phrases that appear in quotes have special meaning. Refer to the Definitions Section.

## Section I. Coverage - Employee Benefit Liability

### 1. Insuring Agreement

- A.** We will pay those sums that the "insured" becomes legally obligated to pay as damages because of any act, error, or omission of the "insured" in the "administration" of the "insured's" "employee benefit programs". We will have the right and duty to defend the "insured" against any suit seeking those damages. However, we will have no duty to defend the "insured" against any "suit" seeking damages for any act, error, or omission for which this insurance does not apply. We may, at our discretion, investigate any claim and settle any "suit" that may result; but:

- 1.** The amount we pay for damages is limited as described in Section II. - Limits of Insurance of this Coverage Part; and
- 2.** Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under this Employee Benefit Liability coverage.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments of this Coverage Part.

- B.** This insurance applies to an act, error or omission only if:
- 1.** The act, error, or omission takes place in the "coverage territory";
  - 2.** The "insured" had no knowledge of and could not have reasonably foreseen any circumstances which might result in a claim or "suit"; and
  - 3.** The act, error, or omission occurs during the policy period.

### 2. Exclusions

This insurance does not apply to any:

- A.** "Bodily injury", "property damage" or "personal and advertising injury";
- B.** Any "claim" or "suit" arising out of any dishonest, fraudulent, criminal or malicious act;
- C.** Any "claim" or "suit" arising out of discrimination or humiliation;
- D.** Any "claim" or "suit" arising out of an insurer's or other provider's failure to perform its contract;
- E.** Any "claim" or "suit" arising out of your failure to comply with any workers compensation, unemployment insurance, social security, or disability benefits law;
- F.** Any "claim" or "suit" arising out of the failure of any of your "employee benefit plans" to meet obligations due to insufficient funds;
- G.** Any "claim" or "suit" arising out of:
  - a.** Advice given to any person to participate or not participate in a plan or program included in "employee benefit programs";
  - b.** The appointment of, or failure to appoint, any investment manager, administrator, trustee, actuary, advisor, counsel, accountant, custodian, or consultant;
  - c.** Any investment activity, including the management, administration, or disposition of assets of your "employee benefit programs"; or
  - d.** Failure of any investment to perform as represented by any "insured".
- H.** Any "claim or "suit" arising out of an "Insured's" liability as a fiduciary under:



- a. The Employee Retirement Income Security Act of 1974 (PL93-406) and its amendments; or
- b. The Internal Revenue Code of 1986 (including the Internal Revenue Code of 1954) and its amendments.

### 3. Supplementary Payments

We will pay, in addition to the applicable Limits of Insurance, with respect to any claim we investigate or settle or "suit" we defend:

- A. All expenses incurred by us, all costs taxed against the "insured" in any "suit" defended by us, and all interest on the full amount of any judgment which accrues after entry of the judgment and before we have paid or tendered or deposited in court, that part of the judgment which does not exceed the limit of our liability.
- B. Premiums on appeal bonds required and on bonds to release attachments in any "suit". We do not have to furnish these bonds.
- C. All reasonable expenses incurred by the "insured" at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
- D. Prejudgment interest awarded against the "insured" on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.

## II. Limits of Insurance

- A. The Limits of Insurance shown in the Declarations and the rules below establish the most we will pay regardless of the number of:
  - (1) "Insureds";
  - (2) Claims made or "suits" brought; or
  - (3) "Employees" or dependents or beneficiaries of "employees" making claims or bringing "suits".
- B. The Aggregate Limit is the most we will pay for all damages because of all "claims" or "suits" arising from the "administration" of your "employee benefit programs" during the policy period.
- C. Subject to the Aggregate Limit provisions in B. above, the Each Act, Error, or Omission Limit is the most we will pay for all damages sustained by any one "employee", including the "employee's" dependents and beneficiaries, because of acts, errors, or omissions committed in the "administration" of your "employee benefit programs".
- D. The limits of this Coverage Part apply separately to each consecutive annual period and to any remain-

ing period of less than 12 months starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

## III. Conditions

### A. Bankruptcy

Bankruptcy or insolvency of the "insured" or the "insured's" estate will not relieve us of our obligations.

### B. Duties in the Event of an Act, Error, Omission, Claim or Suit

- (1) Regardless of whether the loss exceeds any applicable deductible amount, you must see to it that we are notified as soon as practicable of any act, error, or omission which may result in a claim. To the extent possible, notice should include:
  - a. How, when, and where the act, error, or omission took place;
  - b. The names and addresses of any injured "employee", dependents, or beneficiaries of any "employee" and witnesses.
- (2) If a claim is received by any "insured", you must:
  - a. Immediately record the specifics of the claim and the date received; and
  - b. Notify us as soon as practicable.

You must see to it that we receive written notice of the claim as soon as practicable.
- (3) You and any other involved "insured" must:
  - a. Immediately send us copies of any demands, notices, summonses, or legal papers received in connection with the claim or "suit";
  - b. Authorize us to obtain records and other information;
  - c. Cooperate with us in the investigation, settlement, or defense of the claim or "suit"; and
  - d. Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the "insured" because of injury to which this insurance may also apply.
- (4) No insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

### C. Legal Action Against Us

No person or organization has a right:

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

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an "insured" obtained after an actual trial, but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the "insured", and the claimant or the claimant's legal representative.

#### **D. Other Insurance**

- (1) This Coverage Part is primary insurance, except when stated, to apply in excess of or contingent upon the absence of other insurance. When this insurance is primary and the insured has other insurance which applies to the loss on an excess or contingent basis, the amount of our liability under this Coverage Part shall not be reduced because of such other insurance.
- (2) When both this insurance and other insurance apply to the loss on the same basis, whether primary, excess, or contingent, we shall not be liable for a greater proportion of the loss than that stated in the applicable contribution provision below:

##### **a. Contribution by Equal Shares**

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

##### **b. Contribution by Limits**

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

#### **E. Separation of Insureds**

Except with respect to the Limits of Insurance and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- (1) As if each Named Insured were the only Named Insured; and
- (2) Separately to each "insured" against whom claim is made or "suit" is brought.

#### **F. Transfer Of Rights Of Recovery Against Others To Us**

If the "insured" has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The "insured" must do nothing after loss to impair them. At our request, the "insured" will bring "suit" or transfer those rights to us and help us enforce them.

### **IV. Definitions**

**A. "Advertisement"** means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:

- (1) Notices that are published include material placed on the Internet or on similar electronic means of communication; and
- (2) Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

**B. "Administration"** means:

- (1) Counseling "employees", including their dependents and beneficiaries, with respect to "employee benefit programs";
- (2) Handling records in connection with "employee benefit programs"; or
- (3) Effecting or terminating an "employee's" participation in a plan included in "employee benefit programs".

**C. "Bodily injury"** means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

**D. "Coverage territory"** means:

- (1) The United States of America (including its territories and possessions), Puerto Rico, and Canada; or
- (2) All parts of the world if the "insured's" responsibility to pay damages is determined in a "suit" on the merits, in the territory described in **D. (1)** above, or in a settlement to which we agree.

**E. "Employee"** means:

Your officers and employees, whether actively employed, disabled, or retired.

**F. "Employee benefit programs"** mean:

Group life insurance, group accident or health insurance, profit sharing plans, pension plans, employee stock subscription plans, workers compensation, unemployment insurance, salary continuation



plans, social security, disability benefits insurance, savings plans, vacation plans, or any other similar plans or programs.

**G. "Insured" means:**

You and any of your partners, executive officers, directors, members, stockholders or "employees", provided such "employee" is authorized to act in the "administration" of your "employee benefit programs".

**H. "Personal and advertising injury" means:**

Injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- (1) False arrest, detention, or imprisonment;
- (2) Malicious prosecution;
- (3) The wrongful eviction from wrongful entry into, or invasion of the right of private occupancy of, a room, dwelling, or premises that a person occupies by or on behalf of its owner, landlord, or lessor;
- (4) Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products, or services; or
- (5) Oral or written publication, in any manner, of material that violates a person's right of privacy;
- (6) The use of another's advertising idea in your "advertisement"; or

- (7) Infringing upon another's copyright, trade dress or slogan in your "advertisement".

**I. "Property damage" means:**

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

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications, software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

**J. "Suit" means:**

A civil proceeding in which damages to which this insurance applies is alleged. "Suit" includes:

- (1) An arbitration proceeding in which such damages are claimed and to which you must submit or do submit with our consent; or
- (2) Any other alternative dispute resolution proceeding in which such damages are claimed and to which you submit with our consent.

# Silica or Silica Mixed Dust Exclusion

Policy No.	Eff. Date of Pol.	Exp. Date of Pol.	Eff. Date of End.	Producer	Add'l. Prem	Return Prem.
					\$	\$

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement modifies insurance provided under the:

**Commercial General Liability Coverage Part**

**Products-Completed Operations Liability Coverage Part**

The following additional exclusion is added to **2. Exclusions** of **Section I. Coverages**:

## **2. Exclusions**

This insurance does not apply to:

### **Silica or Silica Mixed Dust**

- A. "Bodily injury", "property damage" or "personal and advertising injury" caused directly or indirectly, in whole or in part, by the actual, alleged or threatened inhalation, ingestion, absorption, exposure to, existence of or presence of "silica"; or
- B. Loss, costs or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any manner responding to or assessing the effects of "silica" by any insured or by any other person or entity.
- C. For the purposes of this exclusion, the following definition applies:

"Silica" means:

  - (1) Any form of crystalline or non-crystalline (amorphous) silica, silica particles, silica compounds, silica dust or silica mixed or combined with dust or other particles; or
  - (2) Synthetic silica, including precipitated silica, silica gel, pyrogenic or fumed silica or silica-flour.

## EMPLOYEE BENEFIT LIABILITY COVERAGE PART – OCCURRENCE DECLARATIONS

Policy Number: CPO 5833412-02

Named Insured: HEALTH TECH, LLC

Policy Period: Coverage begins 09-30-2014 at 12:01 A.M; Coverage ends 09-30-2015 at 12:01 A.M

Producer Name: LOCKTON COMPANIES LLC

Producer No. 37385-000

### Item 1. Limits of Insurance

\$ 2,000,000 Aggregate Limit  
\$ 1,000,000 Each Act, Error or Omission Limit

### Item 2. Form of Business:

☐ Individual ☐ Partnership ☐ Joint Venture ☐ Corporation  
☐ Other  
\_\_\_\_\_

### Item 3. Premium Schedule:

Code No.	Premium Basis (Estimated Number of Employees)	Rate	Advance Premium
<u>92100</u>	<u>121</u>	\$ <u>INCL</u> Per Employee	\$ <u>INCL</u>
		\$ <u>INCL</u> Flat Charge	\$ <u>INCL</u>

Total Advance Premium For This Coverage Part: \$ INCL

Audit Period: ☐ Annual ☐ Semi-annual ☐ Quarterly ☐ Monthly

### Forms And Endorsements Applicable To This Coverage Part:

**SEE SCHEDULE OF FORMS AND ENDORSEMENTS**

# 2012 General Liability Multistate Forms Revision

## Notice to Policyholders



This is a summary of the major changes in your policy. No coverage is provided by this summary nor can it be construed to replace any provision of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided. If there is any conflict between the policy and this summary, **THE PROVISIONS OF THE POLICY SHALL PREVAIL.**

The major areas within the policy that broaden or reduce coverage, and other changes, are highlighted below. This notice does not reference every editorial change made in your policy. We have followed the policy sequence of provisions in setting out this material.

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### COMMERCIAL GENERAL LIABILITY COVERAGE FORMS

#### CG 00 01 04 13 AND CG 00 02 04 13

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#### I. EXCLUSIONS

##### A. BROADENING OF COVERAGE

1. Coverage **A** – Exclusion **2.c.** (Liquor Liability) is revised to provide an exception with respect to allowing a person to bring alcoholic beverages onto the named insured's premises for consumption on the named insured's premises.
2. Coverage **A** – Exclusion **2.p.** (Electronic Data) is revised to introduce an exception for liability for damages because of bodily injury.

##### B. OTHER CHANGES

1. Coverage **A** – Exclusion **2.c.** (Liquor Liability) is revised to reinforce that the exclusion applies even if claims against an insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others, or providing or failing to provide transportation with respect to any person that may be under the influence of alcohol.
2. Coverage **A** – Exclusion **2.g.** (Aircraft, Auto Or Watercraft) is revised to delete reference to "in the state".
3. Coverage **A** – Exclusion **2.q.** and Coverage **B** – Exclusion **2.p.** (Recording And Distribution Of Material Or Information In Violation Of Law) were previously added to your policy via mandatory endorsement. The endorsement contained an exclusion addressing injury or damage arising out of any action or omission that violates or is alleged to violate certain statutes, ordinances and regulations. This exclusion has been incorporated directly into your policy.
4. Coverage **B** – Exclusions **2.b.** and **2.c.** (Material Published With Knowledge Of Falsity and Material Published Prior To Policy Period) are revised to reference "in any manner", with respect to oral or written publication, for consistency with the definition of personal and advertising injury.

#### II. CONDITIONS

##### OTHER CHANGES

Condition **4.** (Other Insurance) is generally revised so that the insurance provided is excess over any for which the named insured has been added as an additional insured, whether by endorsement or any other means.

#### III. DEFINITIONS

##### OTHER CHANGES

1. Definition **2.** (Auto) is revised to delete reference to "in the state" with respect to where a vehicle is licensed or principally garaged.
2. Definition **12.** (Mobile Equipment) is revised to delete reference to "in the state" with respect to where a vehicle is licensed or principally garaged.

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**OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM -- COVERAGE  
FOR OPERATIONS OF DESIGNATED CONTRACTOR  
CG 00 09 04 13**

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**I. EXCLUSIONS**

**BROADENING OF COVERAGE**

Exclusion **2.I.** (Electronic Data) is revised to introduce an exception for liability for damages because of bodily injury.

**II. DEFINITIONS**

**OTHER CHANGES**

1. Definition **1.** (Auto) is revised to delete reference to "in the state" with respect to where a vehicle is licensed or principally garaged.
2. Definition **10.** (Mobile Equipment) is revised to delete reference to "in the state" with respect to where a vehicle is licensed or principally garaged.

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**LIQUOR LIABILITY COVERAGE FORMS  
CG 00 33 04 13 AND CG 00 33 04 13**

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**WHO IS AN INSURED**

**BROADENING OF COVERAGE**

We have included trusts as Named Insureds. In addition, trustees have been included as insureds but only with respect to their duties as trustees.

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**CG 00 35 04 13 – RAILROAD PROTECTIVE LIABILITY COVERAGE FORM**

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**EXCLUSIONS**

**BROADENING OF COVERAGE**

Exclusion **2.f.(3)(a)** (Pollution) is amended to expand the exception to the exclusion with respect to bodily injury or property damage arising out of fuel or lubricants for equipment used at the job location not just when they escape from such equipment.

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**PRODUCTS/ COMPLECATED OPERATIONS LIABILITY COVERAGE FORM  
CG 00 37 04 13 AND CG 00 38 04 13**

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**I. EXCLUSIONS**

**BROADENING OF COVERAGE**

1. Exclusion **2.c.** (Liquor Liability) is revised to provide an exception with respect to allowing a person to bring alcoholic beverages onto the named insured's premises for consumption on the named insured's premises.
2. Exclusion **2.I.** (Electronic Data) is revised to introduce an exception for liability for damages because of bodily injury.

**II. DEFINITIONS**

**OTHER CHANGES**

1. Exclusion **2.c.** (Liquor Liability) is revised to reinforce that the exclusion applies even if claims against an insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others, or providing or failing to provide transportation with respect to any person that may be under the influence of alcohol.

2. Definition 1. (Auto) is revised to delete reference to "in the state" with respect to where a vehicle is licensed or principally garaged.
3. Definition 10. (Mobile Equipment) is revised to delete reference to "in the state" with respect to where a vehicle is licensed or principally garaged.

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**CG 00 39 04 13 – POLLUTION LIABILITY COVERAGE FORM DESIGNATED SITES**  
**CG 00 40 04 13 – POLLUTION LIABILITY LIMITED COVERAGE FORM**  
**DESIGNATED SITES**

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**I. EXCLUSIONS**

**A. BROADENING OF COVERAGE**

Exclusion 2.p. (Electronic Data) is revised to introduce an exception for liability for damages because of bodily injury.

**B. OTHER CHANGES**

Exclusion (Aircraft, Auto, Rolling Stock Or Watercraft) is generally revised to reinforce that the exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured.

The exclusion is also revised to express that a land motor vehicle subject to compulsory or financial responsibility laws or other motor vehicle insurance laws will not be covered with respect to its over-the-road exposures.

**II. DEFINITIONS**

**OTHER CHANGES**

1. Exclusion 2.j. (Aircraft, Auto, Rolling Stock Or Watercraft) is revised to delete reference to "in the state". (**CG 00 40** only)
2. Definition 1. (Auto) is revised to delete reference to "in the state" with respect to where a vehicle is licensed or principally garaged.
3. Definition (Mobile Equipment) is revised to delete reference to "in the state" with respect to where a vehicle is licensed or principally garaged.

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**CG 00 42 04 13 – UNDERGROUND STORAGE TANK POLICY DESIGNATED TANKS**

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**EXCLUSIONS**

**BROADENING OF COVERAGE**

Exclusion 2.i. (Electronic Data) is revised to introduce an exception for liability for damages because of bodily injury.

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**CG 00 65 04 13 – ELECTRONIC DATA LIABILITY COVERAGE FORM**

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**EXCLUSIONS**

**OTHER CHANGES**

Exclusion 2.g. (Infringement Of Intellectual Property Rights) is revised to delete the exception pertaining to the use of another's advertising idea.

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## MULTISTATE ENDORSEMENTS

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### A. BROADENING OF COVERAGE

1. Electronic Data Liability Endorsement **CG 04 37** is revised to introduce an exception to the electronic data exclusion in order to provide that the exclusion does not apply to liability for damages because of bodily injury.
2. Additional Insured – Owners, Lessees Or Contractors – Automatic Status For Other Parties When Required In Written Construction Agreement Endorsement **CG 20 38** is introduced to provide additional insured status to those parties whom the named insured is obligated in writing in a contract or agreement to name as an additional insured.
3. Druggists Endorsement **CG 22 69** is revised to introduce an exception for the administering of vaccinations.
4. Liquor Liability – Bring Your Own Alcohol Establishments Endorsement **CG 24 06** is introduced to provide coverage to insureds who permit any person to bring any alcoholic beverage on an insured's premises, for consumption on the insured's premises.

### B. REDUCTIONS OF COVERAGE

1. Additional Insured – Users Of Golfmobiles Endorsement **CG 20 08** is revised to include a definition of the term golfmobile.

#### 2. Liquor Liability Exclusion Endorsements

The following endorsements are revised to indicate that the liquor liability exclusion will apply if a named insured permits any person to bring any alcoholic beverages on the named insured's premises, for consumption on the named insured's premises:

- **CG 21 50** – Amendment Of Liquor Liability Exclusion (for use with Commercial General Liability Coverage Part)
  - **CG 21 51** – Amendment Of Liquor Liability Exclusion – Exception For Scheduled Premises Or Activities (for use with Commercial General Liability Coverage Part)
  - **CG 29 52** – Amendment Of Liquor Liability Exclusion (for use with Products/Completed Operations Liability Coverage Part)
  - **CG 29 53** – Amendment Of Liquor Liability Exclusion – Exception For Scheduled Premises Or Activities (for use with Products/Completed Operations Liability Coverage Part)
3. Total Pollution Exclusion For Designated Products Or Work Endorsement **CG 21 99** is introduced to exclude coverage with respect to bodily injury or property damage arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants which arises out of the product or work scheduled in the endorsement.
  4. Amendment Of Personal And Advertising Injury Definition Endorsement **CG 24 13** is introduced to remove from the definition of personal and advertising injury the offense of oral and written publication, in any manner, of material that violates a person's right of privacy.

### C. OTHER CHANGES

1. Limited Product Withdrawal Expense Endorsement **CG 04 36** is revised, in part, to reinforce that the Participation Percentage is indicated in the Schedule and to reflect that the cost of the insured's participation in each product withdrawal will be borne by the named insured when due.
2. Primary And Noncontributory – Other Insurance Condition Endorsement **CG 20 01** is introduced to revise the Other Insurance Condition to indicated that coverage is provided to an additional insured on a primary and noncontributory basis, provided that certain requirements are met.

#### 3. Additional Insured Endorsements

The following additional insured endorsements are revised to indicate that when these endorsements are attached to a policy, if coverage provided to the additional insured is required by contract or agreement, coverage to the additional insured will be afforded to the extent permissible by law and to the extent the named insured is required by the contract or agreement to provide insurance for the additional insured.

Additionally, if coverage provided to the additional insured is required by contract or agreement, the limits of insurance of the named insured's policy that are available to an additional insured will be limited to the extent required by the contract or agreement or the amount of insurance available under the applicable Limits of Insurance shown in the Declarations, whichever is less:

- **CG 20 03** – Additional Insured – Concessionaires Trading Under Your Name
- **CG 20 05** – Additional Insured – Controlling Interest
- **CG 20 07** – Additional Insured – Engineers, Architects Or Surveyors
- **CG 20 10** – Additional Insured – Owners, Lessees Or Contractors – Scheduled Person Or Organization
- **CG 20 11** – Additional Insured – Managers Or Lessors Of Premises
- **CG 20 12** – Additional Insured – State Or Governmental Agency Or Subdivision Or Political Subdivision – Permits Or Authorizations
- **CG 20 13** – Additional Insured – State Or Governmental Agency Or Subdivision Or Political Subdivision – Permits Or Authorizations Relating To Premises
- **CG 20 15** – Additional Insured – Vendors
- **CG 20 18** – Additional Insured – Mortgagee, Assignee Or Receiver
- **CG 20 23** – Additional Insured – Executors, Administrators, Trustees Or Beneficiaries
- **CG 20 24** – Additional Insured – Owners Or Other Interest From Whom Land Has Been Leased
- **CG 20 26** – Additional Insured – Designated Person Or Organization
- **CG 20 27** – Additional Insured – Co-owner Of Insured Premises
- **CG 20 28** – Additional Insured – Lessor Of Leased Equipment
- **CG 20 29** – Additional Insured – Grantor Of Franchise
- **CG 20 30** – Oil Or Gas Operations – Nonoperating, Working Interests
- **CG 20 31** – Additional Insured – Engineers, Architects Or Surveyors
- **CG 20 32** – Additional Insured – Engineers, Architects Or Surveyors Not Engaged By The Named Insured
- **CG 20 33** – Additional Insured – Owners, Lessees Or Contractors – Automatic Status When Required In Construction Agreement With You
- **CG 20 34** – Additional Insured – Lessor Of Leased Equipment – Automatic Status When Required In Lease Agreement With You
- **CG 20 35** – Additional Insured – Grantor Of Licenses – Automatic Status When Required By Licensor
- **CG 20 36** – Additional Insured – Grantor Of Licenses
- **CG 20 37** – Additional Insured – Owners, Lessees Or Contractors – Completed Operations
- **CG 29 35** – Additional Insured – State Or Governmental Agency Or Subdivision Or Political Subdivision – Permits Or Authorizations

#### **4. Professional Services Endorsements**

The following endorsements are revised to expressly address, in part, claims alleging negligence or other wrongdoing in the hiring, employment, training, supervision or monitoring of others by any insured:

- **CG 21 16** – Exclusion – Designated Professional Services
- **CG 21 52** – Exclusion – Financial Services
- **CG 21 56** – Exclusion – Funeral Services
- **CG 21 57** – Exclusion – Counseling Services
- **CG 21 58** – Exclusion – Professional Veterinarian Services
- **CG 21 59** – Exclusion – Diagnostic Testing Laboratories
- **CG 22 24** – Exclusion – Inspection, Appraisal And Survey Companies
- **CG 22 32** – Exclusion – Professional Services – Blood Banks
- **CG 22 33** – Exclusion – Testing Or Consulting Errors And Omissions
- **CG 22 34** – Exclusion – Construction Management Errors And Omissions
- **CG 22 36** – Exclusion – Products And Professional Services (Druggists)
- **CG 22 37** – Exclusion – Products And Professional Services (Optical And Hearing Aid Establishments)
- **CG 22 39** – Exclusion – Camps Or Campgrounds
- **CG 22 43** – Exclusion – Engineers, Architects Or Surveyors Professional Liability



- **CG 22 44** – Exclusion – Services Furnished By Health Care Providers
  - **CG 22 45** – Exclusion – Specified Therapeutic Or Cosmetic Services
  - **CG 22 48** – Exclusion – Insurance And Related Operations
  - **CG 22 69** – Druggists
  - **CG 22 71** – Colleges Or Schools (Limited Form)
  - **CG 22 72** – Colleges Or Schools
  - **CG 22 75** – Professional Liability Exclusion – Computer Software
  - **CG 22 76** – Professional Liability Exclusion – Health Or Exercise Clubs Or Commercially Operated Health Or Exercise Facilities
  - **CG 22 77** – Professional Liability Exclusion – Computer Data Processing
  - **CG 22 79** – Exclusion – Contractors – Professional Liability
  - **CG 22 80** – Limited Exclusion – Contractors – Professional Liability
  - **CG 22 87** – Exclusion – Adult Day Care Centers
  - **CG 22 88** – Professional Liability Exclusion – Electronic Data Processing Services And Computer Consulting Or Programming Services
  - **CG 22 90** – Professional Liability Exclusion – Spas or Personal Enhancement Facilities
  - **CG 22 91** – Exclusion – Telecommunication Equipment Or Service Providers Errors And Omissions
  - **CG 22 96** – Limited Exclusion – Personal And Advertising Injury – Lawyers
  - **CG 22 98** – Exclusion – Internet Service Providers And Internet Access Providers Errors And Omissions
  - **CG 22 99** – Professional Liability Exclusion – Web Site Designers
  - **CG 23 01** – Exclusion – Real Estate Agents Or Brokers Errors Or Omissions
  - **CG 31 15** – Construction Project Management Protective Liability Coverage
5. Exclusion – Volunteer Workers Endorsement **CG 21 66** is revised to delete reference to "in the state" from Exclusion **2.g.** (Aircraft, Auto Or Watercraft).
  6. Exclusion – Failure To Supply Endorsement **CG 22 50** is revised to expressly state that the exclusion also applies to the failure of any insured to adequately supply biofuel.
  7. Pesticide Or Herbicide Applicator Coverage Endorsements **CG 22 64** and **CG 28 12** and Lawn Care Services Coverage Endorsement **CG 22 93** are revised to reflect a change in titles to Herbicide Applicator – *Limited Pollution* Coverage endorsements and Lawn Care Services – *Limited Pollution* Coverage.
  8. Real Estate Property Managed Endorsement **CG 22 70** is revised to reinforce that the insurance provided is excess over any other insurance available, whether such insurance is primary or excess.
  9. Colleges Or Schools Endorsements **CG 22 71** and **CG 22 72** are revised to expressly address, in part, claims alleging negligence or other wrongdoing in the hiring, employment, training, supervision or monitoring of others by any insured.
  10. Waiver Of Governmental Immunity Endorsement **CG 24 14** is revised to reference that the endorsement also applies to the Owners And Contractors Protective Liability Coverage Part and the Railroad Protective Liability Coverage Part.
  11. Amendment Of Insured Contract Definition Endorsement **CG 24 26** and Limited Contractual Liability – Railroads Endorsement **CG 24 27** are revised to reflect that the defined term insured contract addresses certain liability assumed by the named insured with respect to the tort liability of another party to the extent the assumption of the tort liability is permitted by law.
  12. Designated Locations(s) Aggregate Limit Endorsement **CG 25 14** is introduced to make a separate Designated Location Aggregate Limit available for each location of the insured listed in the Schedule of the endorsement.
  13. Supplemental Extended Reporting Period Endorsement **CG 27 10** and Supplemental Extended Reporting Period Endorsement For Specific Accidents, Products, Work Or Locations Endorsement **CG 27 11** are revised to amend Condition **4.** (Other Insurance) so that the insurance provided is excess over any for which the named insured has been added as an additional insured, whether by endorsement or any other means.
  14. Principals Protective Liability Coverage Endorsement **CG 28 07** is revised to delete reference to "in the state" from Exclusion **2.c.(1)(e)(i).**

## 15. Liquor Liability Exclusion Endorsements

The following endorsements are revised to reinforce that the exclusion applies even if claims against an insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others, or providing or failing to provide transportation with respect to any person that may be under the influence of alcohol:

- **CG 21 50** – Amendment Of Liquor Liability Exclusion (for use with Commercial General Liability Coverage Part)
- **CG 21 51** – Amendment Of Liquor Liability Exclusion – Exception For Scheduled Premises Or Activities (for use with Commercial General Liability Coverage Part)
- **CG 29 52** – Amendment Of Liquor Liability Exclusion (for use with Products/Completed Operations Liability Coverage Part)
- **CG 29 53** – Amendment Of Liquor Liability Exclusion – Exception For Scheduled Premises Or Activities (for use with Products/Completed Operations Liability Coverage Part)

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### ZURICH N.A. PROPRIETARY MULTISTATE ENDORSEMENTS

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#### 1. U-GL-393 Exclusion - Liquor Liability and Alcohol Consumption Health Hazards

##### BROADENING OF COVERAGE

Coverage **A** – Exclusion **2.c.** (Liquor Liability) is revised to provide an exception with respect to allowing a person to bring alcoholic beverages onto the named insured's premises for consumption on the named insured's premises.

##### OTHER CHANGES

Exclusion **2.c.** (Liquor Liability) is revised to reinforce that the exclusion applies even if claims against an insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others, or providing or failing to provide transportation with respect to any person that may be under the influence of alcohol.

#### 2. U-GL-655 Clinical Testing Exclusion

##### OTHER CHANGES

This endorsement was revised to expressly address, in part, claims alleging negligence or other wrongdoing in the hiring, employment, training, supervision or monitoring of others by any insured.

#### 3. U-GL-1060 Contractors Liability Supplemental Coverages And Conditions

##### BROADENING OF COVERAGE

1. The **Additional Insured – Lessor Of Leased Equipment – Automatic Status When Required In Lease Agreement With You** Section has been added to provide coverage similar to the coverage provided by ISO endorsement CG 20 28.

2. The **Additional Insured – Managers Or Lessors Of Premises** Section has been added to provide coverage similar to the coverage provided by ISO endorsement CG 20 11.

3. The **Additional Insured – State Or Governmental Agency Or subdivision Or Political Subdivision – Permits Or Authorizations** Section has been added to provide coverage similar to the coverage provided by ISO endorsement CG 20 12.

4. The **Amendment – Duties In The Event of Occurrence, Offense, Claim or Suit** Section has been broadened to state that the reporting of an "occurrence" to a workers compensation carrier is not considered a violation of the **Duties In The Event Of Occurrence, Offense, Claim Or Suit** Condition under certain circumstances.

##### OTHER CHANGES

1. The **Who Is An Insured** Sections of U-GL-1060 have been moved to U-GL-1518.

2. The **Non-owned Watercraft Liability Extended Coverage** Section is revised to include a Schedule that provides an option to change the 51 feet watercraft length default.

3. The items relating to revising the peril of fire to "specific perils" have been grouped under the **Damage To Premises Rented Or Occupied By You** Section.

**4. U-GL-1081 Additional Insured-Owners, Lessees or Contractors (Primary Insurance)**

**OTHER CHANGES**

This additional insured endorsement has been revised to indicate that when this endorsement is attached to a policy, if coverage provided to the additional insured is required by contract or agreement, coverage to the additional insured will be afforded to the extent permissible by law and to the extent the named insured is required by the contract or agreement to provide insurance for the additional insured.

Additionally, if coverage provided to the additional insured is required by contract or agreement, the limits of insurance of the named insured's policy that are available to an additional insured will be limited to the extent required by the contract or agreement or the amount of insurance available under the applicable Limits of Insurance shown in the Declarations, whichever is less.

Finally, the Primary and Noncontributory wording has been revised to be consistent with the new ISO CG2001- Primary and Noncontributory – Other Insurance Condition Endorsement.

**5. U-GL-1175 Additional Insured – Automatic – Owners, Lessees Or Contractors**

**OTHER CHANGES**

This additional insured endorsement has been revised to indicate that when this endorsement is attached to a policy, if coverage provided to the additional insured is required by contract or agreement, coverage to the additional insured will be afforded to the extent permissible by law and to the extent the named insured is required by the contract or agreement to provide insurance for the additional insured.

Additionally, if coverage provided to the additional insured is required by contract or agreement, the limits of insurance of the named insured's policy that are available to an additional insured will be limited to the extent required by the contract or agreement or the amount of insurance available under the applicable Limits of Insurance shown in the Declarations, whichever is less.

Also, the Primary and Noncontributory wording has been revised to be consistent with the new ISO CG2001- Primary and Noncontributory – Other Insurance Condition Endorsement.

Finally, the Architects and Engineers Exclusion in this endorsement was revised to expressly address, in part, claims alleging negligence or the wrongdoing in the hiring, employment, training, supervision or monitoring of others by any insured.

**6. U-GL-1177 Additional Insured – Owners, Lessees Or Contractors – Scheduled Person Or Organization**

**OTHER CHANGES**

This additional insured endorsement has been revised to indicate that when this endorsement is attached to a policy, if coverage provided to the additional insured is required by contract or agreement, coverage to the additional insured will be afforded to the extent permissible by law and to the extent the named insured is required by the contract or agreement to provide insurance for the additional insured.

Additionally, if coverage provided to the additional insured is required by contract or agreement, the limits of insurance of the named insured's policy that are available to an additional insured will be limited to the extent required by the contract or agreement or the amount of insurance available under the applicable Limits of Insurance shown in the Declarations, whichever is less.

Also, the Primary and Noncontributory wording has been revised to be consistent with the new ISO CG2001- Primary and Noncontributory – Other Insurance Condition Endorsement.

Finally, the Architects and Engineers Exclusion in this endorsement was revised to expressly address, in part, claims alleging negligence or the wrongdoing in the hiring, employment, training, supervision or monitoring of others by any insured.

**7. U-GL-1321 Broad Form Additional Insured Coverage – Owners, Lessees Or Contractors – Scheduled Person or Organization**

**OTHER CHANGES**

This additional insured endorsement has been revised to indicate that when this endorsement is attached to a policy, if coverage provided to the additional insured is required by contract or agreement, coverage to the additional insured will be afforded to the extent permissible by law and to the extent the named insured is required by the contract or agreement to provide insurance for the additional insured.

Additionally, if coverage provided to the additional insured is required by contract or agreement, the limits of insurance of the named insured's policy that are available to an additional insured will be limited to the extent required by the contract or agreement or the amount of insurance available under the applicable Limits of Insurance shown in the Declarations, whichever is less.

Also, the Primary and Noncontributory wording has been revised to be consistent with the new ISO CG2001- Primary and Noncontributory – Other Insurance Condition Endorsement.

Finally, the Architects and Engineers Exclusion in this endorsement was revised to expressly address, in part, claims alleging negligence or the wrongdoing in the hiring, employment, training, supervision or monitoring of others by any insured.

**8. U-GL-1327 Other Insurance Amendment – Primary and Noncontributory**

**OTHER CHANGES**

This endorsement has been revised to be consistent with the new ISO CG2001- Primary and Noncontributory – Other Insurance Condition Endorsement.

**9. U-GL-1445 Electrical Contractors Liability Coverage Enhancement**

**BROADENING OF COVERAGE**

Coverage A – Exclusion 2.p. (Electronic Data) is revised to introduce an exception for liability for damages because of bodily injury.

**10. U-GL-1452 Printers Errors and Omissions Liability Including Cost to Correct and Expenses of Withdrawal or Inspection Coverage**

**BROADENING OF COVERAGE**

The Electronic Data exclusion is revised to introduce an exception for liability for damages because of bodily injury.

**OTHER CHANGES**

The word "monitoring" has been added to **Recording and Distribution of Material or Information of Law** exclusion (Exclusion t.) for clarity.

**11. U-GL-1453 Printers Errors and Omissions Liability and Expenses of Withdrawal or Inspection Coverage**

**BROADENING OF COVERAGE**

The Electronic Data exclusion is revised to introduce an exception for liability for damages because of bodily injury.

**OTHER CHANGES**

The word "monitoring" has been added to **Recording and Distribution of Material or Information of Law** exclusion (Exclusion t.) for clarity.

**12. U-GL-1461 Additional Insured – Automatic – Owners, Lessees Or Contractors – Products-Completed Operations Liability Amendment**

**OTHER CHANGES**

This additional insured endorsement has been revised to indicate that when this endorsement is attached to a policy, if coverage provided to the additional insured is required by contract or agreement, coverage to the additional insured will be afforded to the extent permissible by law and to the extent the named insured is required by the contract or agreement to provide insurance for the additional insured.

Additionally, if coverage provided to the additional insured is required by contract or agreement, the limits of insurance of the named insured's policy that are available to an additional insured will be limited to the extent required by the contract or agreement or the amount of insurance available under the applicable Limits of Insurance shown in the Declarations, whichever is less.

Also, the Primary and Noncontributory wording has been revised to be consistent with the new ISO CG2001- Primary and Noncontributory – Other Insurance Condition Endorsement.

Finally, the Architects and Engineers Exclusion in this endorsement was revised to expressly address, in part, claims alleging negligence or the wrongdoing in the hiring, employment, training, supervision or monitoring of others by any insured.

**13. U-GL-1462 Additional Insured – Owners, Lessees Or Contractors – Products-Completed Operations Liability Amendment – Scheduled Person Or Organization**

**OTHER CHANGES**

This additional insured endorsement has been revised to indicate that when this endorsement is attached to a policy, if coverage provided to the additional insured is required by contract or agreement, coverage to the additional insured will be afforded to the extent permissible by law and to the extent the named insured is required by the contract or agreement to provide insurance for the additional insured.

Additionally, if coverage provided to the additional insured is required by contract or agreement, the limits of insurance of the named insured's policy that are available to an additional insured will be limited to the extent required by the contract or agreement or the amount of insurance available under the applicable Limits of Insurance shown in the Declarations, whichever is less.

Also, the Primary and Noncontributory wording has been revised to be consistent with the new ISO CG2001- Primary and Noncontributory – Other Insurance Condition Endorsement.

Finally, the Architects and Engineers Exclusion in this endorsement was revised to expressly address, in part, claims alleging negligence or the wrongdoing in the hiring, employment, training, supervision or monitoring of others by any insured.

**14. U-GL-1465 Additional Insured – Owners, Lessees Or Contractors – Ongoing Operations – Scheduled**

**OTHER CHANGES**

This additional insured endorsement has been revised to indicate that when this endorsement is attached to a policy, if coverage provided to the additional insured is required by contract or agreement, coverage to the additional insured will be afforded to the extent permissible by law and to the extent the named insured is required by the contract or agreement to provide insurance for the additional insured.

Additionally, if coverage provided to the additional insured is required by contract or agreement, the limits of insurance of the named insured's policy that are available to an additional insured will be limited to the extent required by the contract or agreement or the amount of insurance available under the applicable Limits of Insurance shown in the Declarations, whichever is less.

**15. U-GL-1466 Additional Insured – Owners, Lessees Or Contractors – Completed Operations – Scheduled**

**OTHER CHANGES**

This additional insured endorsement has been revised to indicate that when this endorsement is attached to a policy, if coverage provided to the additional insured is required by contract or agreement, coverage to the additional insured will be afforded to the extent permissible by law and to the extent the named insured is required by the contract or agreement to provide insurance for the additional insured.

Additionally, if coverage provided to the additional insured is required by contract or agreement, the limits of insurance of the named insured's policy that are available to an additional insured will be limited to the extent required by the contract or agreement or the amount of insurance available under the applicable Limits of Insurance shown in the Declarations, whichever is less.

**16. U-GL-1477 General Liability Extended Coverages**

**OTHER CHANGES**

This endorsement contains two additional insured provisions that have been revised to indicate that when this endorsement is attached to a policy, if coverage provided to the additional insured is required by contract or agreement, coverage to the additional insured will be afforded to the extent permissible by law and to the extent the named insured is required by the contract or agreement to provide insurance for the additional insured.

Additionally, if coverage provided to the additional insured is required by contract or agreement, the limits of insurance of the named insured's policy that are available to an additional insured will be limited to the extent required by the contract or agreement or the amount of insurance available under the applicable Limits of Insurance shown in the Declarations, whichever is less.

Also, the Primary and Noncontributory wording has been revised to be consistent with the new ISO CG2001- Primary and Noncontributory – Other Insurance Condition Endorsement.



**17. U-GL-1484 Contractor's Pollution Liability Endorsement**

**BROADENING OF COVERAGE**

The Electronic Data exclusion is revised to introduce an exception for liability for damages because of bodily injury.

**OTHER CHANGES**

This endorsement was revised to expressly address, in part, claims alleging negligence or other wrongdoing in the hiring, employment, training, supervision or monitoring of others by any insured.

The word "monitoring" has been added to **Recording and Distribution of Material or Information of Law** exclusion for clarity.

**18. U-GL-1489 Heating And Air Conditioning Contractor Liability**

**Coverage Enhancement**

**BROADENING OF COVERAGE**

The Electronic Data exclusion is revised to introduce an exception for liability for damages because of bodily injury.

**19. U-GL-1504 General Liability Supplemental Coverage Endorsement – Real Estate – Enhancement**

**OTHER CHANGES**

This endorsement contains three additional insured provisions that have been revised to indicate that when this endorsement is attached to a policy, if coverage provided to the additional insured is required by contract or agreement, coverage to the additional insured will be afforded to the extent permissible by law and to the extent the named insured is required by the contract or agreement to provide insurance for the additional insured.

Additionally, if coverage provided to the additional insured is required by contract or agreement, the limits of insurance of the named insured's policy that are available to an additional insured will be limited to the extent required by the contract or agreement or the amount of insurance available under the applicable Limits of Insurance shown in the Declarations, whichever is less.

Also, the Primary and Noncontributory wording has been revised to be consistent with the new ISO CG2001- Primary and Noncontributory – Other Insurance Condition Endorsement.

**20. U-GL-1505 General Liability Supplemental Coverage Endorsement – Real Estate – Class A**

**OTHER CHANGES**

This endorsement contains three additional insured provisions that have been revised to indicate that when this endorsement is attached to a policy, if coverage provided to the additional insured is required by contract or agreement, coverage to the additional insured will be afforded to the extent permissible by law and to the extent the named insured is required by the contract or agreement to provide insurance for the additional insured.

Additionally, if coverage provided to the additional insured is required by contract or agreement, the limits of insurance of the named insured's policy that are available to an additional insured will be limited to the extent required by the contract or agreement or the amount of insurance available under the applicable Limits of Insurance shown in the Declarations, whichever is less.

Also, the Primary and Noncontributory wording has been revised to be consistent with the new ISO CG2001- Primary and Noncontributory – Other Insurance Condition Endorsement.

**21. U-GL-1506 General Liability Supplemental Coverage Endorsement – Real Estate – Trophy Asset**

**OTHER CHANGES**

This endorsement contains three additional insured provisions that have been revised to indicate that when this endorsement is attached to a policy, if coverage provided to the additional insured is required by contract or agreement, coverage to the additional insured will be afforded to the extent permissible by law and to the extent the named insured is required by the contract or agreement to provide insurance for the additional insured.

Additionally, if coverage provided to the additional insured is required by contract or agreement, the limits of insurance of the named insured's policy that are available to an additional insured will be limited to the extent required by the contract or agreement or the amount of insurance available under the applicable Limits of Insurance shown in the Declarations, whichever is less.

Also, the Primary and Noncontributory wording has been revised to be consistent with the new ISO CG2001- Primary and Noncontributory – Other Insurance Condition Endorsement.

**22. U-GL-1513 Interior Trade Contractor Liability Coverage Enhancement**

**BROADENING OF COVERAGE**

The Electronic Data exclusion is revised to introduce an exception for liability for damages because of bodily injury.

**23. U-GL-1517 Recording and Distribution of Material or Information of Law Exclusion**

**OTHER CHANGES**

The word "monitoring" has been added to **Recording and Distribution of Material or Information of Law** exclusion for clarity.

**24. U-GL-1330 Financial Institutions Extension**

**OTHER CHANGES**

This endorsement contains three additional insured provisions that have been revised to indicate that when this endorsement is attached to a policy, if coverage provided to the additional insured is required by contract or agreement, coverage to the additional insured will be afforded to the extent permissible by law and to the extent the named insured is required by the contract or agreement to provide insurance for the additional insured.

Additionally, if coverage provided to the additional insured is required by contract or agreement, the limits of insurance of the named insured's policy that are available to an additional insured will be limited to the extent required by the contract or agreement or the amount of insurance available under the applicable Limits of Insurance shown in the Declarations, whichever is less.

Also, the Primary and Noncontributory wording has been revised to be consistent with the new ISO CG2001- Primary and Noncontributory – Other Insurance Condition Endorsement.

**25. U-GL-1345 General Liability Supplemental Coverage Endorsement**

**OTHER CHANGES**

This endorsement contains three additional insured provisions that have been revised to indicate that when this endorsement is attached to a policy, if coverage provided to the additional insured is required by contract or agreement, coverage to the additional insured will be afforded to the extent permissible by law and to the extent the named insured is required by the contract or agreement to provide insurance for the additional insured.

Additionally, if coverage provided to the additional insured is required by contract or agreement, the limits of insurance of the named insured's policy that are available to an additional insured will be limited to the extent required by the contract or agreement or the amount of insurance available under the applicable Limits of Insurance shown in the Declarations, whichever is less.

Also, the Primary and Noncontributory wording has been revised to be consistent with the new ISO CG2001- Primary and Noncontributory – Other Insurance Condition Endorsement.

**26. U-GL-1369 General Liability Supplemental Coverage Endorsement Technology**

**OTHER CHANGES**

This endorsement contains three additional insured provisions that have been revised to indicate that when this endorsement is attached to a policy, if coverage provided to the additional insured is required by contract or agreement, coverage to the additional insured will be afforded to the extent permissible by law and to the extent the named insured is required by the contract or agreement to provide insurance for the additional insured.

Additionally, if coverage provided to the additional insured is required by contract or agreement, the limits of insurance of the named insured's policy that are available to an additional insured will be limited to the extent required by the contract or agreement or the amount of insurance available under the applicable Limits of Insurance shown in the Declarations, whichever is less.

Also, the Primary and Noncontributory wording has been revised to be consistent with the new ISO CG2001- Primary and Noncontributory – Other Insurance Condition Endorsement.

# COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS

Policy Number: CPO 5833412-02

## ZURICH AMERICAN INSURANCE COMPANY OF ILLINOIS

Named Insured HEALTH TECH, LLC

Policy Period: Coverage begins 09-30-2014 at 12:01 A.M.; Coverage ends 09-30-2015 at 12:01 A.M.

Producer Name: LOCKTON COMPANIES LLC

Producer No. 37385-000

### Item 1. Business Description:

### Item 2. Limits of Insurance

GENERAL AGGREGATE LIMIT	\$	<u>2,000,000</u>	
PRODUCTS-COMPLETED OPERATIONS AGGREGATE LIMIT	\$	<u>1,000,000</u>	
EACH OCCURRENCE LIMIT	\$	<u>1,000,000</u>	
DAMAGE TO PREMISES RENTED TO YOU LIMIT	\$	<u>300,000</u>	Any one premises
MEDICAL EXPENSE LIMIT	\$	<u>5,000</u>	Any one person
PERSONAL AND ADVERTISING INJURY LIMIT	\$	<u>1,000,000</u>	Any one person or organization

### Item 3. Retroactive Date (CG 00 02 ONLY)

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" offense which occurs before the Retroactive Date, if any, shown here: NONE  
(Enter Date or "None" if no Retroactive Date applies)

### Item 4. Form of Business and Location Premises

Form of Business: LIMITED LIABILITY COMPANY

Location of All Premises You Own, Rent or Occupy: **See Schedule of Locations**

### Item 5. Schedule of Forms and Endorsements

Form(s) and Endorsement(s) made a part of this Policy at time of issue:

**See Schedule of Forms and Endorsements**

### Item 6. Premiums

Coverage Part Premium: \$ 5,832.00

Other Premium:

Total Premium: \$ 5,832.00



**Policy Number**  
**CPO 5833412-02**

**COMMERCIAL GENERAL LIABILITY COVERAGE SCHEDULE**  
**ZURICH AMERICAN INSURANCE COMPANY**  
**OF ILLINOIS**

Named Insured HEALTH TECH, LLC

Effective Date: 09-30-14  
12:01 A.M., Standard Time

Agent Name LOCKTON COMPANIES LLC

Agent No. 37385-000

**Item 5. Location of Premises**

Location of All Premises You Own, Rent or Occupy:  
**See Schedule of Locations**

Code No.	Premium Basis	Premises/Operations	
61226	SQUARE FEET/NEAREST THOUSAND		
Location	001/001	Exposure	850
Classification: BUILDINGS OR PREMISES - OFFICE - OTHER THAN NOT-FOR-PROFIT		Rate	Premium
		\$ 147.852	\$ 126.00
		Products/Completed Operations	
		Rate	Premium
Code No.	Premium Basis	Premises/Operations	
61226	SQUARE FEET/NEAREST THOUSAND		
Location	013/001	Exposure	18,464
Classification: BUILDINGS OR PREMISES - OFFICE - OTHER THAN NOT-FOR-PROFIT		Rate	Premium
		\$ 125.159	\$ 2,311.00
		Products/Completed Operations	
		Rate	Premium
Code No.	Premium Basis	Premises/Operations	
61226	SQUARE FEET/NEAREST THOUSAND		
Location	016/001	Exposure	6
Classification: BUILDINGS OR PREMISES - OFFICE - OTHER THAN NOT-FOR-PROFIT		Rate	Premium
		\$ 119.246	\$ 1.00
		Products/Completed Operations	
		Rate	Premium
Code No.	Premium Basis	Premises/Operations	
61226	SQUARE FEET/NEAREST THOUSAND		
Location	018/001	Exposure	6,656
Classification: BUILDINGS OR PREMISES - OFFICE - OTHER THAN NOT-FOR-PROFIT		Rate	Premium
		\$ 133.488	\$ 888.00
		Products/Completed Operations	
		Rate	Premium

**Policy Number**  
**CPO 5833412-02**

**COMMERCIAL GENERAL LIABILITY COVERAGE SCHEDULE**

**ZURICH AMERICAN INSURANCE COMPANY  
OF ILLINOIS**

Named Insured HEALTH TECH, LLC

Effective Date: 09-30-14  
12:01 A.M., Standard Time

Agent Name LOCKTON COMPANIES LLC

Agent No. 37385-000

**Item 5. Location of Premises**

Location of All Premises You Own, Rent or Occupy:  
**See Schedule of Locations**

Code No. 61226	Premium Basis SQUARE FEET/NEAREST THOUSAND	Premises/Operations	
Location 019/001	Exposure 7,585	Rate	Premium
Classification: BUILDINGS OR PREMISES - OFFICE - OTHER THAN NOT-FOR-PROFIT		\$ 244.537	\$ 1,855.00
		Products/Completed Operations	
		Rate	Premium
Code No. 61226	Premium Basis SQUARE FEET/NEAREST THOUSAND	Premises/Operations	
Location 020/001	Exposure 50	Rate	Premium
Classification: BUILDINGS OR PREMISES - OFFICE - OTHER THAN NOT-FOR-PROFIT		\$ 171.569	\$ 9.00
		Products/Completed Operations	
		Rate	Premium
Code No. G4014	Premium Basis	Premises/Operations	
Location	Exposure	Rate	Premium
Classification: GL SUPPLEMENTAL COVERAGE ENDORSEMENT			\$ 350.00
		Products/Completed Operations	
		Rate	Premium
Code No.	Premium Basis	Premises/Operations	
Location	Exposure	Rate	Premium
Classification: TERRORISM - CAT			\$ 114.00
		Products/Completed Operations	
		Rate	Premium

Policy Number  
CPO 5833412-02

COMMERCIAL GENERAL LIABILITY COVERAGE SCHEDULE  
**ZURICH AMERICAN INSURANCE COMPANY  
OF ILLINOIS**

Named Insured HEALTH TECH, LLC

Effective Date: 09-30-14  
12:01 A.M., Standard Time

Agent Name LOCKTON COMPANIES LLC

Agent No. 37385-000

**Item 5. Location of Premises**

Location of All Premises You Own, Rent or Occupy:  
**See Schedule of Locations**

Code No. 92100	Premium Basis No. of Employees	Premises/Operations	
Location	Exposure 121	Rate	Premium
Classification: Employee Benefits Liability			\$ 178.00
		Products/Completed Operations	
		Rate	Premium
Code No.	Premium Basis	Premises/Operations	
Location	Exposure	Rate	Premium
Classification:			
		Products/Completed Operations	
		Rate	Premium
Code No.	Premium Basis	Premises/Operations	
Location	Exposure	Rate	Premium
Classification:			
		Products/Completed Operations	
		Rate	Premium
Code No.	Premium Basis	Premises/Operations	
Location	Exposure	Rate	Premium
Classification:			
		Products/Completed Operations	
		Rate	Premium

# COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

## SECTION I – COVERAGES

### COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

#### 1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

- (2) The "bodily injury" or "property damage" occurs during the policy period; and

- (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (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 or claim for damages because of the "bodily injury" or "property damage"; or
- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

## 2. Exclusions

This insurance does not apply to:

### a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

### b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
  - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
  - (b) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

### c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in:

- (a) The supervision, hiring, employment, training or monitoring of others by that insured; or
- (b) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the "occurrence" which caused the "bodily injury" or "property damage", involved that which is described in Paragraph (1), (2) or (3) above.

However, this exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

### d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

### e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
  - (a) Employment by the insured; or
  - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

**f. Pollution**

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
  - (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
    - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
    - (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
    - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
  - (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
  - (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
    - (i) Any insured; or
    - (ii) Any person or organization for whom you may be legally responsible; or
  - (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
    - (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
    - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
    - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
  - (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".



(2) Any loss, cost or expense arising out of any:

- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

**g. Aircraft, Auto Or Watercraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
  - (a) Less than 26 feet long; and
  - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

(5) "Bodily injury" or "property damage" arising out of:

- (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged; or
- (b) The operation of any of the machinery or equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment".

**h. Mobile Equipment**

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

**i. War**

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**j. Damage To Property**

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;

- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of seven or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III – Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

**k. Damage To Your Product**

"Property damage" to "your product" arising out of it or any part of it.

**l. Damage To Your Work**

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

**m. Damage To Impaired Property Or Property Not Physically Injured**

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

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

**n. Recall Of Products, Work Or Impaired Property**

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

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

**o. Personal And Advertising Injury**

"Bodily injury" arising out of "personal and advertising injury".

**p. Electronic Data**

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

However, this exclusion does not apply to liability for damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

**q. Recording And Distribution Of Material Or Information In Violation Of Law**

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or



- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

Exclusions **c.** through **n.** do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section **III** – Limits Of Insurance.

## **COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY**

### **1. Insuring Agreement**

- a.** We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section **III** – Limits Of Insurance; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages **A** or **B** or medical expenses under Coverage **C**.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages **A** and **B**.

- b.** This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

### **2. Exclusions**

This insurance does not apply to:

#### **a. Knowing Violation Of Rights Of Another**

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

#### **b. Material Published With Knowledge Of Falsity**

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity.

#### **c. Material Published Prior To Policy Period**

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period.

#### **d. Criminal Acts**

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

#### **e. Contractual Liability**

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

#### **f. Breach Of Contract**

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

#### **g. Quality Or Performance Of Goods – Failure To Conform To Statements**

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

#### **h. Wrong Description Of Prices**

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

**i. Infringement Of Copyright, Patent, Trademark Or Trade Secret**

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

**j. Insureds In Media And Internet Type Businesses**

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web sites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs 14.a., b. and c. of "personal and advertising injury" under the Definitions section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

**k. Electronic Chatrooms Or Bulletin Boards**

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

**l. Unauthorized Use Of Another's Name Or Product**

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

**m. Pollution**

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

**n. Pollution-related**

Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

**o. War**

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**p. Recording And Distribution Of Material Or Information In Violation Of Law**

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

## **COVERAGE C – MEDICAL PAYMENTS**

### **1. Insuring Agreement**

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

- (1) On premises you own or rent;
  - (2) On ways next to premises you own or rent; or
  - (3) Because of your operations;
- provided that:

- (a) The accident takes place in the "coverage territory" and during the policy period;
- (b) The expenses are incurred and reported to us within one year of the date of the accident; and
- (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, X-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

### **2. Exclusions**

We will not pay expenses for "bodily injury":

#### **a. Any Insured**

To any insured, except "volunteer workers".

#### **b. Hired Person**

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

#### **c. Injury On Normally Occupied Premises**

To a person injured on that part of premises you own or rent that the person normally occupies.

### **d. Workers' Compensation And Similar Laws**

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

### **e. Athletics Activities**

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

### **f. Products-Completed Operations Hazard**

Included within the "products-completed operations hazard".

### **g. Coverage A Exclusions**

Excluded under Coverage A.

## **SUPPLEMENTARY PAYMENTS – COVERAGES A AND B**

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

- a. All expenses we incur.
- b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
- c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
- e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
- f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.

- g.** All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

- 2.** If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

  - a.** The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
  - b.** This insurance applies to such liability assumed by the insured;
  - c.** The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
  - d.** The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
  - e.** The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
  - f.** The indemnitee:

    - (1)** Agrees in writing to:

      - (a)** Cooperate with us in the investigation, settlement or defense of the "suit";
      - (b)** Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
      - (c)** Notify any other insurer whose coverage is available to the indemnitee; and
      - (d)** Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
    - (2)** Provides us with written authorization to:

      - (a)** Obtain records and other information related to the "suit"; and
      - (b)** Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph **2.b.(2)** of Section **I – Coverage A – Bodily Injury And Property Damage Liability**, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in Paragraph **f.** above, are no longer met.

## **SECTION II – WHO IS AN INSURED**

- 1.** If you are designated in the Declarations as:

  - a.** An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
  - b.** A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
  - c.** A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
  - d.** An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
  - e.** A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

- a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

(1) "Bodily injury" or "personal and advertising injury":

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
- (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1)(a) above;
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph (1)(a) or (b) above; or
- (d) Arising out of his or her providing or failing to provide professional health care services.

(2) "Property damage" to property:

- (a) Owned, occupied or used by;
- (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;
- you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

- b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

- c. Any person or organization having proper temporary custody of your property if you die, but only:

- (1) With respect to liability arising out of the maintenance or use of that property; and
- (2) Until your legal representative has been appointed.

- d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
- b. Coverage **A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
- c. Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

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

### SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

- a. Insureds;
- b. Claims made or "suits" brought; or
- c. Persons or organizations making claims or bringing "suits".

2. The General Aggregate Limit is the most we will pay for the sum of:

- a. Medical expenses under Coverage **C**;
- b. Damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
- c. Damages under Coverage **B**.



3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage **A** for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to Paragraph **2.** above, the Personal And Advertising Injury Limit is the most we will pay under Coverage **B** for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
5. Subject to Paragraph **2.** or **3.** above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
  - a. Damages under Coverage **A**; and
  - b. Medical expenses under Coverage **C**
 because of all "bodily injury" and "property damage" arising out of any one "occurrence".
6. Subject to Paragraph **5.** above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage **A** for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
7. Subject to Paragraph **5.** above, the Medical Expense Limit is the most we will pay under Coverage **C** for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

#### **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**

##### **1. Bankruptcy**

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

##### **2. Duties In The Event Of Occurrence, Offense, Claim Or Suit**

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
  - (1) How, when and where the "occurrence" or offense took place;
  - (2) The names and addresses of any injured persons and witnesses; and

- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b. If a claim is made or "suit" is brought against any insured, you must:
  - (1) Immediately record the specifics of the claim or "suit" and the date received; and
  - (2) Notify us as soon as practicable.
 You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
- c. You and any other involved insured must:
  - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
  - (2) Authorize us to obtain records and other information;
  - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
  - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

##### **3. Legal Action Against Us**

No person or organization has a right under this Coverage Part:

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

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

#### 4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages **A** or **B** of this Coverage Part, our obligations are limited as follows:

##### a. Primary Insurance

This insurance is primary except when Paragraph **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **c.** below.

##### b. Excess Insurance

(1) This insurance is excess over:

- (a) Any of the other insurance, whether primary, excess, contingent or on any other basis:
  - (i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
  - (ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
  - (iii) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or
  - (iv) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion **g.** of Section **I** — Coverage **A** — Bodily Injury And Property Damage Liability.
- (b) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured.

(2) When this insurance is excess, we will have no duty under Coverages **A** or **B** to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

(3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (b) The total of all deductible and self-insured amounts under all that other insurance.

(4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

##### c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

#### 5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

#### 6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;

- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

#### **7. Separation Of Insureds**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

#### **8. Transfer Of Rights Of Recovery Against Others To Us**

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

#### **9. When We Do Not Renew**

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

### **SECTION V – DEFINITIONS**

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
  - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
  - b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. "Auto" means:
  - a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
  - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

4. "Coverage territory" means:

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;

- b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph **a.** above; or

- c. All other parts of the world if the injury or damage arises out of:

- (1) Goods or products made or sold by you in the territory described in Paragraph **a.** above;

- (2) The activities of a person whose home is in the territory described in Paragraph **a.** above, but is away for a short time on your business; or

- (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication;

provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in Paragraph **a.** above or in a settlement we agree to.

5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.

7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.

8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:

- a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or

- b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.



**9. "Insured contract" means:**

- a.** A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b.** A sidetrack agreement;
- c.** Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d.** An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e.** An elevator maintenance agreement;
- f.** That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph **f.** does not include that part of any contract or agreement:

- (1)** That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
- (2)** That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
  - (a)** Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
  - (b)** Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3)** Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in **(2)** above and supervisory, inspection, architectural or engineering activities.

**10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".**

**11. "Loading or unloading" means the handling of property:**

- a.** After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b.** While it is in or on an aircraft, watercraft or "auto"; or
- c.** While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

**12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:**

- a.** Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b.** Vehicles maintained for use solely on or next to premises you own or rent;
- c.** Vehicles that travel on crawler treads;
- d.** Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
  - (1)** Power cranes, shovels, loaders, diggers or drills; or
  - (2)** Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e.** Vehicles not described in Paragraph **a., b., c.** or **d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
  - (1)** Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
  - (2)** Cherry pickers and similar devices used to raise or lower workers;
- f.** Vehicles not described in Paragraph **a., b., c.** or **d.** above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1) Equipment designed primarily for:
  - (a) Snow removal;
  - (b) Road maintenance, but not construction or resurfacing; or
  - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law 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 "autos".

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
  - a. False arrest, detention or imprisonment;
  - b. Malicious prosecution;
  - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
  - d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
  - e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
  - f. The use of another's advertising idea in your "advertisement"; or
  - g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".
15. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

**16. "Products-completed operations hazard":**

- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
  - (1) Products that are still in your physical possession; or
  - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
    - (a) When all of the work called for in your contract has been completed.
    - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
    - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

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

- b. Does not include "bodily injury" or "property damage" arising out of:
  - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
  - (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
  - (3) Products or operations for which the classification, listed in the Declarations or in a policy Schedule, states that products-completed operations are subject to the General Aggregate Limit.

**17. "Property damage" means:**

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

**18.** "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a.** An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b.** Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

**19.** "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

**20.** "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

**21.** "Your product":

**a.** Means:

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

**b.** Includes:

- (1)** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
  - (2)** The providing of or failure to provide warnings or instructions.
- c.** Does not include vending machines or other property rented to or located for the use of others but not sold.

**22.** "Your work":

**a.** Means:

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

**b.** Includes:

- (1)** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- (2)** The providing of or failure to provide warnings or instructions.

# Fungi Or Bacteria Exclusion Endorsement

Policy No.	Eff. Date of Pol.	Exp. Date of Pol.	Eff. Date of End.	Producer	Add'l. Prem	Return Prem.
					\$	\$

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement modifies insurance provided under the:

## **Commercial General Liability Coverage Part**

The following exclusion is added to paragraph **2. Exclusions** of **Section I. – Coverage A – Bodily Injury And Property Damage Liability** and paragraph **2. Exclusions** of **Coverage B – Personal And Advertising Injury Liability**:

### **2. Exclusions**

This insurance does not apply to:

#### **Fungi or Bacteria**

- A. "Bodily injury", "property damage" or "personal and advertising injury" caused directly or indirectly by the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any:
  - 1. "Fungi" or "bacteria"; or
  - 2. Substance, vapor or gas produced by or arising out of any "fungi" or "bacteria".
- B. Loss, costs or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or "bacteria", by any insured or by any other person or entity.
- C. For the purposes of this exclusion, the following definitions are added:
  - 1. "Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, "spores", scents or byproducts produced or released by fungi.
  - 2. "Spores" means reproductive bodies produced by or arising out of "fungi".
  - 3. "Bacteria" means any type or form of bacteria and any materials or substances that are produced or released by bacteria.

This exclusion does not apply to any "fungi" or "bacteria" that are, are on, or are contained in, an edible good or edible product intended for human or animal consumption.



**ZURICH**

## Lead Liability Exclusion

Policy No.	Eff. Date of Pol.	Exp. Date of Pol.	Eff. Date of End.	Producer	Add'l. Prem	Return Prem.
					\$	\$

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement modifies insurance provided under the:

### **Commercial General Liability Coverage Part**

The following exclusion is added to Paragraph 2. Exclusions, of Section I - Coverage A - Bodily Injury And Property Damage Liability and Paragraph 2. Exclusions, of Coverage B - Personal And Advertising Injury Liability:

This insurance does not apply to:

#### **Lead**

- (1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of, resulting from, caused by or related to: the actual, alleged or threatened:
  - (a) Exposure to or existence of lead, paint containing lead, or any other material, product or substance containing lead; or
  - (b) Manufacture, distribution, sale, resale, re-branding, installation, repair, removal, encapsulation, abatement, replacement or handling of lead, paint containing lead, or any other material, product or substance containing lead, whether the lead is or was at any time airborne, ingested, inhaled, absorbed, transmitted in any fashion, or found in any form whatsoever, or whether any other cause, event, material, product or substance contributed concurrently or in any sequence to the injury or damage.;
- (2) Any sums that any insured or other entity must pay, repay or reimburse because of any:
  - (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, sample, monitor, clean up, remove, abate, cover, contain, treat, mitigate, or neutralize lead, paint containing lead, or any other material, product or substance containing lead, or in any way respond to, or assess the effects of lead in any form; or
  - (b) Claim or "suit" for damages relating to testing for, sampling, monitoring, cleaning up, removing, abating, covering, containing, treating, mitigating, or neutralizing lead, paint containing lead, or any other material, product or substance containing lead or in any way responding to or assessing the effects of lead in any form.
- (3) Any other loss, cost or expense arising out of, caused by or relating in any way to lead.

# Asbestos Exclusion Endorsement

Policy No.	Eff. Date of Pol.	Exp. Date of Pol.	Eff. Date of End.	Producer	Add'l. Prem	Return Prem.
					\$	\$

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement modifies insurance provided under the:

**Commercial General Liability Coverage Part**

The following exclusion is added to paragraph 2. Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability and Coverage B - Personal And Advertising Injury Liability:

**2. Exclusions**

This insurance does not apply to:

**Asbestos**

- A.** "Bodily injury", "property damage" or "personal and advertising injury" arising out of or which would not have occurred, in whole or in part, but for the actual, alleged or threatened discharge, dispersal, release, leakage, leaching, friability, flaking, escape or presence of asbestos, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to the injury or damage; or
- B.** Any sums that any insured or other entity must pay, repay or reimburse because of any:
  - 1. Request, demand, order, statutory or regulatory requirement, direction or determination that any insured or others test for, investigate, monitor, clean up, remove, study, contain, treat, encapsulate, control or take any other action regarding asbestos; or
  - 2. Claim or "suit" for damages arising out of or relating in any way to any request, demand, order, statutory or regulatory requirement, direction or determination that any insured or others test for, investigate, monitor, clean up, remove, study, contain, treat, encapsulate, control or take any other action regarding asbestos; or
- C.** Any other loss, cost or expense arising out of or relating in any way to asbestos.



## Deductible Endorsement - Occurrence

Policy No.	Exp. Date of Pol.	Eff. Date of End.	Agency No.	Addl. Prem.	Return Prem.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement modifies insurance provided under the:

### Employee Benefits Liability Coverage Part

It is agreed that the following deductible provisions are added to the policy as respects the Employee Benefit Liability Coverage Part:

**Deductible:** \$ 1,000

1. The deductible amount stated above shall be deducted from the amount of all claims arising out of the same act, error, or omission. We shall be liable only for the difference between such deductible amount and the amount of insurance otherwise applicable on a per act, error, or omission basis. The Aggregate Limit will not be reduced by the application of such deductible.
2. The terms of this Coverage Part apply regardless of the application of the deductible amount. This includes those terms with respect to:
  - a. Our rights and duties with respect to the defense of "suits"; and
  - b. The "insured's" duties in the event of an act, error, or omission or a claim or "suit".
3. We may pay any part or all of the deductible amount to effect settlement of any claim or "suit". You shall promptly reimburse us for such part of the deductible amount as has been paid by us after we notify you of our action.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EMPLOYMENT-RELATED PRACTICES EXCLUSION**

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

**A. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**

This insurance does not apply to:

"Bodily injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**B. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

This insurance does not apply to:

"Personal and advertising injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.



**THIS NOTICE DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.**

**NOTICE REGARDING TERRORISM PREMIUM  
(FOR COMMERCIAL AUTOMOBILE INSURANCE)**

**SCHEDULE\***

Premium attributable to risk of loss resulting from terrorism for the Commercial Automobile line of insurance:	
Automobile	\$22.00

\*Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**A. Terrorism Risk Insurance Act ("TRIA")**

The Commercial Automobile line is not part of TRIA. On December 22, 2005, the President of the United States signed the first TRIA extension act into law and, at that time, the Commercial Auto line was removed from the program. The federal government does not share in Commercial Automobile terrorism losses..

**B. Disclosure of Terrorism Premium**

We have elected to provide notice to you of the amount of the total policy premium attributable to the risk of loss from terrorism for the Commercial Automobile line of insurance.

POLICY NUMBER: CPO 5833412-02

COMMERCIAL AUTO

**ZURICH AMERICAN INSURANCE COMPANY  
OF ILLINOIS**

1400 American Lane  
Schaumburg, Illinois 60196-1056  
1-800-382-2150

## BUSINESS AUTO DECLARATIONS

### ITEM ONE

**PRODUCER:**  
LOCKTON COMPANIES LLC

**NAMED INSURED:** HEALTH TECH, LLC  
(SEE NAMED INSURED ENDORSEMENT)

**MAILING ADDRESS:** 5110 MARYLAND WAY, SUITE 200  
BRENTWOOD, TN 37027

**POLICY PERIOD:** From 09-30-2014 to 09-30-2015 at 12:01 A.M. Standard Time at your  
mailing address shown above

**PREVIOUS POLICY NUMBER:** CPO 5833412-01

**FORM OF BUSINESS:**

☐ CORPORATION

☒ LIMITED LIABILITY COMPANY

☐ INDIVIDUAL

☐ PARTNERSHIP

☐ OTHER \_\_\_\_\_

IN RETURN FOR THE 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.

Premium shown is payable at inception: \$ 2,185.39							
AUDIT PERIOD (IF APPLICABLE)		ANNUALLY		SEMI-ANNUALLY		QUARTERLY	MONTHLY

**ENDORSEMENTS ATTACHED TO THIS POLICY:**

IL 00 17 – Common Policy Conditions (IL 01 46 in Washington)

IL 00 21 – Broad Form Nuclear Exclusion (not Applicable in New York) (IL 01 98 in Washington)

**SEE SCHEDULE OF FORMS AND ENDORSEMENTS**

COUNTERSIGNED \_\_\_\_\_ BY \_\_\_\_\_  
(Date) (Authorized Representative)

## ITEM TWO

### Schedule Of Coverages And Covered Autos

This policy provides only those coverages where a charge is shown in the premium column below. Each of these coverages will apply only to those "autos" shown as covered "autos". **"Autos" are shown as covered "autos" for a particular coverage by the entry of one or more of the symbols from the Covered Autos section of the Business Auto Coverage Form next to the name of the coverage.**

COVERAGES	COVERED AUTOS	LIMIT	PREMIUM
COVERED AUTOS LIABILITY	8, 9	\$1,000,000	\$ 2,000
PERSONAL INJURY PROTECTION (or equivalent No-fault Coverage)		SEPARATELY STATED IN EACH P.I.P. ENDORSEMENT MINUS DEDUCTIBLE.	
ADDED PERSONAL INJURY PROTECTION (or equivalent Added No-fault Coverage)		SEPARATELY STATED IN EACH ADDED P.I.P. ENDORSEMENT.	
PROPERTY PROTECTION INSURANCE (Michigan only)		SEPARATELY STATED IN THE PROPERTY PROTECTION INSURANCE ENDORSEMENT MINUS DEDUCTIBLE FOR EACH ACCIDENT.	
AUTO MEDICAL PAYMENTS		EACH INSURED	
MEDICAL EXPENSE AND INCOME LOSS BENEFITS (Virginia only)		SEPARATELY STATED IN THE MEDICAL EXPENSE AND INCOME LOSS BENEFITS ENDORSEMENT.	
UNINSURED MOTORISTS			
UNDERINSURED MOTORISTS (When not included in Uninsured Motorists Coverage)			
PHYSICAL DAMAGE COMPREHENSIVE COVERAGE	8	ACTUAL CASH VALUE OR COST OF REPAIR, WHICHEVER IS LESS, MINUS SEE ENDT DEDUCTIBLE FOR EACH COVERED AUTO, BUT NO DEDUCTIBLE APPLIES TO LOSS CAUSED BY FIRE OR LIGHTNING. See ITEM FOUR For Hired or Borrowed Autos.	\$ 60
PHYSICAL DAMAGE SPECIFIED CAUSES OF LOSS COVERAGE		ACTUAL CASH VALUE OR COST OF REPAIR, WHICHEVER IS LESS, MINUS DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY MISCHIEF OR VANDALISM. See ITEM FOUR For Hired Or Borrowed Autos.	
PHYSICAL DAMAGE COLLISION COVERAGE	8	ACTUAL CASH VALUE OR COST OF REPAIR, WHICHEVER IS LESS, MINUS SEE ENDT DEDUCTIBLE, FOR EACH COVERED AUTO. See ITEM FOUR For Hired Or Borrowed Autos.	\$ 60
PHYSICAL DAMAGE TOWING AND LABOR		FOR EACH DISABLEMENT OF A PRIVATE PASSENGER AUTO.	
TAX/SURCHARGE/FEE			\$ .39
PREMIUM FOR ENDORSEMENTS			\$ 65
*ESTIMATED TOTAL PREMIUM			\$ 2,185.39

\*This policy may be subject to final audit.

**ITEM FOUR****SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS**

<b>COVERED AUTOS LIABILITY COVERAGE – Cost Of Hire Rating Basis for Autos Used In Your Motor Carrier Operations (Other Than Mobile Or Farm Equipment)</b>			
<b>COVERED AUTOS LIABILITY COVERAGE</b>	<b>STATE</b>	<b>ESTIMATED ANNUAL COST OF HIRE FOR EACH STATE</b>	<b>PREMIUM</b>
Primary Coverage			
Excess Coverage	GA	IF ANY	INCL
<b>TOTAL HIRED AUTO PREMIUM</b>			

For "autos" used in your motor carrier operations, cost of hire means:

1. The total dollar amount of costs you incurred for the hire of automobiles (includes "trailers" and semitrailers), and if not included therein,
2. The total remunerations of all operators and drivers' helpers, of hired automobiles whether hired with a driver by lessor or an "employee" of the lessee, or any other third party, and
3. The total dollar amount of any other costs (*i.e.*, repair, maintenance, fuel, etc.) directly associated with operating the hired automobiles whether such costs are absorbed by the "insured", paid to the lessor or owner, or paid to others.

<b>COVERED AUTOS LIABILITY COVERAGE – Cost Of Hire Rating Basis for Autos NOT Used In Your Motor Carrier Operations (Other Than Mobile Or Farm Equipment)</b>			
<b>COVERED AUTOS LIABILITY COVERAGE</b>	<b>STATE</b>	<b>ESTIMATED ANNUAL COST OF HIRE FOR EACH STATE</b>	<b>PREMIUM</b>
Primary Coverage			
Excess Coverage			
<b>TOTAL HIRED AUTO PREMIUM</b>			

For "autos" **NOT** used in your motor carrier operations, cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or "employees" or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.

**ITEM FOUR****SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS**

<b>COVERED AUTOS LIABILITY COVERAGE – Cost Of Hire Rating Basis for Autos Used In Your Motor Carrier Operations (Other Than Mobile Or Farm Equipment)</b>			
<b>COVERED AUTOS LIABILITY COVERAGE</b>	<b>STATE</b>	<b>ESTIMATED ANNUAL COST OF HIRE FOR EACH STATE</b>	<b>PREMIUM</b>
Primary Coverage			
Excess Coverage	NY	IF ANY	INCL
<b>TOTAL HIRED AUTO PREMIUM</b>			

For "autos" used in your motor carrier operations, cost of hire means:

1. The total dollar amount of costs you incurred for the hire of automobiles (includes "trailers" and semitrailers), and if not included therein,
2. The total remunerations of all operators and drivers' helpers, of hired automobiles whether hired with a driver by lessor or an "employee" of the lessee, or any other third party, and
3. The total dollar amount of any other costs (*i.e.*, repair, maintenance, fuel, etc.) directly associated with operating the hired automobiles whether such costs are absorbed by the "insured", paid to the lessor or owner, or paid to others.

<b>COVERED AUTOS LIABILITY COVERAGE – Cost Of Hire Rating Basis for Autos NOT Used In Your Motor Carrier Operations (Other Than Mobile Or Farm Equipment)</b>			
<b>COVERED AUTOS LIABILITY COVERAGE</b>	<b>STATE</b>	<b>ESTIMATED ANNUAL COST OF HIRE FOR EACH STATE</b>	<b>PREMIUM</b>
Primary Coverage			
Excess Coverage			
<b>TOTAL HIRED AUTO PREMIUM</b>			

For "autos" **NOT** used in your motor carrier operations, cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or "employees" or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.

**ITEM FOUR****SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS**

<b>COVERED AUTOS LIABILITY COVERAGE – Cost Of Hire Rating Basis for Autos Used In Your Motor Carrier Operations (Other Than Mobile Or Farm Equipment)</b>			
<b>COVERED AUTOS LIABILITY COVERAGE</b>	<b>STATE</b>	<b>ESTIMATED ANNUAL COST OF HIRE FOR EACH STATE</b>	<b>PREMIUM</b>
Primary Coverage			
Excess Coverage	OR	IF ANY	INCL
<b>TOTAL HIRED AUTO PREMIUM</b>			

For "autos" used in your motor carrier operations, cost of hire means:

1. The total dollar amount of costs you incurred for the hire of automobiles (includes "trailers" and semitrailers), and if not included therein,
2. The total remunerations of all operators and drivers' helpers, of hired automobiles whether hired with a driver by lessor or an "employee" of the lessee, or any other third party, and
3. The total dollar amount of any other costs (*i.e.*, repair, maintenance, fuel, etc.) directly associated with operating the hired automobiles whether such costs are absorbed by the "insured", paid to the lessor or owner, or paid to others.

<b>COVERED AUTOS LIABILITY COVERAGE – Cost Of Hire Rating Basis for Autos NOT Used In Your Motor Carrier Operations (Other Than Mobile Or Farm Equipment)</b>			
<b>COVERED AUTOS LIABILITY COVERAGE</b>	<b>STATE</b>	<b>ESTIMATED ANNUAL COST OF HIRE FOR EACH STATE</b>	<b>PREMIUM</b>
Primary Coverage			
Excess Coverage			
<b>TOTAL HIRED AUTO PREMIUM</b>			

For "autos" **NOT** used in your motor carrier operations, cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or "employees" or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.

**ITEM FOUR****SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS**

<b>COVERED AUTOS LIABILITY COVERAGE – Cost Of Hire Rating Basis for Autos Used In Your Motor Carrier Operations (Other Than Mobile Or Farm Equipment)</b>			
<b>COVERED AUTOS LIABILITY COVERAGE</b>	<b>STATE</b>	<b>ESTIMATED ANNUAL COST OF HIRE FOR EACH STATE</b>	<b>PREMIUM</b>
Primary Coverage			
Excess Coverage	TN	IF ANY	\$ 270
<b>TOTAL HIRED AUTO PREMIUM</b>			
<p>For "autos" used in your motor carrier operations, cost of hire means:</p> <ol style="list-style-type: none"><li>1. The total dollar amount of costs you incurred for the hire of automobiles (includes "trailers" and semitrailers), and if not included therein,</li><li>2. The total remunerations of all operators and drivers' helpers, of hired automobiles whether hired with a driver by lessor or an "employee" of the lessee, or any other third party, and</li><li>3. The total dollar amount of any other costs (<i>i.e.</i>, repair, maintenance, fuel, etc.) directly associated with operating the hired automobiles whether such costs are absorbed by the "insured", paid to the lessor or owner, or paid to others.</li></ol>			

<b>COVERED AUTOS LIABILITY COVERAGE – Cost Of Hire Rating Basis for Autos NOT Used In Your Motor Carrier Operations (Other Than Mobile Or Farm Equipment)</b>			
<b>COVERED AUTOS LIABILITY COVERAGE</b>	<b>STATE</b>	<b>ESTIMATED ANNUAL COST OF HIRE FOR EACH STATE</b>	<b>PREMIUM</b>
Primary Coverage			
Excess Coverage			
<b>TOTAL HIRED AUTO PREMIUM</b>			
<p>For "autos" <b>NOT</b> used in your motor carrier operations, cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or "employees" or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.</p>			

**ITEM FOUR****SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS**

<b>COVERED AUTOS LIABILITY COVERAGE – Cost Of Hire Rating Basis for Autos Used In Your Motor Carrier Operations (Other Than Mobile Or Farm Equipment)</b>			
<b>COVERED AUTOS LIABILITY COVERAGE</b>	<b>STATE</b>	<b>ESTIMATED ANNUAL COST OF HIRE FOR EACH STATE</b>	<b>PREMIUM</b>
Primary Coverage			
Excess Coverage	TX	IF ANY	INCL
<b>TOTAL HIRED AUTO PREMIUM</b>			
<p>For "autos" used in your motor carrier operations, cost of hire means:</p> <ol style="list-style-type: none"><li>1. The total dollar amount of costs you incurred for the hire of automobiles (includes "trailers" and semitrailers), and if not included therein,</li><li>2. The total remunerations of all operators and drivers' helpers, of hired automobiles whether hired with a driver by lessor or an "employee" of the lessee, or any other third party, and</li><li>3. The total dollar amount of any other costs (<i>i.e.</i>, repair, maintenance, fuel, etc.) directly associated with operating the hired automobiles whether such costs are absorbed by the "insured", paid to the lessor or owner, or paid to others.</li></ol>			

<b>COVERED AUTOS LIABILITY COVERAGE – Cost Of Hire Rating Basis for Autos NOT Used In Your Motor Carrier Operations (Other Than Mobile Or Farm Equipment)</b>			
<b>COVERED AUTOS LIABILITY COVERAGE</b>	<b>STATE</b>	<b>ESTIMATED ANNUAL COST OF HIRE FOR EACH STATE</b>	<b>PREMIUM</b>
Primary Coverage			
Excess Coverage			
<b>TOTAL HIRED AUTO PREMIUM</b>			
<p>For "autos" <b>NOT</b> used in your motor carrier operations, cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or "employees" or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.</p>			



**ITEM FOUR**

**SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS**

<b>COVERED AUTOS LIABILITY COVERAGE – Cost Of Hire Rating Basis for Autos Used In Your Motor Carrier Operations (Other Than Mobile Or Farm Equipment)</b>			
<b>COVERED AUTOS LIABILITY COVERAGE</b>	<b>STATE</b>	<b>ESTIMATED ANNUAL COST OF HIRE FOR EACH STATE</b>	<b>PREMIUM</b>
Primary Coverage			
Excess Coverage	WA	IF ANY	INCL
<b>TOTAL HIRED AUTO PREMIUM</b>			\$ 270

For "autos" used in your motor carrier operations, cost of hire means:

1. The total dollar amount of costs you incurred for the hire of automobiles (includes "trailers" and semitrailers), and if not included therein,
2. The total remunerations of all operators and drivers' helpers, of hired automobiles whether hired with a driver by lessor or an "employee" of the lessee, or any other third party, and
3. The total dollar amount of any other costs (*i.e.*, repair, maintenance, fuel, etc.) directly associated with operating the hired automobiles whether such costs are absorbed by the "insured", paid to the lessor or owner, or paid to others.

<b>COVERED AUTOS LIABILITY COVERAGE – Cost Of Hire Rating Basis for Autos NOT Used In Your Motor Carrier Operations (Other Than Mobile Or Farm Equipment)</b>			
<b>COVERED AUTOS LIABILITY COVERAGE</b>	<b>STATE</b>	<b>ESTIMATED ANNUAL COST OF HIRE FOR EACH STATE</b>	<b>PREMIUM</b>
Primary Coverage			
Excess Coverage			
<b>TOTAL HIRED AUTO PREMIUM</b>			

For "autos" **NOT** used in your motor carrier operations, cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or "employees" or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.

ITEM FOUR

SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS (Cont'd)

Physical Damage Coverages – Cost Of Hire Rating Basis For All Autos (Other Than Mobile or Farm Equipment)				
COVERAGE	STATE	LIMIT OF INSURANCE	ESTIMATED ANNUAL COST OF HIRE FOR EACH STATE (Excluding Autos Hired With A Driver)	PREMIUM
COMPREHENSIVE	TN	ACTUAL CASH VALUE OR COST OF REPAIR, WHICHEVER IS LESS, MINUS \$ 100 DEDUCTIBLE FOR EACH COVERED AUTO, BUT NO DEDUCTIBLE APPLIES TO LOSS CAUSED BY FIRE OR LIGHTNING.	\$ 50	\$ 25
SPECIFIED CAUSES OF LOSS		ACTUAL CASH VALUE OR COST OF REPAIR, WHICHEVER IS LESS, MINUS DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY MISCHIEF OR VANDALISM.		
COLLISION	TN	ACTUAL CASH VALUE OR COST OF REPAIR, WHICHEVER IS LESS, MINUS \$ 250 DEDUCTIBLE FOR EACH COVERED AUTO.	\$ 50	\$ 25
TOTAL HIRED AUTO PREMIUM				
For Physical Damage Coverages, cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or "employees" or their family members). Cost of hire does not include charges for any "auto" that is leased, hired, rented or borrowed with a driver.				

ITEM FOUR

SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS (Cont'd)

Physical Damage Coverages – Cost Of Hire Rating Basis For All Autos (Other Than Mobile or Farm Equipment)				
COVERAGE	STATE	LIMIT OF INSURANCE	ESTIMATED ANNUAL COST OF HIRE FOR EACH STATE (Excluding Autos Hired With A Driver)	PREMIUM
COMPREHENSIVE	TX	ACTUAL CASH VALUE OR COST OF REPAIR, WHICHEVER IS LESS, MINUS \$ 100 DEDUCTIBLE FOR EACH COVERED AUTO, BUT NO DEDUCTIBLE APPLIES TO LOSS CAUSED BY FIRE OR LIGHTNING.	\$ 50	\$ 35
SPECIFIED CAUSES OF LOSS		ACTUAL CASH VALUE OR COST OF REPAIR, WHICHEVER IS LESS, MINUS DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY MISCHIEF OR VANDALISM.		
COLLISION	TX	ACTUAL CASH VALUE OR COST OF REPAIR, WHICHEVER IS LESS, MINUS \$ 250 DEDUCTIBLE FOR EACH COVERED AUTO.	\$ 50	\$ 35
TOTAL HIRED AUTO PREMIUM				\$ 120
For Physical Damage Coverages, cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or "employees" or their family members). Cost of hire does not include charges for any "auto" that is leased, hired, rented or borrowed with a driver.				

**ITEM FOUR**

**SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS (Cont'd)**

Cost Of Hire Rating Basis For Mobile Or Farm Equipment – Other Than Physical Damage Coverages					
COVERAGE	STATE	ESTIMATED ANNUAL COST OF HIRE FOR EACH STATE		PREMIUM	
		Mobile Equipment	Farm Equipment	Mobile Equipment	Farm Equipment
Covered Autos Liability – Primary Coverage					
Covered Autos Liability – Excess Coverage					
Personal Injury Protection					
Medical Expense Benefits (Virginia Only)					
Income Loss Benefits (Virginia Only)					
Auto Medical Payments					
<b>TOTAL HIRED AUTO PREMIUM</b>					
<p>Cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or "employees" or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.</p>					

**ITEM FOUR**

**SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS (Cont'd)**

Cost Of Hire Rating Basis For Mobile or Farm Equipment -- Physical Damage Coverages						
COVERAGE	STATE	LIMIT OF INSURANCE	ESTIMATED ANNUAL COST OF HIRE FOR EACH STATE (Excluding Autos Hired With A Driver)		PREMIUM	
			Mobile Equipment	Farm Equipment	Mobile Equipment	Farm Equipment
COMPREHENSIVE		ACTUAL CASH VALUE OR COST OF REPAIR, WHICHEVER IS LESS, MINUS DEDUCTIBLE FOR EACH COVERED AUTO, BUT NO DEDUCTIBLE APPLIES TO LOSS CAUSED BY FIRE OR LIGHTNING.				
SPECIFIED CAUSES OF LOSS		ACTUAL CASH VALUE OR COST OF REPAIR, WHICHEVER IS LESS, MINUS DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY MISCHIEF OR VANDALISM.				
COLLISION		ACTUAL CASH VALUE OR COST OF REPAIR, WHICHEVER IS LESS, MINUS DEDUCTIBLE FOR EACH COVERED AUTO.				
TOTAL HIRED AUTO PREMIUM						
For Physical Damage Coverages, cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or "employees" or their family members). Cost of hire does not include charges for any auto that is leased, hired, rented or borrowed with a driver.						

**ITEM FOUR****SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS (Cont'd)**

Rental Period Rating Basis For Mobile Or Farm Equipment					
COVERAGE	TOWN AND STATE WHERE THE JOB SITE IS LOCATED	ESTIMATED NUMBER OF DAYS EQUIPMENT WILL BE RENTED		PREMIUM	
		Mobile Equipment	Farm Equipment	Mobile Equipment	Farm Equipment
Covered Autos Liability – Primary Coverage					
Covered Autos Liability – Excess Coverage					
Personal Injury Protection					
Medical Expense Benefits (Virginia Only)					
Income Loss Benefits (Virginia Only)					
Auto Medical Payments					
TOTAL HIRED AUTO PREMIUMS					

**ITEM FIVE****SCHEDULE FOR NON-OWNERSHIP COVERED AUTOS LIABILITY**

NAMED INSURED'S BUSINESS	RATING BASIS	NUMBER	PREMIUM
Other Than Garage Service Operations And Other Than Social Service Agencies	Number Of Employees	82	\$ 1,730
	Number Of Partners (Active and Inactive)		
Garage Service Operations	Number Of Employees Whose Principal Duty Involves The Operation Of Autos		
	Number Of Partners (Active and Inactive)		
Social Service Agencies	Number Of Employees		
	Number Of Volunteers Who Regularly Use Autos To Transport Clients		
	Number Of Partners (Active and Inactive)		
TOTAL NON-OWNERSHIP COVERED AUTOS LIABILITY PREMIUM			\$ 1,730

**ITEM SIX****SCHEDULE FOR GROSS RECEIPTS OR MILEAGE BASIS**

Type Of Risk (Check one):	<input type="checkbox"/> Public Autos	<input type="checkbox"/> Leasing Or Rental Concerns
Rating Basis (Check one):	<input type="checkbox"/> Gross Receipts (Per \$100)	<input type="checkbox"/> Mileage (Per Mile)
Estimated Yearly (Check One):	<input type="checkbox"/> Gross Receipts (Per \$100)	<input type="checkbox"/> Mileage
<b>Premiums</b>		
Covered Autos Liability		
Personal Injury Protection		
Added Personal Injury Protection		
Property Protection Insurance (Michigan Only)		
Auto Medical Payments		
Medical Expense And Income Loss Benefits (Virginia Only)		
Comprehensive		
Specified Causes Of Loss		
Collision		
Towing And Labor		

When used as a premium basis:

**FOR PUBLIC AUTOS**

Gross receipts means the total amount earned by the named insured for transporting passengers, mail and merchandise.

Gross receipts does not include:

1. Amounts paid to air, sea or land carriers operating under their own permits.
2. Advertising revenue.
3. Taxes collected as a separate item and paid directly to the government.
4. C.O.D. collections for cost of mail or merchandise including collection fees.

Mileage means the total live and dead mileage of all revenue producing "autos" during the policy period.

**FOR RENTAL OR LEASING CONCERNS**

Gross receipts means the total amount earned by the named insured for the leasing or renting of "autos" to others without drivers.

Mileage means the total live and dead mileage of all "autos" you leased or rented to others without drivers.

## BUSINESS AUTO COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

### SECTION I – COVERED AUTOS

Item Two of the Declarations shows the "autos" that are covered "autos" for each of your coverages. The following numerical symbols describe the "autos" that may be covered "autos". The symbols entered next to a coverage on the Declarations designate the only "autos" that are covered "autos".

#### A. Description Of Covered Auto Designation Symbols

Symbol	Description Of Covered Auto Designation Symbols	
1	Any "Auto"	
2	Owned "Autos" Only	Only those "autos" you own (and for Covered Autos Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" you acquire ownership of after the policy begins.
3	Owned Private Passenger "Autos" Only	Only the private passenger "autos" you own. This includes those private passenger "autos" you acquire ownership of after the policy begins.
4	Owned "Autos" Other Than Private Passenger "Autos" Only	Only those "autos" you own that are not of the private passenger type (and for Covered Autos Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" not of the private passenger type you acquire ownership of after the policy begins.
5	Owned "Autos" Subject To No-fault	Only those "autos" you own that are required to have no-fault benefits in the state where they are licensed or principally garaged. This includes those "autos" you acquire ownership of after the policy begins provided they are required to have no-fault benefits in the state where they are licensed or principally garaged.
6	Owned "Autos" Subject To A Compulsory Uninsured Motorists Law	Only those "autos" you own that because of the law in the state where they are licensed or principally garaged are required to have and cannot reject Uninsured Motorists Coverage. This includes those "autos" you acquire ownership of after the policy begins provided they are subject to the same state uninsured motorists requirement.
7	Specifically Described "Autos"	Only those "autos" described in Item Three of the Declarations for which a premium charge is shown (and for Covered Autos Liability Coverage any "trailers" you don't own while attached to any power unit described in Item Three).
8	Hired "Autos" Only	Only those "autos" you lease, hire, rent or borrow. This does not include any "auto" you lease, hire, rent or borrow from any of your "employees", partners (if you are a partnership), members (if you are a limited liability company) or members of their households.
9	Non-owned "Autos" Only	Only those "autos" you do not own, lease, hire, rent or borrow that are used in connection with your business. This includes "autos" owned by your "employees", partners (if you are a partnership), members (if you are a limited liability company) or members of their households but only while used in your business or your personal affairs.



19	Mobile Equipment Subject To Compulsory Or Financial Responsibility Or Other Motor Vehicle Insurance Law Only	Only those "autos" that are land vehicles and that would qualify under the definition of "mobile equipment" under this policy if they were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where they are licensed or principally garaged.
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## B. Owned Autos You Acquire After The Policy Begins

1. If Symbols **1, 2, 3, 4, 5, 6** or **19** are entered next to a coverage in Item Two of the Declarations, then you have coverage for "autos" that you acquire of the type described for the remainder of the policy period.
2. But, if Symbol **7** is entered next to a coverage in Item Two of the Declarations, an "auto" you acquire will be a covered "auto" for that coverage only if:
  - a. We already cover all "autos" that you own for that coverage or it replaces an "auto" you previously owned that had that coverage; and
  - b. You tell us within 30 days after you acquire it that you want us to cover it for that coverage.

## C. Certain Trailers, Mobile Equipment And Temporary Substitute Autos

If Covered Autos Liability Coverage is provided by this Coverage Form, the following types of vehicles are also covered "autos" for Covered Autos Liability Coverage:

1. "Trailers" with a load capacity of 2,000 pounds or less designed primarily for travel on public roads.
2. "Mobile equipment" while being carried or towed by a covered "auto".
3. Any "auto" you do not own while used with the permission of its owner as a temporary substitute for a covered "auto" you own that is out of service because of its:
  - a. Breakdown;
  - b. Repair;
  - c. Servicing;
  - d. "Loss"; or
  - e. Destruction.

## SECTION II – COVERED AUTOS LIABILITY COVERAGE

### A. Coverage

We will pay all sums an "insured" legally must pay as damages because of "bodily injury" or "property damage" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of a covered "auto".

We will also pay all sums an "insured" legally must pay as a "covered pollution cost or expense" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of covered "autos". However, we will only pay for the "covered pollution cost or expense" if there is either "bodily injury" or "property damage" to which this insurance applies that is caused by the same "accident".

We have the right and duty to defend any "insured" against a "suit" asking for such damages or a "covered pollution cost or expense". However, we have no duty to defend any "insured" against a "suit" seeking damages for "bodily injury" or "property damage" or a "covered pollution cost or expense" to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. Our duty to defend or settle ends when the Covered Autos Liability Coverage Limit of Insurance has been exhausted by payment of judgments or settlements.

### 1. Who Is An Insured

The following are "insureds":

- a. You for any covered "auto".
- b. Anyone else while using with your permission a covered "auto" you own, hire or borrow except:
  - (1) The owner or anyone else from whom you hire or borrow a covered "auto".

This exception does not apply if the covered "auto" is a "trailer" connected to a covered "auto" you own.

- (2) Your "employee" if the covered "auto" is owned by that "employee" or a member of his or her household.
  - (3) Someone using a covered "auto" while he or she is working in a business of selling, servicing, repairing, parking or storing "autos" unless that business is yours.
  - (4) Anyone other than your "employees", partners (if you are a partnership), members (if you are a limited liability company) or a lessee or borrower or any of their "employees", while moving property to or from a covered "auto".
  - (5) A partner (if you are a partnership) or a member (if you are a limited liability company) for a covered "auto" owned by him or her or a member of his or her household.
- c. Anyone liable for the conduct of an "insured" described above but only to the extent of that liability.

## 2. Coverage Extensions

### a. Supplementary Payments

We will pay for the "insured":

- (1) All expenses we incur.
- (2) Up to \$2,000 for cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.
- (3) The cost of bonds to release attachments in any "suit" against the "insured" we defend, but only for bond amounts within our Limit of Insurance.
- (4) All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$250 a day because of time off from work.
- (5) All court costs taxed against the "insured" in any "suit" against the "insured" we defend. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the "insured".
- (6) All interest on the full amount of any judgment that accrues after entry of the judgment in any "suit" against the "insured" we defend, but our duty to pay interest ends when we have paid, offered to pay or deposited in court the part of the judgment that is within our Limit of Insurance.

These payments will not reduce the Limit of Insurance.

### b. Out-of-state Coverage Extensions

While a covered "auto" is away from the state where it is licensed, we will:

- (1) Increase the Limit of Insurance for Covered Autos Liability Coverage to meet the limits specified by a compulsory or financial responsibility law of the jurisdiction where the covered "auto" is being used. This extension does not apply to the limit or limits specified by any law governing motor carriers of passengers or property.
- (2) Provide the minimum amounts and types of other coverages, such as no-fault, required of out-of-state vehicles by the jurisdiction where the covered "auto" is being used.

We will not pay anyone more than once for the same elements of loss because of these extensions.

## B. Exclusions

This insurance does not apply to any of the following:

### 1. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the "insured".

### 2. Contractual

Liability assumed under any contract or agreement.

But this exclusion does not apply to liability for damages:

- a. Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement; or
- b. That the "insured" would have in the absence of the contract or agreement.

### 3. Workers' Compensation

Any obligation for which the "insured" or the "insured's" insurer may be held liable under any workers' compensation, disability benefits or unemployment compensation law or any similar law.

#### **4. Employee Indemnification And Employer's Liability**

"Bodily injury" to:

- a. An "employee" of the "insured" arising out of and in the course of:
  - (1) Employment by the "insured"; or
  - (2) Performing the duties related to the conduct of the "insured's" business; or
- b. The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph **a.** above.

This exclusion applies:

- (1) Whether the "insured" may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

But this exclusion does not apply to "bodily injury" to domestic "employees" not entitled to workers' compensation benefits or to liability assumed by the "insured" under an "insured contract". For the purposes of the Coverage Form, a domestic "employee" is a person engaged in household or domestic work performed principally in connection with a residence premises.

#### **5. Fellow Employee**

"Bodily injury" to:

- a. Any fellow "employee" of the "insured" arising out of and in the course of the fellow "employee's" employment or while performing duties related to the conduct of your business; or
- b. The spouse, child, parent, brother or sister of that fellow "employee" as a consequence of Paragraph **a.** above.

#### **6. Care, Custody Or Control**

"Property damage" to or "covered pollution cost or expense" involving property owned or transported by the "insured" or in the "insured's" care, custody or control. But this exclusion does not apply to liability assumed under a sidetrack agreement.

#### **7. Handling Of Property**

"Bodily injury" or "property damage" resulting from the handling of property:

- a. Before it is moved from the place where it is accepted by the "insured" for movement into or onto the covered "auto"; or

- b. After it is moved from the covered "auto" to the place where it is finally delivered by the "insured".

#### **8. Movement Of Property By Mechanical Device**

"Bodily injury" or "property damage" resulting from the movement of property by a mechanical device (other than a hand truck) unless the device is attached to the covered "auto".

#### **9. Operations**

"Bodily injury" or "property damage" arising out of the operation of:

- a. Any equipment listed in Paragraphs **6.b.** and **6.c.** of the definition of "mobile equipment"; or
- b. Machinery or equipment that is on, attached to or part of a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

#### **10. Completed Operations**

"Bodily injury" or "property damage" arising out of your work after that work has been completed or abandoned.

In this exclusion, your work means:

- a. Work or operations performed by you or on your behalf; and
- b. Materials, parts or equipment furnished in connection with such work or operations.

Your work includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in Paragraph **a.** or **b.** above.

Your work will be deemed completed at the earliest of the following times:

- (1) When all of the work called for in your contract has been completed;
- (2) When all of the work to be done at the site has been completed if your contract calls for work at more than one site; or
- (3) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

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

## **11. Pollution**

"Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- a.** That are, or that are contained in any property that is:
  - (1)** Being transported or towed by, handled or handled for movement into, onto or from the covered "auto";
  - (2)** Otherwise in the course of transit by or on behalf of the "insured"; or
  - (3)** Being stored, disposed of, treated or processed in or upon the covered "auto";
- b.** Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or
- c.** After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph **a.** above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts if:

- (1)** The "pollutants" escape, seep, migrate or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and
- (2)** The "bodily injury", "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in Paragraphs **6.b.** and **6.c.** of the definition of "mobile equipment".

Paragraphs **b.** and **c.** above of this exclusion do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

- (a)** The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and
- (b)** The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

## **12. War**

"Bodily injury" or "property damage" arising directly or indirectly out of:

- a.** War, including undeclared or civil war;
- b.** Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c.** Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

## **13. Racing**

Covered "autos" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply while that covered "auto" is being prepared for such a contest or activity.

## **C. Limit Of Insurance**

Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for the total of all damages and "covered pollution cost or expense" combined resulting from any one "accident" is the Limit Of Insurance for Covered Autos Liability Coverage shown in the Declarations.

All "bodily injury", "property damage" and "covered pollution cost or expense" resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one "accident".

No one will be entitled to receive duplicate payments for the same elements of "loss" under this Coverage Form and any Medical Payments Coverage endorsement, Uninsured Motorists Coverage endorsement or Underinsured Motorists Coverage endorsement attached to this Coverage Part.

### **SECTION III – PHYSICAL DAMAGE COVERAGE**

#### **A. Coverage**

1. We will pay for "loss" to a covered "auto" or its equipment under:

- a. **Comprehensive Coverage**

From any cause except:

- (1) The covered "auto's" collision with another object; or
    - (2) The covered "auto's" overturn.

- b. **Specified Causes Of Loss Coverage**

Caused by:

- (1) Fire, lightning or explosion;
    - (2) Theft;
    - (3) Windstorm, hail or earthquake;
    - (4) Flood;
    - (5) Mischief or vandalism; or
    - (6) The sinking, burning, collision or derailment of any conveyance transporting the covered "auto".

- c. **Collision Coverage**

Caused by:

- (1) The covered "auto's" collision with another object; or
    - (2) The covered "auto's" overturn.

2. **Towing**

We will pay up to the limit shown in the Declarations for towing and labor costs incurred each time a covered "auto" of the private passenger type is disabled. However, the labor must be performed at the place of disablement.

#### **3. Glass Breakage – Hitting A Bird Or Animal – Falling Objects Or Missiles**

If you carry Comprehensive Coverage for the damaged covered "auto", we will pay for the following under Comprehensive Coverage:

- a. Glass breakage;
- b. "Loss" caused by hitting a bird or animal; and
- c. "Loss" caused by falling objects or missiles.

However, you have the option of having glass breakage caused by a covered "auto's" collision or overturn considered a "loss" under Collision Coverage.

#### **4. Coverage Extensions**

- a. **Transportation Expenses**

We will pay up to \$20 per day, to a maximum of \$600, for temporary transportation expense incurred by you because of the total theft of a covered "auto" of the private passenger type. We will pay only for those covered "autos" for which you carry either Comprehensive or Specified Causes Of Loss Coverage. We will pay for temporary transportation expenses incurred during the period beginning 48 hours after the theft and ending, regardless of the policy's expiration, when the covered "auto" is returned to use or we pay for its "loss".

- b. **Loss Of Use Expenses**

For Hired Auto Physical Damage, we will pay expenses for which an "insured" becomes legally responsible to pay for loss of use of a vehicle rented or hired without a driver under a written rental contract or agreement. We will pay for loss of use expenses if caused by:

- (1) Other than collision only if the Declarations indicates that Comprehensive Coverage is provided for any covered "auto";
    - (2) Specified Causes Of Loss only if the Declarations indicates that Specified Causes Of Loss Coverage is provided for any covered "auto"; or



- (3) Collision only if the Declarations indicates that Collision Coverage is provided for any covered "auto".

However, the most we will pay for any expenses for loss of use is \$20 per day, to a maximum of \$600.

## **B. Exclusions**

1. We will not pay for "loss" caused by or resulting from any of the following. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss".

### **a. Nuclear Hazard**

- (1) The explosion of any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination, however caused.

### **b. War Or Military Action**

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

2. We will not pay for "loss" to any covered "auto" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. We will also not pay for "loss" to any covered "auto" while that covered "auto" is being prepared for such a contest or activity.

3. We will not pay for "loss" due and confined to:

- a. Wear and tear, freezing, mechanical or electrical breakdown.
- b. Blowouts, punctures or other road damage to tires.

This exclusion does not apply to such "loss" resulting from the total theft of a covered "auto".

4. We will not pay for "loss" to any of the following:

- a. Tapes, records, discs or other similar audio, visual or data electronic devices designed for use with audio, visual or data electronic equipment.

- b. Any device designed or used to detect speed-measuring equipment, such as radar or laser detectors, and any jamming apparatus intended to elude or disrupt speed-measuring equipment.

- c. Any electronic equipment, without regard to whether this equipment is permanently installed, that reproduces, receives or transmits audio, visual or data signals.

- d. Any accessories used with the electronic equipment described in Paragraph c. above.

5. Exclusions 4.c. and 4.d. do not apply to equipment designed to be operated solely by use of the power from the "auto's" electrical system that, at the time of "loss", is:

- a. Permanently installed in or upon the covered "auto";
- b. Removable from a housing unit which is permanently installed in or upon the covered "auto";
- c. An integral part of the same unit housing any electronic equipment described in Paragraphs a. and b. above; or
- d. Necessary for the normal operation of the covered "auto" or the monitoring of the covered "auto's" operating system.

6. We will not pay for "loss" to a covered "auto" due to "diminution in value".

## **C. Limits Of Insurance**

1. The most we will pay for:

- a. "Loss" to any one covered "auto" is the lesser of:

- (1) The actual cash value of the damaged or stolen property as of the time of the "loss"; or
- (2) The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality.

- b. All electronic equipment that reproduces, receives or transmits audio, visual or data signals in any one "loss" is \$1,000, if, at the time of "loss", such electronic equipment is:

- (1) Permanently installed in or upon the covered "auto" in a housing, opening or other location that is not normally used by the "auto" manufacturer for the installation of such equipment;

- (2) Removable from a permanently installed housing unit as described in Paragraph **b.(1)** above; or
  - (3) An integral part of such equipment as described in Paragraphs **b.(1)** and **b.(2)** above.
2. An adjustment for depreciation and physical condition will be made in determining actual cash value in the event of a total "loss".
  3. If a repair or replacement results in better than like kind or quality, we will not pay for the amount of the betterment.

#### **D. Deductible**

For each covered "auto", our obligation to pay for, repair, return or replace damaged or stolen property will be reduced by the applicable deductible shown in the Declarations. Any Comprehensive Coverage deductible shown in the Declarations does not apply to "loss" caused by fire or lightning.

### **SECTION IV – BUSINESS AUTO CONDITIONS**

The following conditions apply in addition to the Common Policy Conditions:

#### **A. Loss Conditions**

##### **1. Appraisal For Physical Damage Loss**

If you and we disagree on the amount of "loss", either may demand an appraisal of the "loss". In this event, each party will select a competent appraiser. The two appraisers will select a competent and impartial umpire. The appraisers will state separately the actual cash value and amount of "loss". If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If we submit to an appraisal, we will still retain our right to deny the claim.

##### **2. Duties In The Event Of Accident, Claim, Suit Or Loss**

We have no duty to provide coverage under this policy unless there has been full compliance with the following duties:

- a. In the event of "accident", claim, "suit" or "loss", you must give us or our authorized representative prompt notice of the "accident" or "loss". Include:
  - (1) How, when and where the "accident" or "loss" occurred;

- (2) The "insured's" name and address; and
- (3) To the extent possible, the names and addresses of any injured persons and witnesses.

b. Additionally, you and any other involved "insured" must:

- (1) Assume no obligation, make no payment or incur no expense without our consent, except at the "insured's" own cost.
- (2) Immediately send us copies of any request, demand, order, notice, summons or legal paper received concerning the claim or "suit".
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit".
- (4) Authorize us to obtain medical records or other pertinent information.
- (5) Submit to examination, at our expense, by physicians of our choice, as often as we reasonably require.

c. If there is "loss" to a covered "auto" or its equipment, you must also do the following:

- (1) Promptly notify the police if the covered "auto" or any of its equipment is stolen.
- (2) Take all reasonable steps to protect the covered "auto" from further damage. Also keep a record of your expenses for consideration in the settlement of the claim.
- (3) Permit us to inspect the covered "auto" and records proving the "loss" before its repair or disposition.
- (4) Agree to examinations under oath at our request and give us a signed statement of your answers.

#### **3. Legal Action Against Us**

No one may bring a legal action against us under this Coverage Form until:

- a. There has been full compliance with all the terms of this Coverage Form; and
- b. Under Covered Autos Liability Coverage, we agree in writing that the "insured" has an obligation to pay or until the amount of that obligation has finally been determined by judgment after trial. No one has the right under this policy to bring us into an action to determine the "insured's" liability.

#### **4. Loss Payment – Physical Damage Coverages**

At our option, we may:

- a. Pay for, repair or replace damaged or stolen property;
- b. Return the stolen property, at our expense. We will pay for any damage that results to the "auto" from the theft; or
- c. Take all or any part of the damaged or stolen property at an agreed or appraised value.

If we pay for the "loss", our payment will include the applicable sales tax for the damaged or stolen property.

#### **5. Transfer Of Rights Of Recovery Against Others To Us**

If any person or organization to or for whom we make payment under this Coverage Form has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after "accident" or "loss" to impair them.

### **B. General Conditions**

#### **1. Bankruptcy**

Bankruptcy or insolvency of the "insured" or the "insured's" estate will not relieve us of any obligations under this Coverage Form.

#### **2. Concealment, Misrepresentation Or Fraud**

This Coverage Form is void in any case of fraud by you at any time as it relates to this Coverage Form. It is also void if you or any other "insured", at any time, intentionally conceals or misrepresents a material fact concerning:

- a. This Coverage Form;
- b. The covered "auto";
- c. Your interest in the covered "auto"; or
- d. A claim under this Coverage Form.

#### **3. Liberalization**

If we revise this Coverage Form to provide more coverage without additional premium charge, your policy will automatically provide the additional coverage as of the day the revision is effective in your state.

#### **4. No Benefit To Bailee – Physical Damage Coverages**

We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this Coverage Form.

#### **5. Other Insurance**

- a. For any covered "auto" you own, this Coverage Form provides primary insurance. For any covered "auto" you don't own, the insurance provided by this Coverage Form is excess over any other collectible insurance. However, while a covered "auto" which is a "trailer" is connected to another vehicle, the Covered Autos Liability Coverage this Coverage Form provides for the "trailer" is:

- (1) Excess while it is connected to a motor vehicle you do not own; or
- (2) Primary while it is connected to a covered "auto" you own.

- b. For Hired Auto Physical Damage Coverage, any covered "auto" you lease, hire, rent or borrow is deemed to be a covered "auto" you own. However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".

- c. Regardless of the provisions of Paragraph a. above, this Coverage Form's Covered Autos Liability Coverage is primary for any liability assumed under an "insured contract".

- d. When this Coverage Form and any other Coverage Form or policy covers on the same basis, either excess or primary, we will pay only our share. Our share is the proportion that the Limit of Insurance of our Coverage Form bears to the total of the limits of all the Coverage Forms and policies covering on the same basis.

#### **6. Premium Audit**

- a. The estimated premium for this Coverage Form is based on the exposures you told us you would have when this policy began. We will compute the final premium due when we determine your actual exposures. The estimated total premium will be credited against the final premium due and the first Named Insured will be billed for the balance, if any. The due date for the final premium or retrospective premium is the date shown as the due date on the bill. If the estimated total premium exceeds the final premium due, the first Named Insured will get a refund.
- b. If this policy is issued for more than one year, the premium for this Coverage Form will be computed annually based on our rates or premiums in effect at the beginning of each year of the policy.



## 7. Policy Period, Coverage Territory

Under this Coverage Form, we cover "accidents" and "losses" occurring:

- a. During the policy period shown in the Declarations; and
- b. Within the coverage territory.

The coverage territory is:

- (1) The United States of America;
- (2) The territories and possessions of the United States of America;
- (3) Puerto Rico;
- (4) Canada; and
- (5) Anywhere in the world if a covered "auto" of the private passenger type is leased, hired, rented or borrowed without a driver for a period of 30 days or less,

provided that the "insured's" responsibility to pay damages is determined in a "suit" on the merits, in the United States of America, the territories and possessions of the United States of America, Puerto Rico or Canada, or in a settlement we agree to.

We also cover "loss" to, or "accidents" involving, a covered "auto" while being transported between any of these places.

## 8. Two Or More Coverage Forms Or Policies Issued By Us

If this Coverage Form and any other Coverage Form or policy issued to you by us or any company affiliated with us applies to the same "accident", the aggregate maximum Limit of Insurance under all the Coverage Forms or policies shall not exceed the highest applicable Limit of Insurance under any one Coverage Form or policy. This condition does not apply to any Coverage Form or policy issued by us or an affiliated company specifically to apply as excess insurance over this Coverage Form.

## SECTION V – DEFINITIONS

- A. "Accident" includes continuous or repeated exposure to the same conditions resulting in "bodily injury" or "property damage".
- B. "Auto" means:
  1. A land motor vehicle, "trailer" or semitrailer designed for travel on public roads; or

2. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

- C. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these.
- D. "Covered pollution cost or expense" means any cost or expense arising out of:

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

"Covered pollution cost or expense" does not include any cost or expense arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- a. That are, or that are contained in any property that is:
  - (1) Being transported or towed by, handled or handled for movement into, onto or from the covered "auto";
  - (2) Otherwise in the course of transit by or on behalf of the "insured"; or
  - (3) Being stored, disposed of, treated or processed in or upon the covered "auto";
- b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or
- c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph **a.** above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if:

- (1) The "pollutants" escape, seep, migrate or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and
- (2) The "bodily injury", "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in Paragraph **6.b.** or **6.c.** of the definition of "mobile equipment".

Paragraphs **b.** and **c.** above do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

- (a) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and
- (b) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

- E.** "Diminution in value" means the actual or perceived loss in market value or resale value which results from a direct and accidental "loss".
- F.** "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
- G.** "Insured" means any person or organization qualifying as an insured in the Who Is An Insured provision of the applicable coverage. Except with respect to the Limit of Insurance, the coverage afforded applies separately to each insured who is seeking coverage or against whom a claim or "suit" is brought.
- H.** "Insured contract" means:
1. A lease of premises;
  2. A sidetrack agreement;
  3. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
  4. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;

5. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another to pay for "bodily injury" or "property damage" to a third party or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement; or
6. That part of any contract or agreement entered into, as part of your business, pertaining to the rental or lease, by you or any of your "employees", of any "auto". However, such contract or agreement shall not be considered an "insured contract" to the extent that it obligates you or any of your "employees" to pay for "property damage" to any "auto" rented or leased by you or any of your "employees".

An "insured contract" does not include that part of any contract or agreement:

- a.** That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
  - b.** That pertains to the loan, lease or rental of an "auto" to you or any of your "employees", if the "auto" is loaned, leased or rented with a driver; or
  - c.** That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a covered "auto" over a route or territory that person or organization is authorized to serve by public authority.
- I.** "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
- J.** "Loss" means direct and accidental loss or damage.
- K.** "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
1. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
  2. Vehicles maintained for use solely on or next to premises you own or rent;
  3. Vehicles that travel on crawler treads;

4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
  - a. Power cranes, shovels, loaders, diggers or drills; or
  - b. Road construction or resurfacing equipment such as graders, scrapers or rollers;
5. Vehicles not described in Paragraph 1., 2., 3. or 4. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
  - a. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well-servicing equipment; or
  - b. Cherry pickers and similar devices used to raise or lower workers; or
6. Vehicles not described in Paragraph 1., 2., 3. or 4. above maintained primarily for purposes other than the transportation of persons or cargo. However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":
  - a. Equipment designed primarily for:
    - (1) Snow removal;
    - (2) Road maintenance, but not construction or resurfacing; or
    - (3) Street cleaning;
  - b. Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
  - c. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting or well-servicing equipment.

However, "mobile equipment" does not include land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law 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 "autos".

- L. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- M. "Property damage" means damage to or loss of use of tangible property.
- N. "Suit" means a civil proceeding in which:
  1. Damages because of "bodily injury" or "property damage"; or
  2. A "covered pollution cost or expense";
 to which this insurance applies, are alleged.  
 "Suit" includes:
  - a. An arbitration proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the "insured" must submit or does submit with our consent; or
  - b. Any other alternative dispute resolution proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the insured submits with our consent.
- O. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
- P. "Trailer" includes semitrailer.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **NEW YORK CHANGES IN BUSINESS AUTO, BUSINESS AUTO PHYSICAL DAMAGE, MOTOR CARRIER AND TRUCKERS COVERAGE FORMS**

For a covered "auto" licensed or principally garaged in New York, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM  
BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM  
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the coverage form apply unless modified by the endorsement.

### **A. Changes In Liability Coverage**

1. Who Is An Insured does not include anyone loading or unloading a covered "auto" except you, your "employees", a lessee or borrower or any of their "employees".
2. **Supplementary Payments** is amended as follows:
  - a. Paragraph (5) is replaced by the following:
    - (5) All costs taxed against the "insured" in any "suit" against the "insured" we defend.
  - b. The following paragraphs are added:
    - (7) All expenses incurred by an "insured" for first aid to others at the time of an "accident".
    - (8) The cost of appeal bonds.
3. Paragraph **b. Out-of-state Coverage Extensions** in the Business Auto, Motor Carrier and Truckers Coverage Forms is replaced by the following:

While a covered "auto" is used or operated in any other state or Canadian province, we will provide at least the minimum amount and kind of coverage which is required in such cases under the laws of such jurisdiction.

### **4. Exclusions** is changed as follows:

- a. The **Employee Indemnification And Employer's Liability** Exclusion is replaced by the following:

This insurance does not apply to:

"Bodily injury" to an "employee" of the "insured" arising out of and in the course of:

  - (1) Employment by the "insured"; or
  - (2) Performing the duties related to the conduct of the "insured's" business.

But this exclusion does not apply to "bodily injury" to domestic "employees" not entitled to workers' compensation benefits or to liability assumed by the "insured" under an "insured contract". For the purposes of the coverage form, a domestic "employee" is a person engaged in household or domestic work performed principally in connection with a residence premises.
- b. The **Fellow Employee** Exclusion is replaced by the following:

This insurance does not apply to:

"Bodily injury" to any fellow "employee" of the "insured" arising out of and in the course of the fellow "employee's" employment or while performing duties related to the conduct of your business.

However, this exclusion only applies if the fellow "employee" is entitled to benefits under any of the following: workers' compensation, unemployment compensation or disability benefits law, or any similar law.

- c. The **Handling Of Property** Exclusion does not apply.
- d. The **Movement Of Property By Mechanical Device** Exclusion does not apply.
- e. The **Operations** Exclusion does not apply.
- f. The **Completed Operations** Exclusion does not apply.
- g. The **Pollution** Exclusion does not apply.
- h. The **War** Exclusion is replaced by the following:

"Bodily injury" or "property damage" caused by war, whether or not declared, civil war, insurrection, rebellion or revolution, or any act or condition incident to any of the foregoing.
- i. The **Racing** Exclusion does not apply.
- j. The following exclusion is added:

**Spousal Liability**

"Bodily injury" to or "property damage" of the spouse of an "insured". However, we will pay all sums an "insured" legally must pay if named as a third-party defendant in a legal action commenced by his or her spouse against another party.

- 5. If the Limit Of Insurance shown in the Declarations is equal to or greater than \$160,000, the **Limit Of Insurance** Provision is changed by the following:

Limit of Insurance applies except that we will apply the Limit Of Insurance shown in the Declarations to first provide the separate limits required by the New York Motor Vehicle Safety Responsibility Act for:

- a. "Bodily injury" not resulting in death of any one person caused by any one "accident";
- b. "Bodily injury" not resulting in death of two or more persons caused by any one "accident";
- c. "Bodily injury" resulting in death of any one person caused by any one "accident";
- d. "Bodily injury" resulting in death of two or more persons caused by any one "accident"; or
- e. "Property damage" in any one "accident".

This provision will not change our total Limit of Insurance.

- 6. If the Limit Of Insurance shown in the Declarations is less than \$160,000, the **Limit Of Insurance** Provision is replaced by the following:

Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for the total of all damages and "covered pollution cost or expense" combined, resulting from any one "accident", is the Limit Of Insurance for Liability Coverage shown in the Declarations, except for those damages for "bodily injury" resulting in death. We will apply the Limit Of Insurance shown in the Declarations to first provide the separate limits required by the New York Motor Vehicle Safety Responsibility Act as follows:

- a. "Bodily injury" not resulting in death of any one person caused by any one "accident";
- b. "Bodily injury" not resulting in death of two or more persons caused by any one "accident"; or
- c. "Property damage" in any one "accident".

This provision will not change our total Limit of Insurance.

All "bodily injury" and "property damage" resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one "accident".

In addition, our Limit of Insurance for "bodily injury" resulting in death is as follows:

- a. Up to \$50,000 for "bodily injury" resulting in death of any one person caused by any one "accident"; and
- b. Up to \$100,000 for "bodily injury" resulting in death of two or more persons caused by any one "accident", subject to a \$50,000 maximum for any one person.

If the Limit Of Insurance shown in the Declarations is not exhausted by payment of damages for:

- a. "Bodily injury" not resulting in death;
- b. "Property damage"; or
- c. "Covered pollution cost or expense";

any remaining amounts will be used to pay damages for "bodily injury" resulting in death, to the extent the Limit Of Insurance shown in the Declarations is not increased.



7. If forming part of the policy, the Nuclear Energy Liability Exclusion (Broad Form) Endorsement does not apply to the Commercial Auto Coverage Part.

## **B. Changes In Physical Damage Coverage**

1. The **War Or Military Action** Exclusion is replaced by the following:

War, whether or not declared, civil war, insurrection, rebellion or revolution, or any act or condition incident to any of the foregoing.

2. **Deductible** is replaced by the following:

For each covered "auto", our obligation to pay for, return or replace damaged or stolen property will be reduced by the applicable deductible shown in the Declarations.

3. The following are added to **Physical Damage Coverage**:

The following provisions apply in place of any conflicting policy provisions:

### **a. Mandatory Inspection For Physical Damage Coverage**

- (1) We have the right to inspect any private passenger "auto", including a non-owned "auto", insured or intended to be insured under this Coverage Part before physical damage coverage shall be effective, except to the extent that this right is prescribed and limited by New York State Department of Financial Services' Insurance Regulation No. 79 (11 NYCRR 67).
- (2) During the term of the Coverage Part, coverage for an additional or replacement private passenger "auto" shall not become effective until you notify us and request coverage for the "auto". However, if you replace a private passenger "auto" insured with us for at least 12 months before the replacement date, we will provide the same coverage which applied to the replaced "auto" for three days beginning on the date you acquire the replacement "auto". We will also provide an additional day of coverage for each Saturday, Sunday or legal holiday falling within the three days. After three days, coverage will not apply until you notify us and request coverage for the "auto".
- (3) When an inspection is required by us, you must cooperate and make the "auto" available for the inspection.

## **b. "Auto" Repairs Under Physical Damage Coverage**

Payment of a physical damage "loss" shall not be conditioned upon the repair of the "auto". We may not require that repairs be made by a particular repair shop or concern. However, we shall be entitled to the following:

- (1) A completed "Certification of Automobile Repairs" as prescribed by the New York State Department of Financial Services;
- (2) If the "auto" is repaired, an itemized repair invoice prepared by the "auto" repairer; and
- (3) An inspection of the "auto", whether or not the "auto" is repaired.

## **c. Recovery Of Stolen Or Abandoned "Autos"**

If a private passenger "auto" insured under this Coverage Part for physical damage coverage is stolen or abandoned, we or our authorized representative shall, when notified of the location of the "auto", have the right to take custody of the "auto" for safekeeping.

## **C. Changes In Conditions**

1. Paragraphs **a.** and **b.(2)** of the **Duties In The Event Of Accident, Claim, Suit Or Loss** Condition in the Business Auto, Motor Carrier and Truckers Coverage Forms are replaced by the following:

We have no duty to provide coverage under this policy if the failure to comply with the following duties is prejudicial to us:

- a.** In the event of "accident", claim, "suit" or "loss", you or someone on your behalf must give us or our authorized representative notice as soon as reasonably possible of the "accident" or "loss". Include:
  - (1) How, when and where the "accident" or "loss" occurred;
  - (2) The "insured's" name and address; and
  - (3) To the extent possible, the names and addresses of any injured persons and witnesses.

Written notice by or on behalf of the injured person or any other claimant to our authorized representative shall be deemed notice to us.

b. Additionally, you and any other involved "insured" must:

(2) Send us copies of any request, demand, order, notice, summons or legal paper received concerning the claim or "suit" as soon as reasonably possible.

2. Paragraph **a.** of the **Duties In The Event Of Loss** Condition in the Business Auto Physical Damage Coverage Form is replaced by the following:

We have no duty to provide coverage under this policy if the failure to comply with the following duties is prejudicial to us:

a. In the event of "loss", you must give us notice as soon as reasonably possible of the "loss". Include:

(1) How, when and where the "loss" occurred; and

(2) To the extent possible, the names and addresses of any injured persons and witnesses.

3. The **Legal Action Against Us** Condition in the Business Auto, Truckers and Motor Carrier Coverage Forms is replaced by the following:

a. Except as provided in Paragraph **b.**, no one may bring a legal action against us until:

(1) There has been full compliance with all of the terms of the coverage form; and

(2) Under Liability Coverage, we, by written agreement with the "insured" and the claimant, agree that the "insured" has an obligation to pay or until the amount of that obligation has finally been determined by judgment after trial. No person or organization has any right under this policy to bring us into any action to determine the "insured's" liability.

b. With respect to "bodily injury" claims, if we deny coverage or do not admit liability because an "insured" or the injured person, someone acting for the injured person or other claimant fails to give us written notice as soon as practicable, then the injured person, someone acting for the injured person or other claimant may bring an action against us, provided the sole question is whether the denial of coverage or nonadmission of liability is based on the failure to provide timely notice.

However, the injured person, someone acting for the injured person or other claimant may not bring an action if within 60 days after we deny coverage or do not admit liability, we or an "insured":

(1) Brings an action to declare the rights of the parties under the policy; and

(2) Names the injured person, someone acting for the injured person or other claimant as a party to the action.

4. The following provision is added and supersedes any provision to the contrary:

Failure to give notice to us as soon as practicable, as required under this Coverage Part, shall not invalidate any claim made by the "insured", injured person or any other claimant, unless the failure to provide such timely notice has prejudiced us. However, no claim made by the "insured", injured person or other claimant will be invalidated if it shall be shown not to have been reasonably possible to give such timely notice and that notice was given as soon as was reasonably possible thereafter.

5. The **Loss Payment** Condition is replaced by the following:

At our option we may:

a. Pay for or replace damaged or stolen property; or

b. Return the stolen or damaged property, at our expense. We will pay for any damage that results to the "auto" from the "loss".

If we pay for the "loss", our payment will include the applicable sales tax for the damaged or stolen property.

6. The **Two Or More Coverage Forms Or Policies Issued By Us** Condition in the Business Auto, Motor Carrier and Truckers Coverage Forms is changed as follows:

This condition does not apply to liability coverage.

7. The **Premium Audit** Condition is amended by the addition of the following:

An audit to determine the final premium due or to be refunded will be completed within 180 days after the expiration date of the policy or the anniversary date, if this is a continuous policy or a policy written for a term longer than one year. But the audit may be waived if:

a. The total annual premium attributable to the auditable exposure base is not reasonably expected to exceed \$1,500; or

- b. The policy requires notification to the insurer with specific identification of any additional exposure units (e.g., autos) for which coverage is requested.
- c. Except as provided in Paragraphs a. and b. above, the **Examination Of Your Books And Records** Common Policy Condition continues to apply.

#### D. Changes In Definitions

The **Definitions** Section in the Business Auto, Business Auto Physical Damage, Motor Carrier and Truckers Coverage Forms is changed as follows:

1. The "covered pollution cost or expense" definition in all coverage forms, except the Business Auto Physical Damage Coverage Form, is replaced by the following:

"Covered pollution cost or expense" means any cost or expense arising out of:

- a. Any request, demand, order or statutory or regulatory requirement; or
- b. Any claim or "suit" by or on behalf of a governmental authority demanding;

that the "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

2. The "insured contract" definition in all coverage forms, except the Business Auto Physical Damage Coverage Form, is replaced by the following:

"Insured contract" means:

- a. A lease of premises;
- b. A sidetrack agreement;
- c. An easement or license agreement in connection with vehicle or pedestrian private railroad crossings at grade;
- d. Any other easement agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- e. An indemnification of a municipality as required by ordinance, except in connection with work for a municipality;
- f. That part of any contract or agreement entered into, as part of your business, by you or any of your employees, pertaining to the rental or lease of any "auto"; or

- g. That part of any other contract or agreement pertaining to your business under which you assume the tort liability of another to pay damages because of "bodily injury" or "property damage" to a third person or organization, if the contract or agreement is made prior to the "bodily injury" or "property damage". Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

An "insured contract" does not include that part of any contract or agreement:

- a. That pertains to the loan, lease or rental of an "auto" to you or any of your employees, if the "auto" is loaned, leased or rented with a driver;
- b. That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a covered "auto" over a route or territory that person or organization is authorized to serve by public authority; or
- c. Under which the "insured" assumes liability for injury or damage caused by the dumping, discharge or escape of:

- (1) Irritants, pollutants or contaminants that are, or that are contained in, any property that is:

- (a) Being moved from the place where such property or pollutants are accepted by the "insured" for movement into or onto the covered "auto";
- (b) Being transported or towed by the covered "auto";
- (c) Being moved from the covered "auto" to the place where such property or pollutants are finally delivered, disposed of or abandoned by the "insured";
- (d) Otherwise in the course of transit; or
- (e) Being stored, disposed of, treated or processed in or upon the covered "auto" other than fuels, lubricants, fluids, exhaust gases or other similar pollutants that are needed for, or result from, the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts.



(2) Irritants, pollutants or contaminants not described in Paragraph (1) above unless:

- (a) The pollutants or any property in which the pollutants are contained is upset, overturned or damaged as a result of the maintenance or use of the covered "auto"; and
- (b) The discharge, dispersal, release or escape of the pollutants is caused directly by such upset, overturn or damage.

3. The "mobile equipment" definition is replaced by the following:

"Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:

- (1) Power cranes, shovels, loaders, diggers or drills; or
- (2) Road construction or resurfacing equipment such as graders, scrapers or rollers.

e. Vehicles not described in Paragraph a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

- (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well-servicing equipment; or
- (2) Cherry pickers and similar devices used to raise or lower workers.

f. Vehicles not described in Paragraph a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo. However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1) Equipment designed primarily for:
  - (a) Snow removal;

(b) Road maintenance, but not construction or resurfacing; or

(c) Street cleaning;

(2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

(3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting or well-servicing equipment.

"Mobile equipment" does not include land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law 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 "autos".

However, the operation of:

- a. Equipment described in Paragraphs f.(2) and f.(3) above; or
- b. Machinery or equipment that is on, attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged;

is considered operation of "mobile equipment" and not operation of an "auto".

#### E. Changes In Forms And Endorsements

1. All references to Underinsured Motorists Coverage shall mean Supplementary Uninsured/Underinsured Motorists Coverage.

2. If the Garagekeepers Coverage endorsement or the Garagekeepers Coverage – Customers' Sound-receiving Equipment endorsement is attached, then Exclusion 3. is replaced by the following:

We will not pay for "loss" caused by war, whether or not declared, civil war, insurrection, rebellion or revolution, or any act or condition incident to any of the foregoing.

3. If the Auto Medical Payments Coverage endorsement is attached, then Exclusion C.6. is replaced by the following:

"Bodily injury" caused by war, whether or not declared, civil war, insurrection, rebellion or revolution, or any act or condition incident to any of the foregoing.

4. If the Single Interest Automobile Physical Damage Insurance Policy is attached, the **War** Exclusion is replaced by the following:

This insurance does not apply to "loss" caused by war, whether or not declared, civil war, insurrection, rebellion or revolution, or any act or condition incident to any of the foregoing.

5. If the Stated Amount Insurance endorsement is attached, then Paragraph **C.2.** of that endorsement does not apply.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **WASHINGTON CHANGES**

For a covered "auto" licensed or principally garaged in, or for "auto dealer operations" conducted in, Washington, this endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM  
BUSINESS AUTO COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

### **A. Changes In Covered Autos Liability Coverage**

The **Employee Indemnification And Employer's Liability** Exclusion applies only to "bodily injury" to any "employee" of the "insured" whose employment is not subject to the Industrial Insurance Act of Washington (Washington Revised Code Title 51).

With respect to "bodily injury" to "employees" of the "insured" whose employment is subject to the Industrial Insurance Act of Washington, the **Employee Indemnification And Employer's Liability** Exclusion is replaced by the following:

#### **Employee Indemnification And Employer's Liability**

This insurance does not apply to "bodily injury" to:

- a. An "employee" of the "insured" arising out of and in the course of:
  - (1) Employment by the "insured"; or
  - (2) Performing duties related to the conduct of the "insured's" business; or
- b. Any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to "bodily injury" to domestic "employees" not entitled to workers' compensation benefits or to liability assumed by the "insured" under an "insured contract". A domestic "employee" is a person engaged in household or domestic work performed principally in connection with a residence premises.

### **B. Changes In Physical Damage Coverage**

1. The lead-in to Paragraph **B.1.** in the Business Auto and Motor Carrier Coverage Forms and Paragraph **F.3.a.** in the Auto Dealers Coverage Form is replaced by the following:

We will not pay for "loss" caused directly or indirectly by any of the following:

2. The **Limit Of Insurance** provision with respect to repair or replacement resulting in better than like kind or quality is replaced by the following and supersedes any provision to the contrary:

We may deduct for betterment for parts normally subject to repair and replacement during the useful life of the "auto". In this event, deductions shall be limited to the lesser of:

- a. An amount equal to the proportion that the expired life of the part to be repaired or replaced bears to the normal useful life of that part; or
  - b. The amount by which the resale value of the "auto" is increased from the repair or replacement.
3. The following is added to the **Limit Of Insurance** provision:

We will not pay for a "loss" which is paid under Underinsured Motorists Coverage.

### C. Changes In Garagekeepers Coverage

If Garagekeepers Coverage in the Auto Dealers Coverage Form is selected or if the Garagekeepers Coverage endorsement or the Garagekeepers Coverage – Customers' Sound Receiving Equipment endorsement is attached, then the exclusion which refers to declared or undeclared war or insurrection is replaced by the following:

We will not pay for "loss" arising directly or indirectly out of the following:

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

### D. Changes In General Liability Coverages

With respect to the Auto Dealers Coverage Form:

1. Exclusion **2.d. Employee Indemnification And Employer's Liability** under Paragraph **A. Bodily Injury And Property Damage Liability** applies only to "bodily injury" to any "employee" of the "insured" whose employment is not subject to the Industrial Insurance Act of Washington (Washington Revised Code Title 51).

2. With respect to "bodily injury" to "employees" of the "insured" whose employment is subject to the Industrial Insurance Act of Washington, Exclusion **2.d. Employee Indemnification And Employer's Liability** under Paragraph **A. Bodily Injury And Property Damage Liability** is replaced with the following:

#### d. Employee Indemnification And Employer's Liability Exclusion

This insurance does not apply to "bodily injury" to:

- (1) An "employee" of the "insured" arising out of and in the course of:
  - (a) Employment by the "insured"; or
  - (b) Performing duties related to the conduct of the "insured's" business; or
- (2) Any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the "insured" under an "insured contract".

3. Paragraphs **5.a.(1), (2) and (3)** of the **Who Is An Insured** provision apply only to "employees" of the "insured" whose employment is not subject to the Industrial Insurance Act of Washington (Washington Revised Code Title 51).

4. With respect to "employees" of the "insured" whose employment is subject to the Industrial Insurance Act of Washington, Paragraph **5.a.** of the **Who Is An Insured** provision is replaced by the following:

- a. "Bodily injury" or "personal and advertising injury":

- (1) To you (if you are an individual), your partners (if you are a partnership), your members (if you are a limited liability company) or a fellow "employee" of the "insured" while in the course of his or her employment or while performing duties related to the conduct of your "auto dealer operations";

- (2) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph (1) above; or

- (3) Arising out of his or her providing or failing to provide professional health care services.

### E. Changes In Conditions

1. The **Appraisal For Physical Damage Loss** Condition is replaced by the following:

#### Appraisal For Physical Damage Loss

If you and we disagree on the amount of "loss", either may demand an appraisal of the "loss". In this event, each party will select a competent appraiser. The two appraisers will select a competent and impartial umpire. The appraisers will state separately the actual cash value and amount of "loss". If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

Neither we nor you shall be held to have waived any rights by any act relating to appraisal.

2. The **Transfer Of Rights Of Recovery Against Others To Us** Condition is replaced by the following:

**Transfer Of Rights Of Recovery Against Others To Us**

- a. If any person or organization to or for whom we make payment under this Coverage Form has rights to recover damages from another, those rights are transferred to us for that payment. That person or organization must do everything necessary to secure our rights and must do nothing after "accident" or "loss" to impair them.
- b. We are entitled to a recovery only after the person or organization has been fully compensated for damages by another party.

3. The following is added to the **Legal Action Against Us** Condition:

If this action is brought pursuant to Sec. 3 of RCW 48.30, then 20 days prior to filing such an action, you are required to provide written notice of the basis for the cause of action to us and the Office of the Insurance Commissioner. Such notice may be sent by regular mail, registered mail, or certified mail with return receipt requested.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **OREGON CHANGES**

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM  
BUSINESS AUTO COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

### **A. Changes In Covered Autos Liability Coverage**

1. Paragraph **2.b.(4)** of the **Who Is An Insured** provision in the Auto Dealers Coverage Form is replaced by the following:

(4) Your customers. However, if a customer of yours:

(a) Has no other available insurance (whether primary, excess or contingent), they are an "insured" but only up to the following minimum limits specified by the Oregon Financial Responsibility Law:

(i) \$70,000 for each "accident", which is the minimum combined single limit of liability; or

(ii) \$25,000/\$50,000/\$20,000 for each "accident", which is the minimum split limit of liability.

(b) Has other available insurance (whether primary, excess or contingent) less than the following minimum limits specified by the Oregon Financial Responsibility Law, they are an "insured" only for the amount by which such limits exceed the limit of their other insurance:

(i) \$70,000 for each "accident", which is the minimum combined single limit of liability; or

(ii) \$25,000/\$50,000 for each "accident", which is the minimum split limit of liability.

2. Paragraph **b.(1)** of the **Out-of-state Coverage Extensions** is replaced by the following:

(1) Increase the Limit of Insurance for Covered Autos Liability Coverage to meet the minimum limits specified by a compulsory or financial responsibility law of the jurisdiction where the covered "auto" is being used, but this does not apply to any law governing motor carriers of passengers or property.

3. The following is added to the **Limit Of Insurance** provision of the Business Auto and Motor Carrier Coverage Forms and the **Limit Of Insurance – Covered Autos Liability** provision of the Auto Dealers Coverage Form:

We will provide primary insurance for a vehicle that you do not own if such vehicle is owned by a self-insurer as qualified under the Oregon Financial Responsibility Law.

### **B. Changes In Conditions**

1. The **Appraisal For Physical Damage Loss** Condition is replaced by the following:

If you and we disagree on the amount of "loss", both parties may agree to an appraisal of the "loss" and to be bound by the results of that appraisal. If both parties so agree, then each party will select a competent appraiser. The two appraisers will select a competent and impartial umpire. The appraisers will state separately the actual cash value and amount of "loss". If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

a. Pay its chosen appraiser; and

b. Bear the other expenses of the appraisal and umpire equally.

However, we will reimburse you for reasonable appraisal costs if the final appraisal decision of the "loss" is greater than the amount of our last offer prior to incurring appraisal costs.

If we submit to an appraisal, we will still retain our right to deny the claim.

**2. The Concealment, Misrepresentation Or Fraud Condition is replaced by the following:**

**a.** Subject to Paragraphs **b.** and **c.** below, we will retain the right to deny a claim made by the "insured" or any other person if, whether before or after a loss, you have willfully concealed or misrepresented any material fact or circumstance concerning this insurance or the subject of it, or your interest in it, or in case of any fraud or false swearing by you relating to it.

**b.** All statements made by you or on your behalf, in the absence of fraud, will be deemed representations and not warranties. No such statements that arise from an error in the application will be used in defense of a claim under this policy unless:

**(1)** The statements are contained in a written application; and

**(2)** A copy of the application is endorsed upon or attached to this policy when issued.

**c.** In order to use any representation made by you or on your behalf in defense of a claim under the policy, we must show that the representations are material and that we relied on them.

**3. The following is added to the Other Insurance Condition of the Auto Dealers and Business Auto Coverage Forms and the Other Insurance – Primary And Excess Insurance Provisions Condition of the Motor Carrier Coverage Form:**

When coverage provided under a certificate of self-insurance is available, any motor vehicle liability insurance coverage we provide will be on a primary basis unless otherwise agreed to by the self-insurer.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## TEXAS CHANGES

For a covered "auto" licensed or principally garaged in Texas, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

### A. Changes In Physical Damage Coverage

1. The following exclusion is added to Paragraph **B. Exclusions** in the **Physical Damage Coverage** section:

We will not pay for "loss" due to or as a consequence of a seizure of a covered "auto" by federal or state law enforcement officers as evidence in a case against you under the Texas Controlled Substances Act or the federal Controlled Substances Act if you are convicted in such case.

2. Paragraphs **C.2.** and **C.3.** of the **Limit Of Insurance** provision under **Physical Damage Coverage** do not apply.
3. Paragraph **D. Deductible** in the **Physical Damage Coverage** section is amended by the addition of the following:

At the mutual agreement of you and us, we will not apply the deductible to "loss" to glass, if the glass is repaired rather than replaced.

### B. Changes In Conditions

The following condition is added:

#### Claim-handling Procedures

1. Within 15 days after we receive written notice of a claim, we will:
  - a. Acknowledge receipt of the claim. If we do not acknowledge receipt of the claim in writing, we will keep a record of the date, method and content of the acknowledgment;
  - b. Begin any investigation of the claim; and

- c. Specify the information you must provide in accordance with Paragraph **b.** of the Duties Condition.

We may request more information at a later date, if during the investigation of the claim such additional information is necessary.

2. After we receive the information we request, we will notify you in writing as to whether:
  - a. The claim will be paid;
  - b. The claim has been denied, and inform you of the reasons for denial;
  - c. More information is necessary; or
  - d. We need additional time to reach a decision. If we need additional time, we will inform you of the reasons for such need.

We will provide notification, as described in **2.a.** through **2.d.** above, within:

- a. 15 "business days"; or
- b. 30 days if we have reason to believe the "loss" resulted from arson.

If we have notified you that we need additional time to reach a decision, we must then either approve or deny the claim within 45 days of such notice.

3. If a claim results from a weather-related catastrophe or a major natural disaster as defined by the Texas Department of Insurance, the claim-handling deadlines described above are extended for an additional 15 days.
4. If we notify you that we will pay your claim, or part of your claim, we will pay within five "business days" after we notify you.



However, if payment of the claim or part of the claim is conditioned on your compliance with any of the terms under this Policy, we will make payment within five "business days" after the date you have complied with such terms.

**5. We will notify the first Named Insured in writing of:**

- a.** An initial offer to settle a claim made or "suit" brought against any "insured" under Covered Autos Liability Coverage of this Policy. The notice will be given no later than the 10th day after the date on which the offer is made.
- b.** Any settlement of a claim made or "suit" brought against the "insured" under Covered Autos Liability Coverage of this Policy. The notice will be given not later than the 30th day after the date of settlement.

As used in this condition, "business day" means a day other than Saturday, Sunday or a holiday recognized by the state of Texas.

**C. Changes In Uninsured/Underinsured Motorists Coverage**

All references to "Uninsured Motorists Coverage" in the title or text of any Coverage Form or endorsement thereto are changed to read "Uninsured/Underinsured Motorists Coverage".

**D. Changes In Trailer Interchange Coverage**

The following exclusion is added to Paragraph **B. Exclusions of Section III – Trailer Interchange Coverage** in the Motor Carrier Coverage Form and to Paragraph **B.2. Exclusions** of the Motor Carrier Endorsement if attached:

**Texas Controlled Substance Act**

We will not pay for "loss" due to or as a consequence of a seizure of a covered "auto" by federal or state law enforcement officers as evidence in a case against you under the Texas Controlled Substances Act or the federal Controlled Substances Act if you are convicted in such case.

**E. Changes In Garagekeepers Coverage**

If the Garagekeepers Coverage Endorsement or the Garagekeepers Coverage – Customers' Sound-receiving Equipment endorsement is attached, the following exclusion is added:

**Texas Controlled Substance Act**

We will not pay for "loss" due to or as a consequence of a seizure of a covered "auto" by federal or state law enforcement officers as evidence in a case against you under the Texas Controlled Substances Act or the federal Controlled Substances Act if you are convicted in such case.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **NEW YORK CHANGES – CANCELLATION**

For a covered "auto" licensed or principally garaged in, or for "garage operations" conducted in, New York, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM  
BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM  
GARAGE COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM  
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

- I. If you are an individual and a covered "auto" you own is predominantly used for nonbusiness purposes, the **Cancellation** Common Policy Condition does not apply. The following condition applies instead:

### **Ending This Policy**

#### **A. Cancellation**

1. You may cancel the entire policy by returning it to us or by giving us advance notice of the date cancellation is to take effect.
2. When this policy is in effect less than 60 days and is not a renewal or continuation policy, we may cancel the entire policy for any reason provided we mail you notice within this period. If we cancel for nonpayment of premium, we will mail you at least 15 days' notice and such notice of cancellation on this ground shall inform the first Named Insured of the amount due. Payment of premium will be considered on time if made within 15 days after we mail you notice of cancellation. If we cancel for any other reason, we will mail you at least 20 days' notice.

3. When this policy is in effect 60 days or more or is a renewal or continuation policy, we may cancel it or any insurance deemed severable only for one or more of the following reasons:

- a. Nonpayment of premium, provided, however, that a notice of cancellation on this ground shall inform the first Named Insured of the amount due. If we cancel for this reason, we will mail you at least 15 days' notice. Payment of premium will be considered on time if made within 15 days after we mail you notice of cancellation.
- b. Your driver's license or that of a driver who lives with you or customarily uses the covered "auto" has been suspended or revoked during the policy period, other than a suspension issued pursuant to Subdivision (1) of Section 510(b) of the Vehicle and Traffic Law, or one or more administrative suspensions arising out of the same incident which has or have been terminated prior to the effective date of cancellation. If we cancel for this reason, we will mail you at least 20 days' notice.

- c. We replace this policy with another one providing similar coverages and the same limits for a covered "auto" of the private passenger type. The replacement policy will take effect when this policy is cancelled, and will end a year after this policy begins or on this policy's expiration date, whichever is earlier.
- d. This policy has been written for a period of more than one year or without a fixed expiration date. We may cancel for this reason, subject to New York Laws, only at an anniversary of its original effective date. If we cancel for this reason, we will mail you at least 45 but not more than 60 days' notice.
- e. This policy was obtained through fraud or material misrepresentation. If we cancel for this reason, we will mail you at least 20 days' notice.
- f. Any "insured" made a fraudulent claim. If we cancel for this reason, we will mail you at least 20 days' notice.

If one of the reasons listed in this Paragraph 3. exists, we may cancel the entire policy.

- 4. Instead of cancellation, we may condition continuation of this policy on a reduction of Liability Coverage or elimination of any other coverage. If we do this, we will mail you notice at least 20 days before the date of the change.
- 5. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- 6. If this policy is cancelled, we will send you any premium refund due. The refund will be pro rata.

However, when the premium is advanced under a premium finance agreement, we will be entitled to retain a minimum earned premium of 10% of the total policy premium or \$60, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.

## **B. Nonrenewal**

- 1. If this policy is written for a period of less than one year and we decide, subject to New York Laws, not to renew or continue it, or to condition renewal or continuation on a reduction of Liability Coverage or elimination of any other coverage, we will mail or deliver to you written notice at least 45 but not more than 60 days before the end of the policy period.
- 2. We will have the right not to renew or continue a particular coverage, subject to New York Laws, only at the end of each 12-month period following the effective date of the first of the successive policy periods in which the coverage was provided.
- 3. We do not have to mail notice of non-renewal if you, your agent or broker or another insurance company informs us in writing that you have replaced this policy or that you no longer want it.

## **C. Mailing Of Notices**

We will mail or deliver our notice of cancellation, reduction of limits, elimination of coverage or nonrenewal to the address shown on the policy. However, we may deliver any notice instead of mailing it. If notice is mailed, a United States Postal Service certificate of mailing will be sufficient proof of notice.

- II. For all policies other than those specified in Section I., the **Cancellation** Common Policy Condition is completely replaced by the following:

## **Ending This Policy**

### **A. Cancellation**

- 1. The first Named Insured shown in the Declarations may cancel the entire policy by returning it to us or by giving us advance notice of the date cancellation is to take effect.
- 2. When this policy is in effect 60 days or less and is not a renewal or continuation policy, we may cancel the entire policy by mailing to the first Named Insured written notice at least 15 days before the effective date of cancellation if we cancel for any of the reasons included in Paragraph 3. below. We will provide the first Named Insured with 20 days written notice if we cancel for any other reason.

3. When this policy is in effect more than 60 days or is a renewal or continuation policy, we may cancel only for any of the reasons, listed below, provided we mail the first Named Insured written notice at least 15 days before the effective date of cancellation:
  - a. Nonpayment of premium, provided, however, that a notice of cancellation on this ground shall inform the first Named Insured of the amount due;
  - b. Conviction of a crime arising out of acts increasing the hazard insured against;
  - c. Discovery of fraud or material misrepresentation in the obtaining of the policy or in the presentation of a claim thereunder;
  - d. After issuance of the policy or after the last renewal date, discovery of an act or omission, or a violation of any policy condition, that substantially and materially increases the hazard insured against, and which occurred subsequent to inception of the current policy period;
  - e. Material physical change in the property insured, occurring after issuance or last annual renewal anniversary date of the policy, which results in the property becoming uninsurable in accordance with our objective, uniformly applied underwriting standards in effect at the time the policy was issued or last renewed; or material change in the nature or extent of the risk, occurring after issuance or last annual renewal anniversary date of the policy, which causes the risk of loss to be substantially and materially increased beyond that contemplated at the time the policy was issued or last renewed;
  - f. Required pursuant to a determination by the Superintendent that continuation of our present premium volume would jeopardize our solvency or be hazardous to the interest of our policyholders, our creditors or the public;
  - g. A determination by the Superintendent that the continuation of the policy would violate, or would place us in violation of, any provision of the Insurance Code;
  - h. Where we have reason to believe, in good faith and with sufficient cause, that there is a probable risk of danger that the "insured" will destroy, or permit to be destroyed, the insured property for the purpose of collecting the insurance proceeds. However, if we cancel for this reason, the first Named Insured may make a written request to the Department of Financial Services, within 10 days of receipt of this notice, to review our cancellation decision. We will also send a copy of this notice, simultaneously, to the Department of Financial Services; or
  - i. Suspension or revocation during the required policy period of the driver's license of any person who continues to operate a covered "auto", other than a suspension issued pursuant to Subdivision (1) of Section 510(b) of the Vehicle and Traffic Law or one or more administrative suspensions arising from the same incident which has or have been terminated prior to the effective date of cancellation.
4. Regardless of the number of days this policy has been in effect, if:
  - a. This policy covers "autos" subject to the provisions of Section 370 (a) and (b) of the New York Vehicle and Traffic Law; and
  - b. The Commissioner of the Department of Motor Vehicles deems this policy to be insufficient for any reason;

we may cancel this policy by giving you notice of such insufficiency 45 days before the effective date of cancellation to permit you to replace this policy.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. The refund will be pro rata.
 

However, when the premium is advanced under a premium finance agreement, we will be entitled to retain a minimum earned premium of 10% of the total policy premium or \$60, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.
6. The effective date of cancellation stated in the notice shall become the end of the policy period.

7. Notice will include the reason for cancellation. We will mail or deliver our notice to the first Named Insured at the address shown in the policy and to the authorized agent or broker. However, we may deliver any notice instead of mailing it. Proof of mailing will be sufficient proof of notice.

**B. Notices Of Nonrenewal And Conditional Renewal**

1. If we decide not to renew or continue this policy, we will send notice as provided in Paragraph 3. below.
2. If we conditionally renew this policy upon:
  - a. A change of limits;
  - b. A change in type of coverage;
  - c. A reduction of coverage;
  - d. An increased deductible;
  - e. An addition of exclusion; or
  - f. Increased premiums in excess of 10%, exclusive of any premium increase due to and commensurate with insured value added; or as a result of experience rating, retrospective rating or audit;we will send notice as provided in Paragraph 3. below.
3. If we decide not to renew or continue this policy, or to conditionally renew this policy as provided in Paragraphs 1. and 2. above, we will mail the first Named Insured notice at least 60 but not more than 120 days before the end of the policy period. If the policy period is other than one year, we will have the right not to renew or continue it only at an anniversary of its original effective date.
4. We will not send you notice of nonrenewal or conditional renewal if you, your authorized agent or broker or another insurer of yours mails or delivers notice that you have replaced this policy or no longer want it.
5. Any notice of nonrenewal or conditional renewal will be mailed to the first Named Insured at the address shown in the policy and to the authorized agent or broker. However, we may deliver any notice instead of mailing it. Proof of mailing of any notice shall be sufficient proof of notice.
6. Notice will include the specific reason(s) for nonrenewal or conditional renewal, including the amount of any premium increase, and description of any other changes.

7. If we violate any of the provisions of Paragraph 3., 5. or 6. above by sending the first Named Insured an incomplete or late conditional renewal notice or a late nonrenewal notice:

- a. And if notice is provided prior to the expiration date of this policy, coverage will remain in effect at the same terms and conditions of this policy at the lower of the current rates or the prior period's rates until 60 days after such notice is mailed or delivered, unless the first Named Insured, during this 60-day period, has replaced the coverage or elects to cancel.
- b. And if the notice is provided on or after the expiration date of this policy, coverage will remain in effect at the same terms and conditions of this policy for another policy period, at the lower of the current rates or the prior period's rates, unless the first Named Insured, during this additional policy period, has replaced the coverage or elects to cancel.

8. If you elect to renew on the basis of a late conditional renewal notice, the terms, conditions and rates set forth in such notice shall apply:

- a. Upon expiration of the 60-day period, unless Subparagraph b. below applies; or
- b. Notwithstanding the provisions in Paragraphs 7.a. and 7.b., as of the renewal date of the policy if the conditional renewal notice was sent at least 30 days prior to the expiration or anniversary date of the policy.

**C. Paragraph C.1. Aggregate Limit Of Insurance – Garage Operations – Other Than Covered "Autos" is amended as follows:**

1. The Aggregate Limit Of Insurance – "Garage Operations" – Other Than Covered "Autos" as shown in the Declarations will be increased in proportion to any policy extension provided in accordance with Section II, Paragraph B.7. above.
2. The last sentence of Aggregate Limits – "Garage Operations" – Other Than Covered "Autos" does not apply when the policy period is extended because we sent the first Named Insured an incomplete or late conditional renewal notice or a late nonrenewal notice.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **TEXAS CHANGES – CANCELLATION AND NONRENEWAL**

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM  
BUSINESS AUTO COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

**A. Paragraphs 2. and 5. of the Cancellation Common Policy Condition contained in Endorsement IL 00 17 are replaced by the following:**

**2. We may cancel this policy:**

**a.** By mailing or delivering to the first Named Insured written notice of cancellation, stating the reason for cancellation, at least 10 days before the effective date of cancellation.

**b.** For the following reasons, if this policy does not provide coverage to a governmental unit, as defined under 28 TEX. ADMIN. CODE, Section 5.7001:

**(1)** If this policy has been in effect for 60 days or less, we may cancel for any reason except, that under the provisions of the Texas Insurance Code, we may not cancel this policy solely because the policyholder is an elected official.

**(2)** If this policy has been in effect for more than 60 days, or if it is a renewal or continuation of a policy issued by us, we may cancel only for one or more of the following reasons:

- (a)** Fraud in obtaining coverage;
- (b)** Failure to pay premiums when due;
- (c)** An increase in hazard within the control of the insured which would produce an increase in rate;
- (d)** Loss of reinsurance covering all or part of the risk covered by the policy; or

**(e)** If we have been placed in supervision, conservatorship or receivership and the cancellation is approved or directed by the supervisor, conservator or receiver.

**c.** For the following reasons, if this policy provides coverage to a governmental unit, as defined under 28 TEX. ADMIN. CODE, Section 5.7001:

**(1)** If this policy has been in effect for less than 90 days, we may cancel this policy for any reason.

**(2)** If this policy has been in effect for 90 days or more, or if it is a renewal or continuation of a policy issued by us, we may cancel this policy, only for the following reasons:

**(a)** If the first Named Insured does not pay the premium or any portion of the premium when due;

**(b)** If the Texas Department of Insurance determines that continuation of this policy would result in violation of the Texas Insurance Code or any other law governing the business of insurance in Texas;

**(c)** If the Named Insured submits a fraudulent claim; or

**(d)** If there is an increase in the hazard within the control of the Named Insured which would produce an increase in rate.

5. If this policy is canceled, we will send the first Named Insured any premium refund due. The refund will be pro rata, subject to the policy minimum premium. The cancellation will be effective even if we have not made or offered a refund.

**B.** The following condition is added:

**Nonrenewal**

1. We may elect to renew this policy except that under the provisions of the Texas Insurance Code, we may not refuse to renew this policy solely because the policyholder is an elected official.

2. If we elect not to renew this policy, we may do so by mailing or delivering to the first Named Insured, at the last mailing address known to us, written notice of nonrenewal, stating the reason for nonrenewal, at least 60 days before the expiration date. If notice is mailed or delivered less than 60 days before the expiration date, this policy will remain in effect until the 61st day after the date on which the notice is mailed or delivered. Earned premium for any period of coverage that extends beyond the expiration date will be computed pro rata based on the previous year's premium.

# Coverage Extension Endorsement



Policy No.	Eff. Date of Pol.	Exp. Date of Pol.	Eff. Date of End.	Producer No.	Add'l. Prem	Return Prem.

## THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the:

**Business Auto Coverage Form**  
**Motor Carrier Coverage Form**

### A. Amended Who Is An Insured

1. The following is added to the **Who Is An Insured** Provision in **Section II – Covered Autos Liability Coverage**:

The following are also "insureds":

- a. Any "employee" of yours is an "insured" while using a covered "auto" you don't own, hire or borrow for acts performed within the scope of employment by you. Any "employee" of yours is also an "insured" while operating an "auto" hired or rented under a contract or agreement in an "employee's" name, with your permission, while performing duties related to the conduct of your business.
- b. Anyone volunteering services to you is an "insured" while using a covered "auto" you don't own, hire or borrow to transport your clients or other persons in activities necessary to your business.
- c. Anyone else who furnishes an "auto" referenced in Paragraphs **A.1.a.** and **A.1.b.** in this endorsement.
- d. Where and to the extent permitted by law, any person(s) or organization(s) where required by written contract or written agreement with you executed prior to any "accident", including those person(s) or organization(s) directing your work pursuant to such written contract or written agreement with you, provided the "accident" arises out of operations governed by such contract or agreement and only up to the limits required in the written contract or written agreement, or the Limits of Insurance shown in the Declarations, whichever is less.

2. The following is added to the **Other Insurance** Condition in the Business Auto Coverage Form and the **Other Insurance – Primary and Excess Insurance Provisions Condition** in the Motor Carrier Coverage Form:

Coverage for any person(s) or organization(s), where required by written contract or written agreement with you executed prior to any "accident", will apply on a primary and non-contributory basis and any insurance maintained by the additional "insured" will apply on an excess basis. However, in no event will this coverage extend beyond the terms and conditions of the Coverage Form.

### B. Amendment – Supplementary Payments

Paragraphs **a.(2)** and **a.(4)** of the **Coverage Extensions** Provision in **Section II – Covered Autos Liability Coverage** are replaced by the following:

- (2) Up to \$5,000 for the cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.
- (4) All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$500 a day because of time off from work.



## **C. Fellow Employee Coverage**

The **Fellow Employee** Exclusion contained in **Section II – Covered Autos Liability Coverage** does not apply.

## **D. Driver Safety Program Liability and Physical Damage Coverage**

1. The following is added to the **Racing** Exclusion in **Section II – Covered Autos Liability Coverage**:

This exclusion does not apply to covered "autos" participating in a driver safety program event, such as, but not limited to, auto or truck rodeos and other auto or truck agility demonstrations.

2. The following is added to Paragraph **2.** in the **Exclusions** of **Section III – Physical Damage Coverage** of the Business Auto Coverage Form and Paragraph **2.b.** in the **Exclusions** of **Section IV – Physical Damage Coverage** of the Motor Carrier Coverage Form:

This exclusion does not apply to covered "autos" participating in a driver safety program event, such as, but not limited to, auto or truck rodeos and other auto or truck agility demonstrations.

## **E. Lease or Loan Gap Coverage**

The following is added to the **Coverage** Provision of the **Physical Damage Coverage** Section:

### **Lease Or Loan Gap Coverage**

In the event of a total "loss" to a covered "auto", we will pay any unpaid amount due on the lease or loan for a covered "auto", less:

- a. Any amount paid under the **Physical Damage Coverage** Section of the Coverage Form; and
- b. Any:
  - (1) Overdue lease or loan payments at the time of the "loss";
  - (2) Financial penalties imposed under a lease for excessive use, abnormal wear and tear or high mileage;
  - (3) Security deposits not returned by the lessor;
  - (4) Costs for extended warranties, credit life insurance, health, accident or disability insurance purchased with the loan or lease; and
  - (5) Carry-over balances from previous leases or loans.

## **F. Towing and Labor**

Paragraph **A.2.** of the **Physical Damage Coverage** Section is replaced by the following:

We will pay up to \$75 for towing and labor costs incurred each time a covered "auto" of the private passenger type is disabled. However, the labor must be performed at the place of disablement.

## **G. Extended Glass Coverage**

The following is added to Paragraph **A.3.a.** of the **Physical Damage Coverage** Section:

If glass must be replaced, the deductible shown in the Declarations will apply. However, if glass can be repaired and is actually repaired rather than replaced, the deductible will be waived. You have the option of having the glass repaired rather than replaced.

## **H. Hired Auto Physical Damage – Increased Loss of Use Expenses**

The **Coverage Extension** for **Loss Of Use Expenses** in the **Physical Damage Coverage** Section is replaced by the following:

### **Loss Of Use Expenses**

For Hired Auto Physical Damage, we will pay expenses for which an "insured" becomes legally responsible to pay for loss of use of a vehicle rented or hired without a driver under a written rental contract or written rental agreement. We will pay for loss of use expenses if caused by:

- (1) Other than collision only if the Declarations indicate that Comprehensive Coverage is provided for any covered "auto";
  - (2) Specified Causes Of Loss only if the Declarations indicate that Specified Causes Of Loss Coverage is provided for any covered "auto"; or
  - (3) Collision only if the Declarations indicate that Collision Coverage is provided for any covered "auto".
- However, the most we will pay for any expenses for loss of use is \$100 per day, to a maximum of \$3000.

#### **I. Personal Effects Coverage**

The following is added to the **Coverage** Provision of the **Physical Damage Coverage** Section:

##### **Personal Effects Coverage**

- a. We will pay up to \$750 for "loss" to personal effects which are:
  - (1) Personal property owned by an "insured"; and
  - (2) In or on a covered "auto".
- b. Subject to Paragraph **a.** above, the amount to be paid for "loss" to personal effects will be based on the lesser of:
  - (1) The reasonable cost to replace; or
  - (2) The actual cash value.
- c. The coverage provided in Paragraphs **a.** and **b.** above, only applies in the event of a total theft of a covered "auto". No deductible applies to this coverage. However, we will not pay for "loss" to personal effects of any of the following:
  - (1) Accounts, bills, currency, deeds, evidence of debt, money, notes, securities, or commercial paper or other documents of value.
  - (2) Bullion, gold, silver, platinum, or other precious alloys or metals; furs or fur garments; jewelry, watches, precious or semi-precious stones.
  - (3) Paintings, statuary and other works of art.
  - (4) Contraband or property in the course of illegal transportation or trade.
  - (5) Tapes, records, discs or other similar devices used with audio, visual or data electronic equipment.

Any coverage provided by this Provision is excess over any other insurance coverage available for the same "loss".

#### **J. Tapes, Records and Discs Coverage**

- 1. The Exclusion in Paragraph **B.4.a.** of **Section III – Physical Damage Coverage** in the Business Auto Coverage Form and the Exclusion in Paragraph **B.2.c.** of **Section IV – Physical Damage Coverage** in the Motor Carrier Coverage Form does not apply.
- 2. The following is added to Paragraph **1.a. Comprehensive Coverage** under the **Coverage** Provision of the **Physical Damage Coverage** Section:

We will pay for "loss" to tapes, records, discs or other similar devices used with audio, visual or data electronic equipment. We will pay only if the tapes, records, discs or other similar audio, visual or data electronic devices:

- (a) Are the property of an "insured"; and
- (b) Are in a covered "auto" at the time of "loss".

The most we will pay for such "loss" to tapes, records, discs or other similar devices is \$500. The **Physical Damage Coverage Deductible** Provision does not apply to such "loss".

## **K. Airbag Coverage**

The Exclusion in Paragraph **B.3.a.** of **Section III – Physical Damage Coverage** in the Business Auto Coverage Form and the Exclusion in Paragraph **B.4.a.** of **Section IV – Physical Damage Coverage** in the Motor Carrier Coverage Form does not apply to the accidental discharge of an airbag.

## **L. Two or More Deductibles**

The following is added to the **Deductible** Provision of the **Physical Damage Coverage** Section:

If an accident is covered both by this policy or Coverage Form and by another policy or Coverage Form issued to you by us, the following applies for each covered "auto" on a per vehicle basis:

1. If the deductible on this policy or Coverage Form is the smaller (or smallest) deductible, it will be waived; or
2. If the deductible on this policy or Coverage Form is not the smaller (or smallest) deductible, it will be reduced by the amount of the smaller (or smallest) deductible.

## **M. Physical Damage – Comprehensive Coverage – Deductible**

The following is added to the **Deductible** Provision of the **Physical Damage Coverage** Section:

Regardless of the number of covered "autos" damaged or stolen, the maximum deductible that will be applied to Comprehensive Coverage for all "loss" from any one cause is \$5,000 or the deductible shown in the Declarations, whichever is greater.

## **N. Temporary Substitute Autos – Physical Damage**

1. The following is added to **Section I – Covered Autos**:

### **Temporary Substitute Autos – Physical Damage**

If Physical Damage Coverage is provided by this Coverage Form on your owned covered "autos", the following types of vehicles are also covered "autos" for Physical Damage Coverage:

Any "auto" you do not own when used with the permission of its owner as a temporary substitute for a covered "auto" you do own but is out of service because of its:

1. Breakdown;
  2. Repair;
  3. Servicing;
  4. "Loss"; or
  5. Destruction.
2. The following is added to the Paragraph **A. Coverage** Provision of the **Physical Damage Coverage** Section:

### **Temporary Substitute Autos – Physical Damage**

We will pay the owner for "loss" to the temporary substitute "auto" unless the "loss" results from fraudulent acts or omissions on your part. If we make any payment to the owner, we will obtain the owner's rights against any other party.

The deductible for the temporary substitute "auto" will be the same as the deductible for the covered "auto" it replaces.

## **O. Amended Duties In The Event Of Accident, Claim, Suit Or Loss**

Paragraph **a.** of the **Duties In The Event Of Accident, Claim, Suit Or Loss** Condition is replaced by the following:

- a. In the event of "accident", claim, "suit" or "loss", you must give us or our authorized representative prompt notice of the "accident", claim, "suit" or "loss". However, these duties only apply when the "accident", claim, "suit" or "loss" is known to you (if you are an individual), a partner (if you are a partnership), a member (if you are a limited liability company) or an executive officer or insurance manager (if you are a corporation). The failure of any

agent, servant or employee of the "insured" to notify us of any "accident", claim, "suit" or "loss" shall not invalidate the insurance afforded by this policy.

Include, as soon as practicable:

- (1) How, when and where the "accident" or "loss" occurred and if a claim is made or "suit" is brought, written notice of the claim or "suit" including, but not limited to, the date and details of such claim or "suit";
- (2) The "insured's" name and address; and
- (3) To the extent possible, the names and addresses of any injured persons and witnesses.

If you report an "accident", claim, "suit" or "loss" to another insurer when you should have reported to us, your failure to report to us will not be seen as a violation of these amended duties provided you give us notice as soon as practicable after the fact of the delay becomes known to you.

#### **P. Waiver of Transfer Of Rights Of Recovery Against Others To Us**

The following is added to the **Transfer Of Rights Of Recovery Against Others To Us** Condition:

This Condition does not apply to the extent required of you by a written contract, executed prior to any "accident" or "loss", provided that the "accident" or "loss" arises out of operations contemplated by such contract. This waiver only applies to the person or organization designated in the contract.

#### **Q. Employee Hired Autos – Physical Damage**

Paragraph **b.** of the **Other Insurance** Condition in the Business Auto Coverage Form and Paragraph **f.** of the **Other Insurance – Primary and Excess Insurance Provisions** Condition in the Motor Carrier Coverage Form are replaced by the following:

For Hired Auto Physical Damage Coverage, the following are deemed to be covered "autos" you own:

- (1) Any covered "auto" you lease, hire, rent or borrow; and
- (2) Any covered "auto" hired or rented under a written contract or written agreement entered into by an "employee" or elected or appointed official with your permission while being operated within the course and scope of that "employee's" employment by you or that elected or appointed official's duties as respect their obligations to you.

However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".

#### **R. Unintentional Failure to Disclose Hazards**

The following is added to the **Concealment, Misrepresentation Or Fraud** Condition:

However, we will not deny coverage under this Coverage Form if you unintentionally:

- (1) Fail to disclose any hazards existing at the inception date of this Coverage Form; or
- (2) Make an error, omission, improper description of "autos" or other misstatement of information.

You must notify us as soon as possible after the discovery of any hazards or any other information that was not provided to us prior to the acceptance of this policy.

#### **S. Hired Auto – World Wide Coverage**

Paragraph **7a.(5)** of the **Policy Period, Coverage Territory** Condition is replaced by the following:

- (5) Anywhere in the world if a covered "auto" is leased, hired, rented or borrowed for a period of 60 days or less,

#### **T. Bodily Injury Redefined**

The definition of "bodily injury" in the **Definitions** Section is replaced by the following:

"Bodily injury" means bodily injury, sickness or disease, sustained by a person including death or mental anguish, resulting from any of these at any time. Mental anguish means any type of mental or emotional illness or disease.

#### **U. Expected Or Intended Injury**

The **Expected Or Intended Injury** Exclusion in Paragraph **B. Exclusions** under **Section II – Covered Auto Liability Coverage** is replaced by the following:

##### **Expected Or Intended Injury**

"Bodily injury" or "property damage" expected or intended from the standpoint of the "insured". This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

#### **V. Physical Damage – Additional Temporary Transportation Expense Coverage**

Paragraph **A.4.a.** of **Section III – Physical Damage Coverage** is replaced by the following:

##### **4. Coverage Extensions**

###### **a. Transportation Expenses**

We will pay up to \$50 per day to a maximum of \$1,000 for temporary transportation expense incurred by you because of the total theft of a covered "auto" of the private passenger type. We will pay only for those covered "autos" for which you carry either Comprehensive or Specified Causes of Loss Coverage. We will pay for temporary transportation expenses incurred during the period beginning 48 hours after the theft and ending, regardless of the policy's expiration, when the covered "auto" is returned to use or we pay for its "loss".

#### **W. Replacement of a Private Passenger Auto with a Hybrid or Alternative Fuel Source Auto**

The following is added to Paragraph **A. Coverage** of the **Physical Damage Coverage** Section:

In the event of a total "loss" to a covered "auto" of the private passenger type that is replaced with a hybrid "auto" or "auto" powered by an alternative fuel source of the private passenger type, we will pay an additional 10% of the cost of the replacement "auto", excluding tax, title, license, other fees and any aftermarket vehicle upgrades, up to a maximum of \$2500. The covered "auto" must be replaced by a hybrid "auto" or an "auto" powered by an alternative fuel source within 60 calendar days of the payment of the "loss" and evidenced by a bill of sale or new vehicle lease agreement.

To qualify as a hybrid "auto", the "auto" must be powered by a conventional gasoline engine and another source of propulsion power. The other source of propulsion power must be electric, hydrogen, propane, solar or natural gas, either compressed or liquefied. To qualify as an "auto" powered by an alternative fuel source, the "auto" must be powered by a source of propulsion power other than a conventional gasoline engine. An "auto" solely propelled by biofuel, gasoline or diesel fuel or any blend thereof is not an "auto" powered by an alternative fuel source.

#### **X. Return of Stolen Automobile**

The following is added to the **Coverage Extension** Provision of the **Physical Damage Coverage** Section:

If a covered "auto" is stolen and recovered, we will pay the cost of transport to return the "auto" to you. We will pay only for those covered "autos" for which you carry either Comprehensive or Specified Causes of Loss Coverage.

All other terms, conditions, provisions and exclusions of this policy remain the same.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EMPLOYEES AS INSURED**

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM  
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

The following is added to the **Section II - Liability Coverage**, Paragraph **A.1. Who Is An Insured** Provision:

Any "employee" of yours is an "insured" while using a covered "auto" you don't own, hire or borrow in your business or your personal affairs.



# ZURICH

## IMPORTANT NOTICE

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### Texas Automobile Burglary and Theft Prevention Authority Pass – Through Fee

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NOTICE: A fee of \$ INCL. is payable in addition to the premium due under this policy. This fee partially or completely reimburses the insurer, as permitted by 28 TAC section 5.205, for the \$2.00 fee per motor vehicle year required to be paid to the Automobile Burglary and Theft Prevention Authority under Vernon's Annotated Revised Civil Statutes of the State of Texas, Article 4413(37), section 10, which was effective on June 6, 1991, and revised effective September 1, 2011.

# 2013 Commercial Auto Multistate Forms Revision

## Advisory Notice To Policyholders



This is a summary of the major changes to your policy. No coverage is provided by this summary nor can it be construed to replace any provisions of your policy or endorsements. You should read your policy and review your Declarations page for complete information on the coverages you are provided. If there is any conflict between the Policy and this summary, **THE PROVISIONS OF THE POLICY SHALL PREVAIL.**

Highlighted below are areas within the Policy that broaden, reduce or reinforce coverage. This notice does not reference every change, including editorial changes, made in your policy.

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### COVERAGE FORMS

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#### REINFORCEMENTS OF COVERAGE

##### Revision To "Liability Coverage" Form References

###### **CA 00 01 – Business Auto Coverage Form**

###### **CA 00 20 – Motor Carrier Coverage Form**

References to "Liability Coverage" that pertain to auto liability in the Business Auto Coverage Form and Motor Carrier Coverage Form are replaced with "Covered Autos Liability Coverage" to distinguish such coverage from the other types of liability coverages that may be included in your policy.

##### Revisions To Physical Damage Coverage

###### **CA 00 01 – Business Auto Coverage Form**

###### **CA 00 05 – Motor Carrier Coverage Form**

The Limits Of Insurance provision under Physical Damage Coverage is reinforced to reflect that "loss" rather than "accident" triggers coverage under this section.

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### MULTISTATE ENDORSEMENTS

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#### BROADENINGS OF COVERAGE

##### NEW OPTIONAL ENDORSEMENTS

###### **CA 23 30 – Motor Carrier Endorsement**

In general, this endorsement may be used to convert the Business Auto Coverage Form into a Motor Carrier Coverage Form for autos used in your operations as a motor carrier.

##### EXISTING OPTIONAL ENDORSEMENTS

###### **CA 20 54 – Employee Hired Autos**

This endorsement is revised to reinforce that any employee of yours is an insured while operating a rental or hired vehicle taken out in another employee's name for the purposes of performing duties related to the conduct of your business and with your permission.

###### **CA 99 16 – Hired Autos Specified As Covered Auto You Own**

This endorsement has been revised to remove the wording which limits coverage with respect to the lessor solely to liability arising out of the acts or omissions of the lessee or anyone else acting on the lessee's behalf.



### **CA 99 37 – Garagekeepers Coverage**

Spouses of partners, managers of limited liability companies and executive officers are included as insureds with respect to the conduct of your garage operations.

### **UCA 424 – Coverage Extension Endorsement**

This endorsement has been revised to:

- A.** Reinforce that an employee of yours is an insured under Covered Autos Liability Coverage while operating an "auto" hired or rented under a contract or agreement in that employee's name, with your permission, while performing duties related to the conduct of your business;
- B.** Extend Insured status under Covered Autos Liability Coverage to any person(s) or organization(s) where required by written contract or written agreement including those person(s) or organization(s) directing your work. Such coverage will apply on a primary and non-contributory basis with any insurance maintained by the additional "insured" on an excess basis;
- C.** Reinforce that the Expected Or Intended Injury Exclusion under the Covered Autos Liability Coverage does not apply if the bodily injury or property damage results from reasonable force to protect persons or property;
- D.** Include payment of up to \$50 per day, to a maximum of \$1000, for temporary transportation expense incurred by you in the event of a total theft of a covered "auto" of the private passenger type when Comprehensive of Specified Cause of Loss Coverage is selected;
- E.** Revises the Physical Damage Coverage to provide for payment of an additional 10% of the cost of a replacement auto, up to \$2500, if, in the event of a total loss to a covered auto of the private passenger type, the covered auto is replaced with a hybrid auto or an auto powered by an alternative fuel source. Qualifications for consideration as a hybrid auto or auto powered by an alternative fuel source are described within the endorsement; and
- F.** Include payment for the cost of transport to return a stolen auto that has been recovered to you, provided you carry either Comprehensive or Specified Causes of Loss Coverage on the auto.

## **REINFORCEMENTS OF COVERAGE**

### **EXISTING OPTIONAL ENDORSEMENTS**

- CA 01 21 – Limited Mexico Coverage**
- CA 02 38 – Reinstatement Of Insurance**
- CA 02 40 – Suspension Of Insurance**
- CA 03 01 – Deductible Liability Coverage**
- CA 03 02 – Deductible Liability Coverage**
- CA 04 42 – Exclusion Of Federal Employees Using Autos In Government Business**
- CA 04 44 – Waiver Of Transfer Of Rights Of Recovery Against Others To Us (Waiver Of Subrogation)**
- CA 04 45 – Golf Carts And Low-speed Vehicles**
- CA 20 01 – Lessor – Additional Insured And Loss Payee**
- CA 20 02 – Audio, Visual And Data Electronic Equipment Coverage – Fire, Police And Emergency Vehicles**
- CA 20 05 – Drive-away Contractors**
- CA 20 06 – Driving Schools – Non-owned Autos**
- CA 20 07 – Emergency Services – Volunteer Firefighters' And Workers' Injuries Limited Exclusion**
- CA 20 08 – Farm Tractors And Farm Tractors Equipment**
- CA 20 09 – Leasing Or Rental Concerns – Contingent Coverage**
- CA 20 10 – Leasing Or Rental Concerns – Conversion, Embezzlement Or Secretion Coverage**

CA 20 11 – Leasing Or Rental Concerns – Exclusion Of Certain Leased Autos  
CA 20 12 – Leasing Or Rental Concerns – Rent-it-there/Leave-it-here Autos  
CA 20 13 – Leasing Or Rental Concerns – Schedule Of Limits For Owned Autos  
CA 20 14 – Leasing Or Rental Concerns – Second Level Coverage  
CA 20 15 – Mobile Equipment  
CA 20 16 – Mobile Homes Contents Coverage  
CA 20 17 – Mobile Homes Contents Not Covered  
CA 20 18 – Professional Services Not Covered  
CA 20 19 – Repossessed Autos  
CA 20 21 – Snowmobiles  
CA 20 27 – Registration Plates Not Issued For A Specific Auto  
CA 20 30 – Emergency Services – Volunteer Firefighters' And Workers' Injuries Excluded  
CA 20 33 – Autos Leased, Hired, Rented Or Borrowed With Drivers – Physical Damage Coverage  
CA 20 48 – Designated Insured (Newly titled Designated Insured For Covered Autos Liability Coverage)  
CA 20 54 – Employee Hired Autos  
CA 20 55 – Fellow Employee Coverage  
CA 20 56 – Fellow Employee Coverage For Designated Employees/Positions  
CA 20 70 – Coverage For Certain Operations In Connection With Railroads  
CA 20 71 – Auto Loan/Lease Gap Coverage  
CA 23 01 – Explosives  
CA 23 03 – Multi-purpose Equipment  
CA 23 04 – Rolling Stores  
CA 23 05 – Wrong Delivery Of Liquid Products  
CA 23 08 – Truckers – Excess Coverage For The Named Insured And Named Lessors For Leased Autos (Newly titled Motor Carriers – Excess Coverage For The Named Insured And Named Lessors For Leased Autos)  
CA 23 09 – Truckers – Insurance For Non-trucking Use (Newly titled Motor Carriers – Insurance For Non-trucking Use)  
CA 23 12 – Truckers – Named Lessee As Insured (Newly titled Motor Carriers – Named Lessee As Insured)  
CA 23 13 – Trailer Interchange Fire And Fire And Theft Coverages  
CA 23 17 – Truckers – Uniform Intermodal Interchange Endorsement Form UIIE-1  
CA 23 24 – Agricultural Produce Trailers – Seasonal  
CA 23 25 – Coverage For Injury To Leased Workers  
CA 23 94 – Silica Or Silica-related Dust Exclusion For Covered Autos Exposure  
CA 23 97 – Amphibious Vehicles  
CA 24 01 – Transportation Of Seasonal Or Migrant Agricultural Workers  
CA 24 02 – Public Transportation Autos  
CA 99 03 – Auto Medical Payments Coverage  
CA 99 10 – Drive Other Car Coverage – Broadened Coverage For Named Individuals  
CA 99 13 – Fiduciary Liability Of Banks  
CA 99 14 – Fire, Fire And Theft, Fire, Theft And Windstorm And Limited Specified Causes Of Loss Coverages  
CA 99 16 – Hired Autos Specified As Covered Autos You Own  
CA 99 17 – Individual Named Insured  
CA 99 23 – Rental Reimbursement Coverage

**CA 99 28 – Stated Amount Insurance**  
**CA 99 30 – Tapes, Records And Discs Coverage**  
**CA 99 33 – Employees As Insureds**  
**CA 99 34 – Social Service Agencies – Volunteers As Insureds**  
**CA 99 37 – Garagekeepers Coverage**  
**CA 99 40 – Exclusion Or Excess Coverage Hazards Otherwise Insured**  
**CA 99 44 – Loss Payable Clause**  
**CA 99 47 – Employee As Lessor**  
**CA 99 48 – Pollution Liability – Broadened Coverage For Covered Autos – Business Auto, Motor Carrier And Truckers Coverage Forms (Newly titled Pollution Liability – Broadened Coverage For Covered Autos – Business Auto And Motor Carrier Coverage Forms)**  
**CA 99 54 – Covered Auto Designation Symbol**  
**CA 99 59 – Garagekeepers Coverage – Customers' Sound-receiving Equipment**  
**CA 99 60 – Audio, Visual And Data Electronic Equipment Coverage Added Limits**  
**CA 99 61 – Loss Payable Clause – Audio, Visual And Data Electronic Equipment Coverage Added Limits**  
**CA 99 90 – Optional Limits – Loss Of Use Expenses**

These forms have been revised, where appropriate, to:

- A. Add reference to "Auto Dealer Coverage Form" and delete references to the "Business Auto Physical Damage Coverage Form", "Garage Coverage Form" and/or "Truckers Coverage Form" in the list of the coverage forms to which the endorsement modifies; and/or
- B. Replace references to "Liability Coverage" with respect to auto liability with "Covered Autos Liability Coverage" to distinguish such coverage from the other types of liability coverages included in your policy.

#### **CA 23 97 – Amphibious Vehicles**

This endorsement, in general, is revised to reinforce that insurance is not applicable to amphibious vehicles while being launched into, used in or beached from the water. This includes, but is not limited to, coverages such as liability and physical damage coverages.

#### **CA 23 98 – Trailer Interchange Coverage**

The Supplementary Payments provision is revised to reinforce that it applies to **court** costs taxed against the insured that do not include the attorneys' fees or expenses taxed against the insured.

A definition of the term "trailer" is added to reinforce that such term includes a semitrailer, container or a dolly used to convert a semitrailer into a trailer.

#### **CA 99 28 – Stated Amount Insurance**

#### **CA 99 60 – Audio, Visual And Data Electronic Equipment Coverage Added Limits**

#### **CA 99 61 – Loss Payable Clause – Audio, Visual And Data Electronic Equipment Coverage Added Limits**

Various provisions and schedules applicable to physical damage coverage have been reinforced to reflect that "loss" rather than "accident" triggers coverage under this section.

## **REDUCTION IN COVERAGE**

#### **UCA 424 – Coverage Extension Endorsement**

The Extended Glass Coverage under this endorsement has been revised to require the deductible, which is shown in the Declarations, if glass must be replaced rather than repaired. However, if glass can be repaired, the waiver of the deductible remains.

## **Advisory notice to policyholders regarding the U.S. Treasury Department's Office of Foreign Assets Control ('OFAC') regulations**

No coverage is provided by this policyholder notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your declarations page for complete information on the coverages you are provided.

This notice provides information concerning possible impact on your insurance coverage due to directives issued by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").

**Please read this Notice carefully.**

OFAC administers and enforces sanctions policy based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons." This list can be located on the United States Treasury's web site - <http://www.treasury.gov/about/organizational-structure/offices/Pages/Office-of-Foreign-Assets-Control.aspx>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC restrictions. When an insurance policy is considered to be such a blocked or frozen contract, no payments or premium refunds may be made without authorization from OFAC. Other limitations on premiums and payments also apply.