



NATIONWIDE  
ONE WEST NATIONWIDE BLVD  
COLUMBUS, OH 43215-2220  
1-877 On Your Side  
1 (877) 669-6877

**Nationwide®**

**COMMERCIAL PORTFOLIO ACP 3200542519**

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**ACCOUNT NUMBER**

ACP 3200542519

**BILLING ACCOUNT NUMBER**

259124126

A SWEET DAUGHTER LLC DBA DAUGHTER THAI  
19 E BROAD WAY  
LOVETTSVILLE, VA 20180-8609

**PLEASE KEEP THIS FOR YOUR RECORDS**

We are pleased to serve your business insurance needs. Our company is committed to providing you high quality insurance protection and superior service.

If you should have any questions about your insurance portfolio or if you wish to make a change to your policy, please contact your agent.

**IMPORTANT INFORMATION ABOUT YOUR POLICY**

Please spend a few minutes to read and understand your policy. Some items to which you should pay special attention are as follows:

- **Special Required State Notices.** These notices, when included, point out specific items concerning your policy. We urge you to read them.
- **Declarations Page.** This shows such information as your name, address, the coverages provided, the policy term, policy limits, list of coverages forms, premium amounts, and other individualized information.
- **Coverage and Endorsement Forms.** This is the section of your policy which provides policy and coverage information. Please read it carefully.

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**Your Commercial Insurance Portfolio**

Courtesy of:

Agency: HBW INSURANCE GROUP INC  
Agency Number: 25240  
Region Code: 042  
Producer: FAREED KHAN  
Producer Number: 015  
Agency Address: 2 E ROLLING CROSSROADS STE 151  
CATONSVILLE, MD 21228-6213  
Agency Phone Number: (410) 744-4313

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**Nationwide Mutual Insurance Company and Affiliated Companies, One Nationwide Plaza, Columbus, Ohio 43215-2220**  
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## COMMERCIAL PACKAGE SUMMARY

PRINTED 10-08-2021

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Account Number: ACP 3200542519  
Named Insured: A SWEET DAUGHTER LLC DBA  
DAUGHTER THAI  
Mailing Address: 19 E BROAD WAY  
LOVETTSVILLE, VA 20180-8609  
Agency: HBW INSURANCE GROUP INC  
Agency Number: 25240  
Producer: FAREED KHAN  
Producer Number: 015  
Region Code: 042  
Agency Address: 2 E ROLLING CROSSROADS STE  
151  
CATONSVILLE, MD 21228-6213  
Agency Phone Number: (410) 744-4313



### *Premiums/Fees*

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<b>Total Account Premium</b>	<b>\$2,938.00</b>
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Line of Business	Premium
Businessowners	\$1,621.00
Workers Compensation	\$1,317.00

Not a bill. Your bill is sent separately.

This Commercial Package is a portfolio of individual policies which serves to combine various insurance coverages written under a group of separate contracts of insurance.

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**BUSINESSOWNERS**



## IMPORTANT NOTICE

### NOTICE OF TERRORISM INSURANCE COVERAGE

#### NOTICE - DISCLOSURE OF PREMIUM

**Applies to all Commercial Policies, except for Farmowners Multiperil, Business Auto and Crime**

**(This disclosure notice does not provide coverage, and it does not replace any provisions of your policy. You should read your policy for complete information on the coverages you are provided. If there is any conflict between the policy and this notice, the provisions of the policy shall prevail.)**

Coverage for acts of terrorism is included in your policy. You are hereby notified that the Terrorism Risk Insurance Act, as amended in 2019, defines an act of terrorism in Section 102(1) of the Act: The term "act of terrorism" means any act or acts that are certified by the Secretary of the Treasury—in consultation with the Secretary of Homeland Security, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. Under your coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Terrorism Risk Insurance Act, as amended. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 80% beginning on January 1, 2020, of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

Other than for Workers Compensation, the portion of your annual premium that is attributable to coverage for acts of terrorism is \$0 and does not include any charges for that portion of losses covered by the United States Government under the Act.

For Workers Compensation, the portion of your annual premium that is attributable to coverage for acts of terrorism is shown on your declarations page and does not include any charges for the portion of losses covered by the United States government under the Act.

We appreciate your business and look forward to continuing to serve you. If you have any questions, or would like to learn about additional coverage options, please contact your Nationwide agent.

NI 00 62 01 21

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**Nationwide®**

## IMPORTANT NOTICE

Thank you for choosing Nationwide® to help you protect what's important to you. We value your business and want to ensure you have the current Virginia customer service contact information if you need assistance.

In the event you need to contact someone about this insurance for any reason please contact your agent. If no agent was involved in the sale of this insurance, or if you have additional questions you may contact the insurance company issuing this insurance at the following address:

Nationwide Insurance Co  
Attn: Customer Relations Department  
One West Nationwide Bl  
Columbus OH 43215-2220  
Toll Free: 877-669-6877  
Web: [www.nationwide.com](http://www.nationwide.com)

If you have been unable to contact or obtain satisfaction from the company or the agent, you may contact the Virginia State Corporation Commission's Bureau of Insurance at:

Bureau of Insurance  
P.O. Box 1157  
Richmond, VA 23218-1157  
Toll Free: 800-310-6566  
Toll Free VA Residents: 800-552-7945  
Web: [www.scc.virginia.gov/boi](http://www.scc.virginia.gov/boi)  
Email: [bureauofinsurance@scc.virginia.gov](mailto:bureauofinsurance@scc.virginia.gov)

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

### **What you need to do**

Please keep this information with your insurance policy for reference.

### **You can always count on us to be there**

We appreciate your business and look forward to continuing to serve you.

NI 00 67 01 17

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**Nationwide®**

## IMPORTANT NOTICE

### Flood Insurance Notice

Thank you for choosing Nationwide® to help you protect what's important to you. We value your business and want to ensure you have current information about your policy.

### What you need to know

Your policy does not cover damage from floods to any property resulting directly or indirectly from "water".

Excluded "water" losses include, but are not limited to those caused by:

- Flood
- Surface water
- Waves
- Tides
- Tidal waves
- Overflow of any body of water, or their spray, all whether driven by wind or not.

These types of loss or damage caused by "water" are excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. You'll need to read your policy for all of the details about excluded water losses. This is just a summary of the excluded water losses to highlight some important flood-related issues.

### Additional information

In most communities you can obtain flood insurance policies backed by the federal government's National Flood Insurance Program, through your agent. In those qualifying communities, you can obtain flood insurance protection for your property regardless of your flood zone or flood risk.

Your agent can assist you in:

- Determining if your community participates in the National Flood Insurance Program
- Assessing your flood risk
- Understanding flood policy availability

To learn more about flood insurance and your risk of flooding, access the National Flood Insurance Program's consumer website at [www.FloodSmart.gov](http://www.FloodSmart.gov).

As you consider the risk of flooding in your area and consider your options for obtaining valuable protection, consider that:

- All property is in a flood zone, regardless of whether an area has been defined as high risk or low risk.
- Nearly 25% of all flood claims are for properties located in lower-risk flood areas or locations where flooding is not expected.
- Floods can happen anywhere, at any time, causing anguish, destruction, and financial damage.
- Changing weather patterns, as well as residential and business development, may increase your chance of experiencing a flood.
- Flooding can occur as a result of clogged, overloaded, or inadequate storm drains. You don't have to live near a body of water to be flooded.
- Federal disaster assistance is often a loan and must be repaid with interest.

Ask your agent about obtaining flood insurance for your property today.

NI 00 18 01 17

**Nationwide®**

## IMPORTANT NOTICE

Thank you for choosing Nationwide® to help you protect what's important to you. We value your business and want to ensure you have current information about your policy.

**What you need to do**

Please read this notice carefully. No coverage is provided by this notice 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 notice, the provisions of the policy shall prevail.

**You can always count on us to be there**

We appreciate your business and look forward to continuing to serve you. If you have any questions, or would like to learn about additional coverage options, please contact your Nationwide agent.

**Important Notice Description(s)**

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**Virginia Flood Insurance Notice**

The General Assembly of Virginia enacted and amended section 38.2-2125 of the Code of Virginia. This section mandates that we advise you that your property insurance policy does not provide coverage for flood, surface water, waves, tidal water or other overflow of a body of water. You will not have coverage for property damage from floods unless you take steps to purchase a separate policy of flood insurance. Such a policy may be available from the National Flood Insurance Program. Contents coverage may also be available under the flood policy for an additional premium.

If you would like more information about obtaining flood coverage under the National Flood Insurance Program, please contact your agent.

NI 00 11 01 17

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**Virginia Earthquake Exclusion: ADVISORY NOTICE TO POLICYHOLDERS**

Your policy does not protect you against losses from earthquakes. Earthquake coverage is excluded unless purchased by endorsement. Information regarding the availability of earthquake insurance is available from us or your insurance agent.

NI 00 32 01 17

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**Data Breach & Identity Recovery Services**

Through a partnership with Hartford Steam Boiler, you have access to a data breach risk management portal called the eRisk Hub. The portal is designed to help you understand data information exposures, help you plan

and be prepared for a data breach, and establish a response plan to manage the costs and minimize the effects of a data breach.

Key features of the portal include:

- **Incident Response Plan Roadmap** – Suggested steps your business can take following data breach incident; having an incident response plan prepared in advance of a breach can be useful for defense of potential litigation
- **Online Training Modules** – Ready-to-use training for your business on privacy best practices and Red Flag Rules
- **Risk Management Tools** – Assist your business in managing data breach exposures including self-assessments and state breach notification laws
- **eRisk Resources** – A directory to quickly find external resources on pre and post-breach disciplines
- **News Center** – Cyber risk stories, security and compliance blogs, security news, risk management events, and helpful industry links
- **Learning Center** – Best practices and white papers written by leading authorities

To access the eRisk Hub portal:

- Enter <https://www.eriskhub.com/nationwide.php> in your browser
- Complete the information, including your name and company; your User ID and Password are case-sensitive
- Enter your assigned access code: **12116-73**
- Enter the challenge word on the screen, and click "Submit" and follow the instructions to complete your profile setup
- You can now login to the portal

You also have access to a help-line to answer breach related questions. Insureds having questions pertaining to how to prepare for a breach, help in identifying a breach, or other questions pertaining to breach related best practices can call our breach preparedness help-line. Experienced professionals are able to provide insights to help insureds understand the complicated environment pertaining to breaches of personal information. The breach preparedness help-line is 877-800-5028.

In addition, you have the ability to purchase Data Compromise Insurance coverage and CyberOne Insurance coverage.

The Data Compromise coverage covers the costs incurred by an insured to respond to a data breach, including expenses related to forensic information technology review, legal review, notification to affected individuals, services to affected individuals, public relations services. Insureds will also have the ability to include Data Compromise Defense and Liability coverage which covers the liability from a suit brought by an individual affected by the data breach.

CyberOne coverage protects businesses against damage to electronic data and computer systems from a virus or other computer attack. It also protects a business's liability to third parties that may have suffered damage due to security weaknesses in the business's computer system.

### **Identity Recovery Services Information:**

Through a partnership Hartford Steam Boiler, you will have access to a Toll-Free Identity Recovery Help Line designed to provide education about identity theft and identity theft risks. The toll-free Help Line is staffed by experienced identity theft counsellors who can answer questions and provide useful information and resources to identity theft victims. The Identity Recovery Help Line number is 877-800-5028.

In addition, you have the ability to buy Identity Recovery insurance coverage as an included element of Data Compromise coverage or separately, on its own. The Identity Recovery coverage insures against the theft of identities of the insured's key owners, officers, and resident family members. The coverage provides the services of an identity theft case manager and pays for various out-of-pocket expenses due to a covered identity theft, including:

- Legal fees for answer of civil judgments and defense of criminal charges
- Phone, postage, shipping fees
- Notary and filing fees
- Credit bureau reports
- Lost Wages and Child or Elder Care
- Mental Health Counseling costs (Not Available in NY)



- Miscellaneous Expense coverage

NI 00 35 01 17

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## CONSUMER REPORT INQUIRY NOTICE

Consumer reports, including credit history may have been ordered from a consumer reporting agency to underwrite and/or rate your insurance policy. You have the right to access this information and request correction of any inaccuracies. Your consumer reports, including your credit history are not affected in any way by our inquiry.

We are committed to respecting your privacy and safeguarding your personal information.

NI 00 75 01 17

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### Protective Safeguard Endorsement Advisory Notice to Policyholders

This Advisory Notice provides information concerning the following protective safeguards endorsements, which apply to the new or renewal policy being issued:

**Burglary and Robbery Protective Safeguards – CP 12 11**  
**Protective Safeguards – CP 04 11**  
**Protective Safeguards – IL 04 15**  
**Protective Devices Endorsement – IM 78 53**  
**South Dakota Protective Safeguards – CP 04 12**  
**Protective Devices or Services – Crime Coverage – CO 11 15**  
**Protective Devices Endorsement – CO 12 38**  
**Protective Safeguards - PB 04 30**

This policy is written with a protective safeguards endorsement. See the policy declarations to determine the specific endorsement that applies to this policy. Note that acceptance of the policy, in the payment of premium, constitutes the insured's understanding and acknowledgement of the risk of loss of insurance at the scheduled building if the protective safeguard is failed to be maintained. The scheduled protective safeguard(s) scheduled endorsement must be:

- In place;
- Operational; and
- Maintained in good working order

at the building shown on the endorsement.

### **Failure to comply with any of these conditions, may result in loss of insurance coverage.**

The endorsement provides explicit instructions to preserve coverage under the policy should it become necessary to suspend or disable the scheduled protective safeguard(s). Please read the endorsement thoroughly to understand and comply with these conditions. Contact your producer for questions or additional information regarding this endorsement.

The condition in this endorsement applies to all coverages provided by the insurance, including (if any) property damage and business income coverages, unless stated otherwise in your policy.

NI 00 82 07 17

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NATIONWIDE GENERAL INSURANCE COMPANY  
 ONE WEST NATIONWIDE BLVD  
 COLUMBUS, OH 43215-2220  
 1-877 On Your Side  
 1 (877) 669-6877

NEW BUSINESS

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**PREMIER BUSINESSOWNERS POLICY**

FOOD SERVICE

**COMMON DECLARATIONS**


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Policy Number: ACP BP013200542519  
 Named Insured: A SWEET DAUGHTER LLC DBA  
 DAUGHTER THAI  
 Mailing Address: 19 E BROAD WAY  
 LOVETTSVILLE, VA 20180-8609  
 Agency: HBW INSURANCE GROUP INC  
 Address: 2 E ROLLING CROSSROADS STE 151  
 CATONSVILLE, MD 21228-6213  
 Agency Phone Number: (410) 744-4313  
 Producer: FAREED KHAN  
 Policy Period: Effective From 10-08-2021 To  
 10-08-2022  
 12:01 AM Standard Time at your  
 principal place of business

**Premiums/Fees**

Total Annual Premium	\$1,621.00
<b>Total Policy Premium</b>	<b>\$1,621.00</b>

Form of your business entity: Limited Liability Company
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IN RETURN FOR THE PAYMENT OF THE PREMIUM AND SUBJECT TO ALL THE TERMS OF THIS POLICY,  
 WE AGREE TO PROVIDE THE INSURANCE STATED IN THIS POLICY.

These Common Policy Declarations, together with the Common Policy Conditions, Coverage Form Declarations,  
 Coverage Forms and any endorsements issued to form a part thereof, complete the Policy numbered above.



**Nationwide®**

**PREMIER BUSINESSOWNERS POLICY**

FOOD SERVICE

**COMMON DECLARATIONS**

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Policy Number: ACP BP013200542519

Policy Period: From 10-08-2021 To 10-08-2022

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**SCHEDULE OF NAMED INSUREDS**

**Named Insured:**

A SWEET DAUGHTER LLC DBA DAUGHTER THAI



Nationwide®

**PREMIER BUSINESSOWNERS POLICY**

FOOD SERVICE

**PROPERTY DECLARATIONS**

Policy Number: ACP BP013200542519

Policy Period: From 10-08-2021 To 10-08-2022

**Premises:** 001 / **Building:** 001**Premises Address:** 19 E BROAD WAY  
LOVETTSVILLE, VA 20180-8609**Classification:** Table Service - Restaurant**Construction Type:** Frame**Occupancy Type:** Tenant

WE PROVIDE INSURANCE ONLY FOR THOSE COVERAGES INDICATED BY A LIMIT OR BY "INCLUDED".  
Property Coverage is subject to a **\$1,000 Deductible**, unless otherwise stated.

Coverages	Deductible	Limit
Building		Not Provided
Business Personal Property	\$1,000	\$100,000
<b>Additional Coverages - The Coverage Form includes other Additional Coverages not shown</b>		
Business Income		Included
Actual Loss Sustained		12 Months
Waiting Period		0 Hours
Ordinary Payroll		60 Days
Extended Period Of Indemnity		60 Days
Extra Expense		Included
Actual Loss Sustained		12 Months
Waiting Period		0 Hours
Equipment Breakdown	No Separate Deductible	Included
Building Automatic Increase Percentage		Not Provided
Business Personal Property Automatic Increase Percentage		2.9%
Back Up Of Sewer And Drain Water		
Per Building Limit		\$5,000
Back Up Aggregate Limit		\$25,000

**Optional Coverages - Other frequently purchased coverage options**

Employee Dishonesty	Not Provided
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Nationwide®

**PREMIER BUSINESSOWNERS POLICY**

FOOD SERVICE

**PROPERTY DECLARATIONS**

Policy Number: ACP BP013200542519

Policy Period: From 10-08-2021 To 10-08-2022

**Premises: 001 / Building: 001**

<b>Coverages</b>	<b>Deductible</b>	<b>Limit</b>
<b>Optional Coverages - Other frequently purchased coverage options</b>		
Ordinance Or Law Coverage		
Loss To The Undamaged Portion Of The Building (Coverage Equal To Building Limit)		Not Provided
Demolition Cost And Broadened Increased Costs Of Construction		Not Provided
Virginia (Broad)		Not Provided
Ordinance Or Law Broadened Coverage		Not Provided
Food Service PLUS		Included
Spoilage From Power Outage	See Endorsement	\$10,000
Food Contamination - Loss of Income - Per Premises		\$10,000
Food Contamination - Loss of Income - Aggregate Limit		\$50,000
Windstorm/Hail Deductible	No Separate Deductible	

<b>Optional Increased Limits</b>	<b>Included Limit</b>	<b>Additional Limit</b>	<b>Total Limit</b>
Accounts Receivable	\$25,000		\$25,000
Valuable Papers and Records (At the Described Premises)	\$25,000		\$25,000
Forgery Or Alteration	\$10,000		\$10,000
Money And Securities			
Inside the Premises	\$10,000		\$10,000
Outside the Premises (Limited)	\$10,000		\$10,000
Outdoor Signs	\$2,500		\$2,500
Outdoor Trees, Shrubs, Plants And Lawns	\$10,000		\$10,000
Business Personal Property Off Premises			
Property Away From Premises	\$15,000		\$15,000
Property Away From Premises - Transit	\$15,000		\$15,000
Electronic Data	\$10,000		\$10,000



Nationwide®

**PREMIER BUSINESSOWNERS POLICY**

FOOD SERVICE

**PROPERTY DECLARATIONS**

Policy Number: ACP BP013200542519

Policy Period: From 10-08-2021 To 10-08-2022

**Premises: 001 / Building: 001**

<b>Optional Increased Limits</b>	<b>Included Limit</b>	<b>Additional Limit</b>	<b>Total Limit</b>
Interruption Of Computer Operations	\$10,000		\$10,000
Building Property Of Others	\$10,000		\$10,000
Computer Fraud And Funds Transfer	\$10,000		\$10,000

**PROTECTIVE SAFEGUARDS**

Based on information you and/or your agent provided, this premises has Protective Safeguards as identified below. A Protective Safeguards endorsement will be added to your policy based on this information, and you risk the loss of insurance if you fail to maintain, or knew or should have known of any suspension or impairment of any Protective Safeguard(s) identified below. Note that Protective Safeguard(s) must be: in place, operational, and maintained in good working order and you must notify us immediately (at Commercial Lines Service Center by calling (866) 322-3214) in the event of any known or planned disablement of any Protective Safeguard(s).

APPLICABLE PROTECTIVE SAFEGUARDS: **Fire Suppression System (P-8)**



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**PREMIER BUSINESSOWNERS POLICY**

FOOD SERVICE

**LIABILITY DECLARATIONS**

Policy Number: ACP BP013200542519

Policy Period: From 10-08-2021 To 10-08-2022

<b>Limits Of Insurance</b>		<b>Limit</b>
Each Occurrence Limit of Insurance	Per Occurrence	\$1,000,000
Medical Payments Sub Limit	Per Person	\$5,000
Tenants Property Damage Legal Liability Sublimit	Per Covered Loss	\$300,000
Personal And Advertising Injury	Per Person Or Organization	\$1,000,000
Products-Completed Operations Aggregate Limit	All Occurrences	\$2,000,000
General Aggregate (Other Than Products-Completed Operations)	All Occurrences	\$2,000,000

**Automatic Additional Insureds Status**

The following persons or organizations are automatically insureds when you and they have agreed in a written contract or agreement that such person or organization be added as an additional insured on your policy.

Co-Owners of Insured Premises  
 Controlling Interest  
 Grantor of Franchise or License  
 Lessors of Leased Equipment  
 Managers or Lessors of Leased Premises  
 Mortgagee, Assignee or Receiver  
 Owners or Other Interest from Whom Land has been Leased  
 State or Political Subdivisions - Permits Relating to Premises

<b>Liability Deductible</b>	<b>Deductible</b>
None	

<b>Optional Coverages</b>	<b>Limit</b>
Hired Auto Liability	Included
Non-Owned Auto Liability	Included



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## PREMIER BUSINESSOWNERS POLICY

FOOD SERVICE

## LIABILITY DECLARATIONS

Policy Number: ACP BP013200542519

Policy Period: From 10-08-2021 To 10-08-2022

Optional Coverages		Limit
Data Compromise Coverage		
Response Expense Limit	\$1,000 Deductible	\$50,000
Named Malware Sublimit (Sec. 1)		\$50,000
Forensic IT Review Sublimit		\$5,000
Legal Review Sublimit		\$5,000
PR Services Sublimit		\$5,000
Defense and Liability Limit	\$1,000 Deductible	\$50,000
Named Malware Sublimit (Sec. 2)		\$50,000
Identity Recovery Coverage		
Expense Reimbursement Limit		\$25,000
Lost Wages/Child Elder Sublimit		\$5,000
Mental Health Expense Sublimit		\$1,000
Miscellaneous Expense Sublimit		\$1,000
CyberOne Coverage		
Computer Attack Limit	Annual Aggregate	\$50,000
Deductible	\$5,000	
Data Re-Creation Sublimit		Excluded
Loss of Business Sublimit		Excluded
Public Relations Sublimit	Per Computer Attack	Excluded
Network Security Liability Limit	Annual Aggregate	Excluded
Liquor Liability		Included in Each Occurrence Limit of Insurance
		Subject to Products Completed Operations Aggregate





Nationwide®

**PREMIER BUSINESSOWNERS POLICY**

FOOD SERVICE

Policy Number: ACP BP013200542519

Policy Period: From 10-08-2021 To 10-08-2022

**FORMS AND ENDORSEMENTS SUMMARY**

<b>Form Number</b>	<b>Title</b>
PBDS01 01 18	Premier Businessowners Declarations
PB0002 01 18	Premier Businessowners Property Coverage Form
PB0006 01 17	Premier Businessowners Liability Coverages Form
PB0009 01 17	Premier Businessowners Common Policy Conditions
PB0008 01 17	Nuclear Energy Exclusion
PB0404 01 01	Hired Auto And Non-Owned Auto Liability
PB0430 05 16	Protective Safeguards
PB0523 07 15	Cap on Losses from Certified Acts of Terrorism
PB0564 01 20	Conditional Exclusion of Terrorism Coverage
PB1478 01 17	Exclusion of Loss Due to By-products of Production or Processing Operations (Rental Properties)
PB1486 11 14	Communicable Disease Exclusion
PB2002 01 17	Food Service PLUS Endorsement
PB5805 11 14	Data Compromise Coverage
PB5807 11 14	Cyberone Coverage
PB5809 11 14	Identity Recovery Coverage
PB6303 01 01	Liquor Liability Coverage
PB9045 10 21	Virginia Amendatory Endorsement

**IMPORTANT NOTICES**

<b>Form Number</b>	<b>Title</b>
NI0062 01 21	Notice of Terrorism Insurance Coverage
NI0067 01 17	Virginia Customer Service Notification
NI0018 01 17	Flood Insurance Notice
NI0011 01 17	Virginia Flood Insurance Notice
NI0032 01 17	Virginia Earthquake Exclusion

**Nationwide®****PREMIER BUSINESSOWNERS POLICY**

FOOD SERVICE

Policy Number: ACP BP013200542519

Policy Period: From 10-08-2021 To 10-08-2022

**IMPORTANT NOTICES**

<b>Form Number</b>	<b>Title</b>
NI0035 01 17	Data Breach & Identity Recovery Services
NI0075 01 17	Consumer Report Inquiry Notice
NI0082 07 17	Protective Safeguard Endorsement Advisory Notice To Policyholders

**IN WITNESS WHEREOF**, the Company has caused this policy to be signed by its Secretary and President.

**Secretary****President**

**PREMIER BUSINESSOWNERS  
PROPERTY COVERAGE FORM****TABLE OF CONTENTS**

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## PREMIER BUSINESSOWNERS PROPERTY COVERAGE FORM

Various provisions in this policy restrict coverage. Please 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 Insureds 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. Please refer to Section H. PROPERTY DEFINITIONS.

### A. COVERAGES

We will pay for direct physical loss of or damage to Covered Property at the described premises in the Declarations caused by or resulting from any Covered Cause of Loss.

#### 1. COVERED PROPERTY

Covered Property includes Buildings as described under paragraph a. below, Business Personal Property as described under paragraph b. below, or both, depending on whether a Limit of Insurance is shown in the Declarations for that type of property. Regardless of whether coverage is shown in the Declarations for Buildings, Business Personal Property, or both, there is no coverage for property described under paragraph 2. PROPERTY NOT COVERED.

a. **Buildings**, meaning the described buildings and structures at the described premises, including:

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Permanently installed:
  - (a) Machinery;
  - (b) Equipment; and
  - (c) Tanks, including pumps;
- (4) Your personal property in apartments, rooms or common areas furnished by you as landlord;
- (5) Personal property owned by you that is used to maintain or service buildings or structures or the premises, including:
  - (a) Fire extinguishing equipment;
  - (b) Outdoor furniture;
  - (c) Floor coverings;
  - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering; and
  - (e) Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, mast and towers;

(6) If not covered by other insurance:

- (a) Additions under construction, alterations and repairs to the buildings or structures;
- (b) Materials, equipment, supplies and temporary structures, on or within 1,000 feet of the described premises, used for making additions, alterations or repairs to the buildings or structures; and

(7) Garages, storage buildings, spas, swimming pools, fences, retaining walls, paved surfaces or other appurtenant structures usual to your business, but only if:

- (a) Coverage is not provided for such structures under the Appurtenant Structures Additional Coverage; and
- (b) Such structures are then described in the Declarations.

b. **Business Personal Property** located in or on the buildings or structures at the described premises or in the open (or in a vehicle) within 1,000 feet of the building or structures or within 1,000 feet of the premises described in the Declarations, whichever distance is greater, consisting of the following:

- (1) Personal property you own that is used in your business, including but not limited to furniture, fixtures, machinery, equipment and "stock";
- (2) Personal property of others that is in your care, custody or control, except as otherwise provided in Condition 5. Loss Payment under Section E. PROPERTY LOSS CONDITIONS;
- (3) Tenant improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
  - (a) Made a part of the building or structure you occupy but do not own; and

- (b) You acquired or made at your expense but cannot legally remove; and
- (4) Leased personal property which you have a contractual responsibility to insure, unless otherwise provided for under paragraph (2) personal property of others above.
- (5) Exterior building glass, if you are a tenant and no Limit of Insurance is shown in the Declarations for Building property. The glass must be owned by you or in your care, custody or control and you must be contractually obligated to repair or replace it. We will also pay for necessary repair or replacement of encasing frames, lettering or ornamentation that is part of the exterior glass.

Regardless of the amount of the Deductible, the most we will deduct from any loss or damage to exterior building glass in any one occurrence is listed in paragraph D.2.

#### DEDUCTIBLES.

## 2. PROPERTY NOT COVERED

Covered Property does not include:

- a. Aircraft, automobiles, motortrucks and other vehicles subject to motor vehicle registration;
- b. "Money" or "securities" except as provided in:
  - (1) Money and Securities Additional Coverage;
  - (2) Computer Fraud And Funds Transfer Fraud Additional Coverage; or
  - (3) Employee Dishonesty under Section G. OPTIONAL COVERAGES;
- c. Contraband, or property in the course of illegal transportation or trade;
- d. Land (including land on which the property is located), water (including water that is natural, metered water that is purchased from a utility company or other supplier, water that is located within a swimming pool, and/or bulk containerized water which is utilized for a fire suppression system. This does not include containerized water that is stock), growing crops or lawns (other than lawns which are part of a vegetated roof);
- e. Outdoor signs (other than signs attached to buildings), trees, shrubs, plants or lawns (other than "stock" of trees, shrubs

or plants and trees, shrubs or plants which are part of a vegetated roof), all except as provided in the:

- (1) Outdoor Signs Coverage Extension; or
- (2) Outdoor Trees, Shrubs, Plants and Lawns Coverage Extension.
- f. Watercraft (including motors, equipment and accessories) while afloat;
- g. Gasoline or diesel fuel contained in above ground or underground storage tanks;
- h. Property that is covered under another coverage form of this or any other policy issued to the Named Insured listed on this policy in which it is more specifically described, except for the excess of the amount due (whether you can collect it or not) from that other insurance;
- i. Grain, hay, straw or other crops while in the open;
- j. Accounts, bills, food stamps, other evidences of debt, accounts receivable or "valuable papers and records"; except as otherwise provided in this policy;
- k. "Computer(s)" which are permanently installed or designed to be permanently installed in any aircraft, watercraft, motortruck or other vehicle subject to motor vehicle registration. This paragraph does not apply to "computer(s)" while held as "stock";
- l. "Electronic data", except as provided in the Electronic Data or Equipment Breakdown Additional Coverages. This paragraph l. does not apply to your "stock" of prepackaged software or to "electronic data" which is integrated in and operates or controls the building's elevator, lightning, heating, ventilation, air conditioning or security system.

## 3. COVERED CAUSES OF LOSS

This Coverage Form insures against direct physical loss unless the loss is:

- a. Excluded in Section B. EXCLUSIONS;
- b. Limited in paragraph A.4. LIMITATIONS in this section; or
- c. Limited or excluded in Section E. PROPERTY LOSS CONDITIONS or Section F. PROPERTY GENERAL CONDITIONS.

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**4. LIMITATIONS**

a. We will not pay for loss of or damage to:

- (1) Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through with the gases of combustion pass.

This limitation does not apply to loss or damage provided under the Equipment Breakdown Additional Coverage.

- (2) Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.

This limitation does not apply to loss or damage provided under the Equipment Breakdown Additional Coverage.

- (3) Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property. This limitation does not apply to Money and Securities Additional Coverage.

- (4) Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.

This limitation does not apply to loss or damage provided under the Unauthorized Business Card Use or Computer Fraud.

- (5) Fences, spas, outdoor swimming pools and related equipment, retaining walls, pavements, bulkheads, pillars, wharves or docks caused by freezing or thawing, impact of watercraft, or by the pressure or weight of snow, sleet, ice or water whether driven by wind or not.
- (6) The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice,

sand or dust, whether driven by wind or not, unless:

- (a) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
- (b) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

b. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:

- (1) Fragile articles such as glassware, statuary, marbles, chinaware and porcelains, if broken. This limitation does not apply to:

- (a) Glass that is part of the exterior or interior of a building or structure;
- (b) Containers of property held for sale; or
- (c) Photographic or scientific instrument lenses.

c. For loss or damage by theft, the following types of property are covered only up to the limits shown:

- (1) \$2,500 for furs, fur garments and garments trimmed with fur.
- (2) \$5,000 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$250 or less per item.
- (3) \$2,500 for patterns, dies, molds and forms.

**5. ADDITIONAL COVERAGES**

a. **Debris Removal**

- (1) We will pay your expense to remove debris of Covered Property and debris from the property of others when such debris is caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.

- (2) The most we will pay under this Debris Removal Additional Coverage is 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

This Debris Removal Additional Coverage will not increase the Limits of Insurance provided by this policy.

HOWEVER, this limitation does not apply to any additional debris removal limit provided in paragraph (4) below.

- (3) This Debris Removal Additional Coverage does not apply to costs to:
- (a) Remove deposits of mud or earth from the grounds of the described premises;
  - (b) Extract "pollutants" from land or water;
  - (c) Remove, restore or replace polluted land or water; or
  - (d) Extract "pollutants" from Covered Property.

- (4) If:

- (a) The sum of direct physical loss or damage and debris removal expense exceeds the Limit of Insurance; or
- (b) The debris removal expense exceeds the amount payable under the 25% Debris Removal coverage limitation in paragraph (2) above;

we will pay up to an additional \$25,000 for each location in any one occurrence under this Debris Removal Additional Coverage.

**b. Preservation Of Property**

- (1) If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss of or damage to that property:
- (a) While it is being moved or while temporarily stored at another premises; and
  - (b) Only if the loss or damage occurs within 45 days after the property is first moved.

- (2) This Preservation of Property Additional Coverage will not increase the Limits of Insurance provided by this policy.

**c. Fire Department Service Charge**

- (1) When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$25,000 for your liability for fire department service charges:

- (a) Assumed by contract or agreement prior to loss; or
- (b) Required by local ordinance.

- (2) The limit for this Fire Department Service Charge Additional Coverage is in addition to the Limits of Insurance.

- (3) No deductible applies to this Fire Department Service Charge Additional Coverage.

**d. Fire Extinguisher Recharge**

- (1) We will pay the expense you incur to recharge portable fire extinguishers when used to combat a covered fire.

- (2) This Fire Extinguisher Recharge Additional Coverage is not subject to the Limits of Insurance.

- (3) No deductible applies to this Fire Extinguisher Recharge Additional Coverage.

**e. Collapse**

The coverage provided under this Collapse Additional Coverage applies only to an abrupt collapse as described and limited in paragraphs e.(1) through e.(7).

- (1) For the purpose of this Collapse Additional Coverage abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.

- (2) We will pay for direct physical loss of or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this policy or that contains Covered Property insured under this policy, if such collapse is caused by one or more of the following:

- (a) Building decay that is hidden from view, unless the presence of such

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- decay is known to an insured prior to collapse.
- (b) Insect or vermin damage that is hidden from view, unless the presence of such decay is known to an insured prior to collapse.
  - (c) Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.
  - (d) Use of defective materials or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:
    - (i) A cause of loss listed in paragraph (2)(a) or (2)(b);
    - (ii) One or more of the "specified causes of loss";
    - (iii) Breakage of building glass;
    - (iv) Weight of people or personal property; or
    - (v) Weight of rain, snow, sleet or ice, that collects on a roof.
- (3) This Collapse Additional Coverage does not apply to:
- (a) A building or any part of a building that is in danger of falling down or caving in;
  - (b) A part of a building that is standing, even if it has separated from another part of the building; or
  - (c) A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- (4) With respect to the following property:
- (a) Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, mast or towers;
  - (b) Awnings, gutters and downspouts;
  - (c) Yard fixtures;
  - (d) Outdoor swimming pools;
  - (e) Fences;
  - (f) Bulkheads, pilings, piers, wharves and docks;
  - (g) Beach or diving platforms or appurtenances;
  - (h) Retaining walls; and
  - (i) Walks, roadways and other paved surfaces;
- if an abrupt collapse is caused by a cause of loss listed in (2)(a) through (2)(d) above, we will pay for loss or damage to that property in (a) through (i) above only if such loss or damage is a direct result of abrupt collapse of a building insured under this policy and the property is Covered Property under this policy.
- (5) If personal property abruptly falls down or caves in and such collapse is not the result of abrupt collapse of a building or any part of a building, we will pay for loss of or damage to Covered Property caused by such collapse of personal property only if:
- (a) The collapse of personal property was caused by a Cause of Loss listed in (2)(a) through (2)(d) above;
  - (b) The personal property which collapses is inside a building; and
  - (c) The property which collapses is not of a kind listed in paragraph (4), regardless of whether that kind of property is considered to be personal property or real property.
- The coverage stated in this paragraph (5) does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by collapse.
- (6) This Collapse Additional Coverage does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- (7) This Collapse Additional Coverage will not increase the Limits of Insurance provided in this policy.



f. **Water Damage, Other Liquids, Powder Or Molten Material Damage**

- (1) If a covered loss to which this insurance applies was caused by or resulted from water or other liquid, powder or molten material, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes.

HOWEVER, we will not pay for a loss caused by or resulting from water or other liquid, powder or molten material if the system or appliance in which the water or other substance escapes from is located off of the described premises.

- (2) We will not pay the cost to repair any defect that caused the loss or damage except as provided in Equipment Breakdown Additional Coverage; but we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:

- (a) Results in discharge of any substance from an automatic fire protection system; or
- (b) Is directly caused by freezing.

- (3) This Water Damage Additional Coverage will not increase the Limits of Insurance provided in this policy.

g. **Business Income**

(1) **Business Income with Ordinary Payroll Limitation**

- (a) 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 the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 1,000 feet of the site at which the described premises are located.

- (b) With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:

- (i) The portion of the building which you rent, lease or occupy; and
- (ii) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

- (c) We will only pay for loss of "business income" that you sustain during the "period of restoration" and that occurs within the number of consecutive months shown in the Declarations for Business Income – Actual Loss Sustained after the date of direct physical loss or damage. We will only pay for "ordinary payroll expenses" for the number of days shown in the Declarations for Ordinary Payroll Limit following the date of direct physical loss or damage.

(2) **Extended Business Income**

- (a) If the necessary suspension of your "operations" produces a "business income" loss payable under this policy, we will pay for the actual loss of "business income" you incur during the period that:
- (i) Begins on the date property except finished stock is actually repaired, rebuilt or replaced and "operations" are resumed; and
  - (ii) Ends on the earlier of:
    - i. The date you could restore your "operations", with reasonable speed, to the level which would generate the "business income" amount that would have existed if no direct physical loss or damage had occurred; or
    - ii. Sixty (60) consecutive days after the date determined in (2)(a)(i)

above, unless a greater number of days is shown for Extended Business Income Increased Period of Indemnity in the Declarations at that described premises.

HOWEVER, Extended Business Income does not apply to loss of "business income" incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

- (b) Loss of a "business income" must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.
- (3) This Business Income Additional Coverage is not subject to the Limits of Insurance.

#### h. **Extra Expense**

- (1) We will pay necessary "extra expense" you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss of or damage to property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 1,000 feet of the site at which the described premises are located.
- (2) With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:
  - (a) The portion of the building which you rent, lease or occupy; and
  - (b) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.
- (3) We will only pay for "extra expense" that occurs within the number of consecutive months shown in the Declarations for Extra Expense after

the date of direct physical loss or damage.

- (4) This Extra Expense Additional Coverage is not subject to the Limits of Insurance.

#### i. **Pollutant Clean Up And Removal**

- (1) We will pay your expense to extract "pollutants" from land, water or Covered Property at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- (2) This Pollutant Clean Up And Removal Additional Coverage does not apply to:
  - (a) Costs to test for, monitor or assess the existence, concentration or effects of "pollutants"; or
  - (b) Any penalties or assessments that may be charged against you due to any statute, regulation or ordinance.

But we will pay for testing which is performed in the course of extracting the "pollutants" from land or water.

- (3) The most we will pay for each location under this Pollutant Clean Up And Removal Additional Coverage is \$25,000 for the sum of all such expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.
- (4) The limit for this Pollutant Clean Up And Removal Additional Coverage is in addition to the Limits of Insurance.

#### j. **Civil Authority**

When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises, provided that both of the following apply:

- (1) Access to the area immediately surrounding the damaged property is

prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and

- (2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority coverage for "business income" will begin 72 hours after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to 30 days after coverage begins.

Civil Authority coverage for necessary "extra expense" will begin immediately after the time of the first action of civil authority that prohibits access to the described premises and will end:

- (1) 30 days after the time of that action; or
- (2) When your Civil Authority coverage for "business income" ends;

whichever is later.

The definitions of Business Income and Extra Expense contained in the Business Income and Extra Expense Additional Coverages also apply to this Civil Authority Additional Coverage. The Civil Authority Additional Coverage is not subject to the Limits of Insurance.

k. **Money Orders And Counterfeit Money**

- (1) We will pay for loss resulting directly from your having accepted in good faith, in exchange for merchandise, "money" or services:
  - (a) Money orders issued by any post office, express company or bank that are not paid upon presentation; or
  - (b) "Counterfeit money" that is acquired during the regular course of business.
- (2) The most we will pay for any loss under this Money Orders And Counterfeit Money Additional Coverage is \$5,000.
- (3) The limit for this Money Orders And Counterfeit Money Additional

Coverage is in addition to the Limits of Insurance.

l. **Forgery And Alteration**

- (1) We will pay for loss resulting directly from forgery or alteration of, any check, draft, promissory note, bill of exchange or similar written promise of payment in "money" that you or your agent has issued, or that was issued by someone who impersonates you or your agent.
- (2) If you are sued for refusing to pay the check, draft, promissory note, bill of exchange or similar written promise of payment in "money", on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur in that defense.
- (3) For the purpose of this coverage, check includes a substitute check as defined in the Check Clearing for the 21<sup>st</sup> Century Act, and will be treated the same as the original it replaced.
- (4) The most we will pay for any loss, including legal expenses, under this Additional Coverage is \$10,000, unless a higher Limit of Insurance is shown in the Declarations.
- (5) All losses:
  - (a) Caused by one or more persons; or
  - (b) Involving a single act or series of related acts;
 is considered one occurrence.
- (6) The limit for this Forgery And Alteration Additional Coverage is in addition to the Limits of Insurance.

m. **Increased Cost Of Construction – Damaged Property**

- (1) This Additional Coverage applies only to buildings insured on a replacement cost basis.
- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with the minimum standards of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in paragraphs (3) through (8) of this

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Increased Cost Of Construction – Damaged Property Additional Coverage.

- (3) The ordinance or law referred to in paragraph (2) of this Increased Cost Of Construction – Damaged Property Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises, and is in force at the time of loss.
- (4) Under this Increased Cost Of Construction – Damaged Property Additional Coverage, we will not pay any costs due to an ordinance or law that:
  - (a) You were required to comply with before the loss, even when the building was undamaged; and
  - (b) You failed to comply with.
- (5) Under this Increased Cost Of Construction – Damaged Property Additional Coverage, we will not pay for:
  - (a) The enforcement of, or compliance with, any ordinance or law which requires 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 “fungi”, wet rot or dry rot; or
  - (b) Any costs associated with the enforcement of, or compliance with, an 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”, “fungi”, wet rot or dry rot.
- (6) The most we will pay under this Increased Cost Of Construction – Damaged Property Additional Coverage, for each described building insured under this Coverage Form, is \$25,000.

The limit for this Increased Cost Of Construction – Damaged Property Additional Coverage is in addition to the Limits of Insurance.

- (7) With respect to this Increased Cost Of Construction – Damaged Property Additional Coverage:

- (a) We will not pay any costs:
  - (i) Until the property is actually repaired or replaced, at the same described premises or another premises; and
  - (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
- (b) If the building is repaired or replaced at the same described premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction is the increased cost of construction at the same described premises.
- (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction is the increased cost of construction at the new premises for a building of like, kind and quality and of the same size and use.

- (8) This Increased Cost Of Construction – Damaged Property Additional Coverage is not subject to the terms of the Ordinance or Law Exclusion, to the extent that such exclusion would conflict with the provisions of this Increased Cost Of Construction – Damaged Property Additional Coverage.

#### n. **Equipment Breakdown**

- (1) We will pay for direct physical loss of or damage to Covered Property caused by or resulting from an “accident” to “covered equipment”.  
If an initial “accident” causes other “accidents”, all will be considered one “accident”. All “accidents” that are the result of the same event will be considered one “accident”.
- (2) If a dollar deductible is shown in the declarations for this Equipment Breakdown Additional Coverage, we will first subtract the applicable deductible amount from any loss we

would otherwise pay. We will then pay the amount of loss in excess of the applicable deductible up to the applicable limit for this coverage.

If no dollar deductible is shown for Equipment Breakdown Additional Coverage, the Property Deductible shown in the Declarations applies.

- (3) The following coverages also apply to loss caused by or resulting from an "accident" to "covered equipment". These coverages do not provide additional amounts of insurance.

(a) **Expediting Expenses**

With respect to your damaged Covered Property, we will pay, up to \$100,000, the reasonable extra cost to:

- (i) Make temporary repairs; and
- (ii) Expedite permanent repairs or replacement.

(b) **Hazardous Substances**

We will pay for the additional cost to repair or replace Covered Property because of contamination by a "hazardous substance". This includes the additional expenses to clean up or dispose of such property.

This does not include contamination of "perishable goods" by refrigerant, including but not limited to ammonia, which is addressed in (3)(c)(ii) below.

Additional costs mean those beyond what would have been required had no "hazardous substance" been involved.

The most we will pay for loss, damage or expense under this coverage, including actual loss of "business income" you sustain and necessary "extra expense" you incur is \$100,000.

(c) **Perishable Goods**

- (i) We will pay for physical damage to "perishable goods" due to spoilage.
- (ii) We will also pay for physical damage to "perishable goods" due to contamination from the release of refrigerant, including but not limited to ammonia.

- (iii) We will also pay necessary expenses you incur to reduce the amount of loss under this coverage. 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.

- (iv) If you are unable to replace the "perishable goods" before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the "perishable goods" at the time of the "accident", less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with Condition 5. Loss Payment under Section E. **PROPERTY LOSS CONDITIONS.**

The most we will pay for loss, damage or expenses under this coverage is \$100,000.

(d) **Service Interruption**

- (i) The insurance provided under the Business Income Additional Coverage, the Extra Expense Additional Coverage and for (c) Perishable Goods in this Equipment Breakdown Additional Coverage, is extended to apply to your loss, damage or expense caused by the interruption of utility services. The interruption must result from an "accident" to equipment, including overhead transmission lines, that is owned by a utility, landlord, a landlord's utility or other supplier who provides you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water or steam, internet access, telecommunications services, wide area networks or data

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transmission. The equipment must meet the definition of "covered equipment" except that it is not Covered Property.

- (ii) Service Interruption coverage will not apply unless the failure or disruption of service exceeds 24 hours immediately following the "accident".
- (iii) The most we will pay for loss, damage or expense under this coverage is the limit that applies to Business Income, Extra Expense or Perishable Goods.

**(e) Electronic Data Restoration**

We will pay for your reasonable and necessary cost to research, replace and restore lost "electronic data".

The most we will pay for loss or expense under this coverage, including actual loss of "business income" you sustain and necessary "extra expense" you incur, is \$100,000.

**(f) Environmental, Safety and Efficiency Improvements**

The following provision does not apply to property insured on an "actual cash value" basis.

If "covered equipment" requires replacement due to loss or damage caused by or resulting from an "accident", we will pay your additional cost to replace with equipment that is better for the environment, more efficient or safer than the equipment being replaced.

HOWEVER, we will not pay more under this additional coverage than 125% of what the cost would have been to repair or replace with like kind and quality.

This provision does not increase any of the applicable limits.

**(4) Additional Exclusions**

- (a) We will not pay under this Equipment Breakdown Additional Coverage for loss, damage or expense caused by or resulting from:

- (i) Any defect, programming error, programming limitation, "computer" virus, malicious code, loss of data, loss of access, loss of use, loss of functionality or other condition within "electronic data". But if an "accident" results, we will pay for the resulting loss, damage or expense; or

- (ii) Any of the following tests:

- i. A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel; or
- ii. An electrical insulation breakdown test of any type of electrical equipment.

- (b) With respect to (d) Service Interruption coverage, we will not pay for an "accident" caused by or resulting from: fire; lightning; windstorm or hail; explosion (except for steam or centrifugal explosion); smoke; aircraft or vehicles; riot or civil commotion; vandalism; sprinkler leakage; falling objects; weight of snow, ice or sleet; freezing; collapse; flood; or earth movement.

- (c) Exclusion B.1.h. Fungi, Wet Rot Or Dry Rot does not apply to spoilage of personal property that is "perishable goods," to the extent that spoilage is covered under (c) Perishable Goods coverage.

- (d) We will not pay under this Equipment Breakdown Additional Coverage for any loss or damage to animals.

**(5) Additional Conditions**

**(a) Suspension**

Whenever "covered equipment" is found to be in, or exposed to a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an "accident" to that "covered equipment". This can be done by mailing or delivering a written notice of suspension to: your address as shown in the Declarations, or at the address

where the equipment is located. Once suspended in this way, your insurance can be reinstated only by written notice of reinstatement from us.

**(b) Jurisdictional Inspections**

If "covered equipment" under this Equipment Breakdown Additional Coverage requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.

- (6) The most we will pay for loss, damage or expense under this Equipment Breakdown Additional Coverage arising from any one "accident" is the applicable Limit of Insurance shown in the Declarations.

This Equipment Breakdown Additional Coverage will not increase the Limits of Insurance provided by this policy.

**o. Arson Reward for Conviction**

- (1) In the event that a covered fire loss was the result of an act of arson, we will pay a reward to anyone, other than paid investigators, who gives legal authorities information that leads to the conviction of anyone who committed such arson.
- (2) We will pay up to 10 percent of the amount of the insured fire loss or \$10,000, whichever is less. This payment is the most we will pay in any one occurrence, regardless of the number of persons providing information or convicted of arson.
- (3) The limit for this Arson Reward for Conviction Additional Coverage is in addition to the Limits of Insurance.
- (4) No deductible applies to this Arson Reward for Conviction Additional Coverage.

**p. Money And Securities**

- (1) We will pay for loss of "money" and "securities" used in your business while at a bank or savings institution, within your living quarters or the living quarters of your partners or any employee (including a temporary or leased employee) having use and custody of the property, at the

described premises, or in transit by direct route between any of these places, resulting directly from:

- (a) Theft, meaning any act of stealing;
  - (b) Disappearance; or
  - (c) Destruction.
- (2) In addition to the Limitations and Exclusions applicable to property coverage, we will not pay for loss or damage:
- (a) Resulting from accounting or arithmetical errors or omissions;
  - (b) Due to the giving or surrendering of property in any exchange or purchase;
  - (c) Of property contained in any "money"-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device;
  - (d) From an unattended motor vehicle; or
  - (e) That is covered under the Unauthorized Business Card Use or Computer Fraud And Funds Transfer Fraud Additional Coverages.
  - (f) To "money" and "securities" following and directly related to the use of any computer to fraudulently cause a transfer of that property from inside the described premises, bank or savings institution:
    - (i) To a person (other than a messenger) outside those premises; or
    - (ii) To a place outside those premises.
- (3) The most we will pay under this Money and Securities Additional Coverage for loss in any one occurrence is:
- (a) **Inside the Premises**, \$10,000 for "money" and "securities" while:
    - (i) In or on the described premises; or
    - (ii) Within a bank or savings institution;
 unless a higher Limit of Insurance for "money" and "securities"

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inside the premises is shown in the Declarations; and

- (b) **Outside the Premises**, \$10,000 for "money" and "securities" while anywhere else, unless a higher Limit of Insurance for "money" and "securities" outside the premises is shown in the Declarations.

(4) All loss:

- (a) Caused by one or more persons; or
- (b) Involving a single act or series of related acts;

is considered one occurrence.

- (5) You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.
- (6) The limit for this Money and Securities Additional Coverage is in addition to the Limits of Insurance.

q. **Appurtenant Structures**

- (1) We will pay for direct physical loss of or damage to any separate garages, storage buildings, swimming pools, spas, fences, retaining walls, paved surfaces and other appurtenant structures usual to your business at the described premises in the Declarations caused by or resulting from any Covered Cause of Loss.
- (2) The most we will pay for loss or damage under this Appurtenant Structures Additional Coverage in any one occurrence is 10% of the Building Limit of Insurance shown in the Declarations for that described building.

HOWEVER, if the value of any one garage, storage building, swimming pool, spa, fence, retaining wall, paved surfaces or other appurtenant structure exceeds \$50,000, this Appurtenant Structures Additional Coverage does not apply to that structure. The value of the property covered under this Appurtenant Structures Additional Coverage will be determined at replacement cost without deduction for depreciation. If the "Actual Cash Value – Buildings" option applies to Buildings, as shown in the Declarations, we will determine the value of property covered under

this Appurtenant Structures Additional Coverage at "actual cash value".

In Section E. PROPERTY LOSS CONDITIONS, paragraph 5.e.(1)(b) under Loss Payment does not apply in determining if property is covered under this Appurtenant Structures Additional Coverage. All Loss Payment provisions are otherwise applicable for loss or damage covered by this Additional Coverage.

- (3) The limit for this Appurtenant Structures Additional Coverage is in addition to the Limits of Insurance.

r. **Back Up Of Sewer Or Drain Water Damage**

- (1) For the purpose of this Back Up Of Sewer Or Drain Water Damage Additional Coverage the following definition is added:

"Flood" means a general and temporary condition of partial or complete inundation of normally dry land areas from:

- (a) The unusual and rapid accumulation or runoff of surface waters from any source;
- (b) The overflow of inland or tidal waters; or
- (c) Waves, tides or tidal waves.

- (2) We will pay for loss of or damage to Covered Property caused by water that backs up or overflows from a sewer or drain pipe, sump pump well or similar device designed to prevent overflow, seepage or leakage of subsurface water.

We will also pay for loss of or damage to Covered Property caused by water that overflows from any interior plumbing fixture because the water is unable to enter into an attached drain pipe.

HOWEVER, we will not pay for loss or damage that results from:

- (a) Sewer back-up or sump pump overflow that occurs during the period beginning 10 days before and ending 10 days after a "flood" on the described premises;
- (b) An insured's failure to keep a sump pump or its related equipment in proper working condition;



- (c) An insured's failure to perform the routine maintenance or repair necessary to keep a sewer or drain pipe free from obstructions;
  - (d) Sump pump failure which is caused by or results from failure of power, unless this policy is endorsed to cover power failure affecting the described premises; or
- (3) The most we will pay for loss or damage under this coverage is:
- (a) \$5,000 per building; or
  - (b) \$25,000 in any one policy period, regardless of the number of losses;
- unless a higher Limit of Insurance for Back Up Of Sewer Or Drain Water Damage is shown in the Declarations.
- (4) The limit of insurance that applies to coverage under this Back Up Of Sewer Or Drain Water Damage Additional Coverage includes any loss arising from debris removal expense, Business Income Additional Coverage and Extra Expense Additional Coverage.
  - (5) The limit for this Back Up Of Sewer Or Drain Water Damage Additional Coverage is in addition to the Limits of Insurance.
  - (6) The Debris Removal Additional Coverage does not apply to this Back Up Of Sewer Or Drain Water Damage Additional Coverage.

**s. Dependent Properties – Business Income**

- (1) We will pay for the actual loss of "business income" you sustain due to the necessary and unavoidable suspension of your "operations" during the "period of restoration". The suspension must be caused by direct physical loss of or damage to "dependent property" or "secondary dependent property" caused by or resulting from any Covered Cause of Loss.

HOWEVER, this Additional Coverage does not apply when the only loss at the premises of a Dependent Property or Secondary Dependent Property is loss or damage to "electronic data". If the Dependent Property or Secondary Dependent

Property sustains loss or damage to "electronic data" and other property, coverage under this Additional Coverage will not continue once the property is repaired, rebuilt or replaced.

- (2) We will only pay for loss of "business income" that occurs within 12 consecutive months after the date of direct physical loss or damage.
- (3) This Dependent Properties – Business Income Additional Coverage is not subject to the Limits of Insurance.
- (4) The "dependent property" or "secondary dependent property" must be located in the coverage territory of this policy.

**t. Limited Coverage for Fungi, Wet Rot Or Dry Rot**

- (1) The coverage described in paragraphs t.(2) and t.(6) only applies when the "fungi", wet rot or dry rot are the result of a "specified cause of loss" other than fire or lightning that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.
- (2) We will pay for loss or damage by "fungi", wet rot or dry rot. As used in this Limited Coverage, the term loss or damage means:
  - (a) Direct physical loss or damage to Covered Property caused by "fungi", wet rot or dry rot, including the cost of removal of the "fungi", wet rot or dry rot;
  - (b) The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungi", wet rot or dry rot; and
  - (c) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungi", wet rot or dry rot are present.
- (3) The coverage described under this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will

pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungi", wet rot or dry rot, we will not pay more than the total of \$15,000 even if the "fungi", wet rot or dry rot continues to be present or active, or recurs, in a later policy period.

- (4) The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungi", wet rot or dry rot, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungi", wet rot or dry rot, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungi", wet rot or dry rot causes an increase in the loss. Any such increase in the loss will be subject to the terms of this limited coverage.

- (5) The terms of this Limited Coverage do not increase or reduce the coverage provided under the Water Damage, Other Liquids, Powder Or Molten Material Damage or Collapse Additional Coverages.
- (6) The following applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the suspension of "operations" satisfies all the terms and conditions of the applicable Business Income and/or Extra Expense Additional Coverage:
- (a) If the loss which resulted in "fungi", wet rot or dry rot does not in itself necessitate a suspension of "operations", but such suspension is necessary due to loss or damage to property caused by "fungi", wet rot or dry rot, then our payment under the Business Income and/or Extra

Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.

- (b) If a covered suspension of "operations" was caused by loss or damage other than "fungi", wet rot or dry rot, but remediation of "fungi", wet rot or dry rot prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

**u. Building Property of Others**

- (1) If you occupy a described premises as a tenant, and a written lease or rental agreement for that premises requires you to pay for loss of or damage to a part of building property you do not own, we will pay for direct physical loss of or damage to that part of building property described in section A.1.a, other than exterior glass, caused by a Covered Cause of Loss.
- (2) The valuation of property covered under this Additional Coverage will be determined in accordance with the building valuation option (e.g. Actual Cash Value or Replacement Cost) shown on the policy declarations, or at the amount for which the tenant is liable under contract, whichever is less.
- (3) The most we will pay for any loss or damage under this Building Property of Others Additional Coverage is \$10,000, unless a higher limit is shown in the Declarations or the property is covered under another coverage form of this or all other collectible insurance. HOWEVER if a higher limit is described in the Covered Property Declarations or the property is covered under another coverage form of this or any other specifically scheduled property, that coverage amount will be in excess of the Building Property of Others Additional Coverage limit, up the applicable limit of insurance.

- (4) The limit for this Building Property of Others Additional Coverage is in addition to the Limits of Insurance.
- v. **Unauthorized Business Card Use**
  - (1) We will pay for the legal obligation you have because of the theft or unauthorized use of your business credit, debit or charge cards issued to you or registered in your name or the name of your business.
  - (2) The most we will pay under this Unauthorized Business Card Use Additional Coverage for loss in any one occurrence is \$10,000.
  - (3) All loss:
    - (a) Caused by one or more persons; or
    - (b) Involving a single act or series of related acts;
 is considered one occurrence.
  - (4) The limit for this Unauthorized Business Card Use Additional Coverage is in addition to the Limits of Insurance.
- w. **Computer Fraud And Funds Transfer Fraud**
  - (1) We will pay for:
    - (a) Loss resulting from "fraudulent instruction" directing a financial institution to transfer, pay or deliver "money" or "securities" from your "transfer account"; or
    - (b) Loss directly related to the use of any computer to fraudulently cause a transfer of covered property from inside the described premises to a person (other than a messenger) or place outside those premises.
  - (2) The most we will pay under this Computer Fraud And Funds Transfer Fraud Additional Coverage for loss in any one occurrence is \$10,000 unless a higher Limit of Insurance is shown in the Declarations.
  - (3) All loss:
    - (a) Caused by one or more persons; or
    - (b) Involving a single act or series of related acts;
 is considered one occurrence.
  - (4) The limit for this Computer Fraud and Funds Transfer Fraud Additional

Coverage is in addition to the Limits of Insurance.

- (5) In section B. EXCLUSIONS of this Coverage Form:
  - (a) paragraph B.2.g. False Pretense does not apply to this additional coverage.
  - (b) The following exclusion is added:  
We will not pay for loss or damages caused by or resulting from the use or purported use of credit, debit, charge, access, convenience, identification, stored-value or other cards or the information contained on such cards.

## 6. **COVERAGE EXTENSIONS**

Except as otherwise provided, the following Extensions apply to property located in or on the described building in the Declarations or in the open (or in a vehicle) within 1,000 feet of the described premises.

In addition to the Limits of Insurance, you may extend the insurance provided by this policy as follows.

### a. **Newly Acquired or Constructed Property**

#### (1) **Buildings**

If this policy covers Buildings, you may extend that insurance to apply to:

- (a) Your new buildings while being built on the described premises; and
- (b) Buildings you acquire at premises other than the one described, intended for:
  - (i) Similar use as the described building in the Declarations; or
  - (ii) Use as a warehouse.

The most we will pay for loss or damage under this Buildings Coverage Extension is \$1,000,000 at each building.

#### (2) **Business Personal Property**

If this policy covers Business Personal Property, you may extend that insurance to apply to:

- (a) Business Personal Property, including such property that you newly acquire, other than at fairs or exhibitions, at any premises you acquire;

- (b) Business Personal Property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the described premises; or
- (c) Business Personal Property that you newly acquire, located at the described premises.

This Extension does not apply to personal property that you temporarily acquire in the course of installing or performing work on such property or your wholesale activities.

The most we will pay for loss or damage under this Business Personal Property Coverage Extension is \$500,000 at each building.

(3) **Period Of Coverage**

With respect to insurance on or at each newly acquired or constructed property, coverage will end when any of the following first occurs:

- (a) This policy expires;
- (b) 180 days after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

b. **Newly Acquired Property - Business Income**

- (1) You may extend the insurance that applies to Business Income Additional Coverages to apply to property at any premises you newly acquire, other than temporary premises such as fairs or exhibitions, whether attended regularly or not.
- (2) The most we will pay for loss under this Newly Acquired Property - Business Income Coverage Extension is the lesser of:
  - (a) The actual loss of "business income" you sustain, as provided for and described under the

Business Income Additional Coverage; or

- (b) \$100,000.

(3) This insurance will end the earlier of:

- (a) This policy expires;
- (b) 180 days after you acquire the property; or
- (c) You report values to us.

We will charge you any additional premium from the date you acquire the property.

c. **Personal Property Off-premises**

You may extend the insurance provided by this policy to apply to your Covered Property, other than "money" and "securities", "valuable papers and records" or accounts receivable, while it is in the course of transit or at a premises you do not own, lease or operate.

The most we will pay for loss or damage under this Personal Property Off-premises Coverage Extension is \$15,000.

d. **Outdoor Trees, Shrubs, Plants, and Lawns**

- (1) You may extend the insurance provided by this policy to apply to your outdoor trees, shrubs, plants and lawns (other than "stock"), including debris removal expense, caused by or resulting from any of the following Causes of Loss:

Fire; Lightning; Explosion; Aircraft or vehicles; Riot or civil commotion; Vandalism; or Theft.

- (2) The most we will pay for loss or damage under this Outdoor Trees, Shrubs, Plants, and Lawns Coverage Extension is \$10,000 in any one occurrence, unless a higher limit for outdoor trees, shrubs, plants, and lawns is shown in the Declarations, but not more than \$2,500 for any one tree, shrub or plant.

Subject to all aforementioned terms and limitations of coverage, this Coverage Extension includes the expense of removing from the described premises the debris of trees, shrubs and plants which are the property of others, except in the situation in which you are a tenant and such property is owned by the landlord of the described premises.

- (3) The Debris Removal Additional Coverage does not apply to this Outdoor Trees, Shrubs, Plants, and Lawns Coverage Extension.

**e. Outdoor Signs**

- (1) You may extend the insurance provided by this policy to apply to your outdoor signs, including debris removal expense.
- (2) The most we will pay for loss or damage under this Outdoor Signs Coverage Extension is \$2,500 in any one occurrence, unless a higher limit for outdoor signs is shown in the Declarations.
- (3) The Debris Removal Additional Coverage does not apply to this Outdoor Signs Coverage Extension.

**f. Personal Effects**

You may extend the insurance that applies to Business Personal Property to apply to personal effects owned by you, your officers, your partners or "members", your "managers" or your employees.

HOWEVER, personal effects does not include:

- (1) Tools or equipment used in your business; or
- (2) "Money", "securities" or jewelry.

AND this Business Personal Property Coverage Extension does not apply to:

- (a) Property while it is in the course of transit or at a premises you do not own, lease or operate.
- (b) Property in storage away from the described premises.

The most we will pay for loss or damage under this Personal Effects Coverage Extension is \$10,000 in any one occurrence, but not more than \$2,500 for the personal effects of any one individual.

**g. Valuable Papers And Records**

- (1) You may extend the insurance provided by this policy to apply to direct physical loss or damage to "valuable papers and records" that you own, or that are in your care, custody or control, caused by or resulting from a Covered Cause of Loss. This Valuable Papers And Records Coverage Extension includes the cost to research, replace or restore the lost information on

"valuable papers and records" for which duplicates do not exist.

- (2) This Valuable Papers And Records Coverage Extension does not apply to:
  - (a) Property held as samples or for delivery after sale;
  - (b) Property in storage away from the described premises.
- (3) The most we will pay under this Valuable Papers And Records Coverage Extension for loss of or damage to "valuable papers and records", in any one occurrence at the described building is \$25,000, unless a higher Limit of Insurance for "valuable papers and records" is shown in the Declarations.

For "valuable papers and records" not at the described premises, the most we will pay is \$25,000.

- (4) Loss or damage to "valuable papers and records" will be valued at the cost of restoration or replacement of the lost or damaged information. To the extent that the contents of the "valuable papers and records" are not restored, the "valuable papers and records" will be valued at the cost of replacement with blank materials of substantially identical type.
- (5) Section B. EXCLUSIONS of this Coverage Form does not apply to this Valuable Papers And Records Coverage Extension except for:
  - (a) Paragraph B.1.c. Governmental Action;
  - (b) Paragraph B.1.d. Nuclear Hazard;
  - (c) Paragraph B.1.f. War And Military Action;
  - (d) Paragraph B.2.f. Dishonesty;
  - (e) Paragraph B.2.g. False Pretense;
  - (f) Paragraph B.2.m.(2) Errors Or Omissions; and
  - (g) Paragraph B.3.

**h. Accounts Receivable**

- (1) You may extend the insurance provided by this policy to apply to your records of accounts receivable. We will pay:

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- (a) All amounts due from your 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;
  - (c) Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and
  - (d) Other reasonable expenses that you incur to re-establish your records of accounts receivable; that result from direct physical loss or damage by any Covered Cause of Loss to your records of accounts receivable.
- (2) The most we will pay under this Accounts Receivable Coverage Extension for loss or damage in any one occurrence at the described building is \$25,000, unless a higher Limit of Insurance for accounts receivable is shown in the Declarations.
- For records of accounts receivable not at the described premises, the most we will pay is \$25,000.
- (3) Section B. EXCLUSIONS of this Coverage Form does not apply to this Accounts Receivable Coverage Extension except for:
- (a) Paragraph B.1.c. Governmental Action;
  - (b) Paragraph B.1.d. Nuclear Hazard;
  - (c) Paragraph B.1.f. War And Military Action;
  - (d) Paragraph B.2.f. Dishonesty;
  - (e) Paragraph B.2.g. False Pretense;
  - (f) Paragraph B.3.; and
  - (g) Paragraph B.6. Accounts Receivable Exclusion.
- i. **Salespersons Samples**
- (1) You may extend the insurance that applies to Business Personal Property to apply to salespersons samples while away from the described premises.
  - (2) The most we will pay under this Salespersons Samples Coverage

Extension for loss or damage in any one occurrence is \$10,000.

j. **Business Income and Extra Expense – Increased Period of Restoration Due to Ordinance or Law**

If a Covered Cause of Loss occurs to property at the described premises, coverage is extended to include the amount of actual and necessary loss you sustain during the “period of restoration” of “operations” caused by or resulting from the enforcement of, or compliance with, any ordinance or law that:

- (1) Regulates the construction or repair of any property;
- (2) Requires the tearing down of parts of any property not damaged by a Covered Cause of Loss; and
- (3) Is in force at the time of loss.

HOWEVER, coverage is not extended under this Business Income and Extra Expense – Increased Period of Restoration Due to Ordinance or Law Extension to include loss caused by or resulting from the enforcement of or compliance with 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”.

k. **Removal Permit**

If Covered Personal Property is removed to a new premise that is described in the Declarations, you may extend this insurance to include that Covered Personal Property at each premise during the removal. Coverage at each premises will apply in the proportion that the value at each premises bears to the value of all Covered Personal Property being removed. This permit applies up to 30 days after the date Covered Personal Property is first removed at the previous premises; after that, this Removal Permit Coverage Extension does not apply at the previous premises.

l. **Electronic Data**

- (1) You may extend the insurance provided by this policy to apply to the cost to replace or restore “electronic data” which has been destroyed or corrupted by a Covered Cause of Loss, a “computer” virus, harmful code or similar instruction introduced

into or enacted on a "computer" system (including "electronic data") or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a "computer" system (including "electronic data") by any employee, including a temporary or leased employee, or by an entity retained by you, or for you, to inspect, design, install, modify, maintain, repair or replace that system.

- (2) To the extent that "electronic data" is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the "electronic data" was stored, with blank media of substantially identical type.
- (3) The most we will pay under this Electronic Data Coverage Extension for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of buildings, locations or "computer" systems involved, is \$10,000, unless a higher Limit of Insurance is shown in the Declarations. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in, but not after, that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.
- (4) This Electronic Data Coverage Extension does not apply to losses covered under the Equipment Breakdown Additional Coverage.

**m. Interruption of Computer Operations**

- (1) You may extend the insurance that applies to Business Income and Extra Expense Additional Coverages to apply to a suspension of "operations" caused by an interruption in "computer" operations due to destruction or corruption of "electronic data" due to "specified causes of loss", Collapse or a "computer" virus, harmful code or similar instruction

introduced into or enacted on a "computer" system (including "electronic data") or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a "computer" system (including "electronic data") by any employee, including a temporary or leased employee, or by an entity retained by you, or for you, to inspect, design, install, modify, maintain, repair or replace that system.

- (2) The most we will pay under this Interruption of Computer Operations Coverage Extension for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of buildings, locations or "computer" systems involved, is \$10,000 unless a higher Limit of Insurance is shown in the Declarations. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.
- (3) This Interruption of Computer Operations Coverage Extension does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in (2) above has not been exhausted.
- (4) Coverage for Business Income does not apply when a suspension of "operations" is caused by destruction or corruption of "electronic data", or any loss or damage to "electronic data", except as provided under paragraphs (1) through (3) of this Interruption of Computer Operations Coverage Extension.

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- (5) Coverage for Extra Expense does not apply when action is taken to avoid or minimize a suspension of "operations" caused by destruction or corruption of "electronic data", or any loss or damage to "electronic data", except as provided under paragraphs (1) through (3) of this Interruption of Computer Operations Coverage Extension.
- (6) This Additional Coverage does not apply when loss or damage to "electronic data" involves only "electronic data" which is integrated in and operates or controls a building's elevator, lighting, heating, ventilation, air conditioning or security system.
- (7) This Interruption of Computer Operations Coverage Extension does not apply to losses covered under the Equipment Breakdown Additional Coverage.

## B. EXCLUSIONS

- 1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

### a. Ordinance Or Law

The enforcement of, or compliance with, any ordinance or law:

- (1) Regulating the construction, use or repair of any property;
- (2) Requiring the tearing down of any property, including the cost of removing its debris; or
- (3) Requiring the removal or disposal of "pollutants".

This Ordinance Or Law Exclusion applies whether the loss results from:

- (1) An ordinance or law that is enforced even if the property has not been damaged; or
- (2) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property or removal of its debris, following a physical loss to that property.

### b. Earth Movement

- (1) Earthquake, including tremors and aftershocks and any earth sinking, rising or shifting related to such event.
- (2) Landslide, including any earth sinking, rising or shifting related to such event.
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased.
- (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

But if Earth Movement, as described in (1) through (4) above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

- (5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or volcanic action, we will pay for the loss or damage caused by that fire, building glass breakage or volcanic action.

Volcanic action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust, or particulate matter; or
- (c) Lava flow.

With respect to coverage for volcanic action as set forth in 5(a), 5(b) and 5(c), all volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

Volcanic action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss of or damage to Covered Property.

This exclusion applies regardless of whether any of the above, in Paragraphs (1) through (5), is caused by an act of



nature or is otherwise caused. An example of a situation to which the 'otherwise caused' exclusion would apply are acts such as road construction, using tools such as jack hammers and causing ground vibrations in close proximity to the insured's building resulting in damage to the building's structure and foundation.

c. **Governmental Action**

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this policy.

d. **Nuclear Hazard**

Nuclear reaction or radiation, or radioactive contamination, including but not limited to radon gas, however caused.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

e. **Utility Services**

The failure of power, communication, water or other utility service supplied to the described premises, however caused, if the failure occurs away from the described premises.

Failure of any utility service includes lack of sufficient capacity and reduction in supply.

Loss or damage caused by a surge of power is also excluded, if the surge would not have occurred but for an event causing a failure of power.

But if the failure or surge of power, or the failure of communication, water or other utility service results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

Communication services include but are not limited to service relating to Internet access or access to any electronic, cellular or satellite network.

This exclusion does not apply to loss or damage provided under the Equipment Breakdown Additional Coverage.

f. **War And 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.

g. **Water**

- (1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows or is otherwise discharged from a sewer, drain pipe, sump, sump pump or related equipment, except as provided under the Back Up Of Sewer Or Drain Water Damage Additional Coverage;
- (4) Water under the ground surface pressing on, or flowing or seeping through:
  - (a) Foundations, walls, floors or paved surfaces;
  - (b) Basements, whether paved or not; or
  - (c) Doors, windows or other openings; or
- (5) Waterborne material carried or otherwise moved by any of the water referred to in paragraph (1), (3) or (4), or material carried or otherwise moved by mudslide or mudflow.
- (6) Water that overflows from any plumbing fixture because the water is unable to enter into an attached drain pipe, or water that is unable to enter into a drain pipe through any interior or exterior drain, drain strainer, catch basin, roof drain, scupper, or similar device designed to channel water from a plumbing fixture, roof, floor or other surface area, except as provided under the Back Up Of Sewer Or Drain Water Damage Additional Coverage.

This exclusion applies regardless of whether any of the above, in paragraphs (1) through (6), is caused by an act of

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nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

HOWEVER, if electrical "covered equipment" requires drying out because of the above, we will pay for the direct expenses of such drying out subject to the applicable Limit of Insurance and deductible for Building or Business Personal Property, whichever applies.

But if any of the above paragraphs (1) through (6), results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

h. **Fungi, Wet Rot Or Dry Rot**

Presence, growth, proliferation, spread or any activity of "fungi", wet rot or dry rot.

But if "fungi", wet rot or dry rot result in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion does not apply:

- (1) When "fungi", wet rot or dry rot result from fire or lightning; or
- (2) To the extent that coverage is provided in the Limited Coverage For Fungi, Wet Rot Or Dry Rot Additional Coverage, with respect to loss or damage by a cause of loss other than fire or lightning.

i. **Virus Or Bacteria**

- (1) Any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.
- (2) However, the exclusion in paragraph (1) does not apply to loss or damage caused by or resulting from "fungi", wet rot or dry rot. Such loss or damage is addressed in Exclusion h. Fungi, Wet Rot or Dry Rot.
- (3) With respect to any loss or damage subject to the exclusion in paragraph (1), such exclusion supersedes any exclusion relating to "pollutants".

2. We will not pay for loss or damage caused by or resulting from any of the following:

a. **Electrical Apparatus**

Artificially generated electrical, magnetic or electromagnetic energy that damages,

disturbs, disrupts or otherwise interferes with any:

- (1) Electrical or electronic wire, device, appliance, system or network; or
- (2) Device, appliance, system or network utilizing cellular or satellite technology.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:

- (1) Electrical current, including arcing;
- (2) Electrical charge produced or conducted by a magnetic or electromagnetic field;
- (3) Pulse of electromagnetic energy; or
- (4) Electromagnetic waves or microwaves.

But if fire results, we will pay for the loss or damage caused by fire.

This Electrical Apparatus exclusion does not apply to the coverage provided under the Equipment Breakdown Additional Coverage.

b. **Consequential Losses**

Delay, loss of use or loss of market.

c. **Smoke, Vapor, Gas**

Smoke, vapor or gas from agricultural smudging or industrial operations.

d. **Steam Apparatus**

Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

This Steam Apparatus exclusion does not apply to the coverage provided under the Equipment Breakdown Additional Coverage.

e. **Frozen Plumbing**

Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective

systems) caused by or resulting from freezing, unless:

- (1) You do your best to maintain heat in the building or structure; or
- (2) You drain the equipment and shut off the supply if the heat is not maintained.

**f. Dishonesty**

Dishonest or criminal acts (including theft) by you, anyone else with an interest in the property, or any of your or their partners, "members", officers, "managers", employees (including temporary or leased employees), directors, trustees, or authorized representatives, whether acting alone or in collusion with each other or with any other party; or theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion:

- (1) Applies whether or not an act occurs during your normal hours of operation;
- (2) Does not apply to acts of destruction by your employees (including temporary or leased employees) or authorized representatives; but theft by your employees (including temporary or leased employees) or authorized representatives is not covered.

With respect to Covered Property, including accounts receivable and "valuable papers and records", this exclusion does not apply to carriers for hire.

This exclusion does not apply to coverage that is provided under the Employee Dishonesty Optional Coverage.

**g. False Pretense**

Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

**h. Exposed Property**

Rain, snow, ice or sleet to personal property in the open.

**i. Collapse**

- (1) Collapse, including any of the following conditions of property or any part of the property:

- (a) An abrupt falling down or caving in;
- (b) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
- (c) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to paragraph i.(1)(a) or i.(1)(b).

But if collapse results in a Covered Cause of Loss at the described premises, we will pay for the loss or damage caused by that Covered Cause of Loss.

- (2) This Exclusion i. does not apply:

- (a) To the extent that coverage is provided under the Collapse Additional Coverage; or
- (b) To collapse caused by one or more of the following:
  - (i) The "specified causes of loss";
  - (ii) Breakage of building glass;
  - (iii) Weight of rain that collects on a roof; or
  - (iv) Weight of people or personal property.

**j. Pollutants**

We will not pay for loss or damage caused by or resulting from the discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

**k. Neglect**

Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

**l. Other Types Of Loss**

- (1) Wear and tear;
- (2) Rust or other corrosion, decay, deterioration, hidden or latent defect

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or any quality in property that causes it to damage or destroy itself;

- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;
- (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;
- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force, except as provided under the Equipment Breakdown Additional Coverages;
- (7) Growth of tree, shrub or plant roots causing physical damage to any underground property, property foundations, roadways, walks, patios or other paved surfaces;
- (8) The following causes of loss to personal property:
  - (a) Dampness or dryness of atmosphere;
  - (b) Changes in or extremes of temperature;
  - (c) Marring or scratching.

But if an excluded cause of loss that is listed in paragraphs (1) through (8) above results in a "specified cause of loss", "accident" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss", "accident" or building glass breakage.

**m. Errors Or Omissions**

Errors or omissions in:

- (1) Programming, processing or storing data, as described under "electronic data" or in any "computer" operations; or
- (2) Processing or copying "valuable papers and records".

HOWEVER, we will pay for direct physical loss or damage caused by resulting fire or explosion if these causes of loss would be covered by this coverage form.

This exclusion does not apply to coverage that is provided under the Employee Dishonesty Optional Coverage.

**n. Installation, Testing, Repair**

Errors or deficiency in design, installation, testing, maintenance, modification or

repair of your "computer" system including "electronic data".

HOWEVER, we will pay for direct physical loss or damage caused by resulting fire or explosion if these causes of loss would be covered by this coverage form.

This exclusion does not apply to coverage that is provided under the Employee Dishonesty Optional Coverage.

**o. Electrical Disturbance**

Electrical or magnetic injury, disturbance or erasure of "electronic data", except as provided under the Equipment Breakdown or Electronic Data Additional Coverages.

HOWEVER, we will pay for direct loss or damage caused by lightning.

**p. Leakage or Seepage**

Constant or repeated seepage or leakage of water or steam, or the presence or condensation of humidity, moisture or vapor, whether continuous or intermittent from any:

- (1) Heating, air conditioning or refrigerating system;
- (2) Domestic appliance; or
- (3) Plumbing system, including from or around any shower stall or other shower bath installation, bathtub or other plumbing fixture.

- 3. We will not pay for loss or damage caused by or resulting from any of the following B.3.a. through B.3.c. But if an excluded cause of loss that is listed in B.3.a. through B.3.c. results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

**a. Weather Conditions**

Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph B.1. above to produce the loss or damage.

**b. Acts Or Decisions**

Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

**c. Negligent Work**

Faulty, inadequate or defective:

- (1) Planning, zoning, development, surveying, siting;

- (2) Design, specifications, workmanship, work methods, repair, construction, renovation, remodeling, grading, compaction, failure to protect the property;
  - (3) Materials used in repair, construction, renovation or remodeling; or
  - (4) Maintenance;
- of part or all of any property on or off the described premises.

#### 4. **Additional Exclusion**

The following applies only to the property specified in this Additional Exclusion.

##### **Loss Or Damage To Products**

We will not pay for loss or damage to any merchandise, goods or other product caused by or resulting from error or omission by any person or entity (including those having possession under an arrangement where work or a portion of the work is outsourced) in any stage of the development, production or use of the product, including planning, testing, processing, packaging, installation, maintenance or repair. This exclusion applies to any effect that compromises the form, substance or quality of the product. But if such error or omission results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

#### 5. **Business Income And Extra Expense Exclusions**

- a. We will not pay for:
  - (1) Any "extra expense", or increase of "business income" loss, caused by or resulting from:
    - (a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
    - (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the suspension of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage.

- (2) Any other consequential loss.
- b. With respect to this exclusion, suspension means:
  - (1) The partial slowdown or complete cessation of your business activities; and
  - (2) That a part or all of the described premises is rendered untenable, if coverage for Business Income applies.

#### 6. **Accounts Receivable Exclusion**

The following additional exclusion applies to the Accounts Receivable Coverage Extension:

We will not pay for:

- a. Loss or damage caused by or resulting from alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of "money", "securities" or other property.  
This exclusion applies only to the extent of the wrongful giving, taking or withholding.
- b. Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions.
- c. Any loss or damage that requires any audit of records or any inventory computation to prove its factual existence.

#### C. **LIMITS OF INSURANCE**

- 1. The most we will pay for loss or damage in any one occurrence is the applicable Limits of Insurance shown in the Declarations, except as otherwise provided in this Section.
- 2. At a described premises, if a Limit of Insurance is shown in the Declarations for Tenant Improvements and Betterments, that limit is separate from the Limit of Insurance shown for Business Personal Property and the Limit of Insurance applicable to Business Personal Property does not apply to Tenant Improvements and Betterments
- 3. The limits applicable to Additional Coverages are in addition to the Limits of Insurance only if so indicated in that Section of this Coverage Form.
- 4. The limits applicable to the Coverage Extensions are in addition to the Limits of Insurance.

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**5. Building Limit – Automatic Increase**

- a. The Limit of Insurance for Buildings will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase is calculated as follows:
  - (1) Multiply the Building limit that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Building limit, times
  - (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times
  - (3) The number of days since the beginning of the current policy year, or the effective date of the most recent policy change amending the Building limit, divided by 365.

**Example:**

If: The applicable Building limit is \$100,000; and  
 The annual percentage increase is 8%; and  
 The number of days since the beginning of the policy year (or last policy change) is 146;

Then the amount of increase is:

$$\$100,000 \times .08 \times (146 / 365) = \$3,200.$$

- c. The Automatic Increase percentage for Buildings will be the percentage shown in the Declarations. This percentage may change at each renewal date, unless a different percentage is selected by you.

**6. Business Personal Property Limit – Automatic Increase**

- a. The Limit of Insurance for Business Personal Property will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase is calculated as follows:
  - (1) Multiply the Limit of Insurance that applied on the most recent of the policy inception date, the policy renewal date, or any other policy change amending the Limit of Insurance, times
  - (2) The percentage of increase shown in the Declarations, expressed as a decimal (example: 2% is .02), times

- (3) The number of days since the beginning of the current policy year, or since the effective date of the most recent policy change amending the Business Personal Property limit, divided by 365.

**Example:**

If: The applicable limit is \$150,000; and  
 The annual percentage increase is 3%; and

The number of days since the beginning of the policy year (or last policy change) is 146;

Then the amount of increase is:

$$\$150,000 \times .03 \times (146 / 365) = \$1,800.$$

- c. The Automatic Increase percentage for Business Personal Property will be the average annual Index shown in the Declarations. This percentage may change at each renewal date.

In no event will the Limit of Insurance be reduced unless you specifically request us to do so.

**7. Business Personal Property Limit – Seasonal Increase**

- a. Subject to paragraph 7.b., the Limit of Insurance for Business Personal Property is automatically increased by 25% to provide for seasonal variations.
- b. The increase described in paragraph 6.a. will apply only if the Limit of Insurance shown for Business Personal Property in the Declarations is at least 100% of your average monthly values during the lesser of:
  - (1) The 12 months immediately preceding the date the loss or damage occurs; or
  - (2) The period of time you have been in business as of the date the loss or damage occurs.

**D. DEDUCTIBLES**

- 1. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance.
- 2. With respect to the exterior building glass of the location identified in the Declarations, the most we will deduct from any loss or damage to the exterior building glass in any one occurrence is \$250. The exterior building glass deductible of \$250 will be utilized for

any loss or damage to the exterior building glass regardless of the deductible amount for the scheduled property shown in the policy Declarations.

But this \$250 deductible will not increase the property deductible shown in the Declarations for the scheduled property. This \$250 deductible is in addition to all other deductibles.

**Example:**

If: The amounts of loss to the damaged property are \$50,000 (building) and \$1,000 (exterior building glass); and  
The actual limit of insurance on the damaged property is \$200,000; and  
The property deductible shown in the policy declarations is \$1,000.

Based on the example information and the coverage language, the most we will pay for this claim is as follows:

Exterior Glass: \$1,000 (loss amount) - \$250 (exterior glass deductible) = \$750 (amount paid for loss).

Building: \$50,000 (loss amount) - \$750 (remaining deductible amount after the exterior glass deductible) = \$49,250 (amount paid for loss).

The most we will pay for this loss is \$50,000 (\$49,250 + \$750). The portion of the total loss that is not covered due to the application of each deductible documented above is \$1,000 (\$750 + \$250).

3. No deductible applies to the following Additional Coverages:
  - a. Fire Department Service Charge;
  - b. Fire Extinguisher Recharge;
  - c. Business Income;
  - d. Extra Expense;
  - e. Civil Authority; and
  - f. Arson Reward for Conviction.

**E. PROPERTY LOSS CONDITIONS**

**1. Abandonment**

There can be no abandonment of any property to us.

**2. Appraisal**

If we and you disagree on the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser after receiving a written request from the other, and will advise the other party of the name of such appraiser within 20 days.

The two appraisers will select an umpire. If appraisers cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of property and the 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 there is an appraisal, we will still retain our right to deny the claim.

**3. Duties In The Event Of Loss Or Damage**

- a. You must see that the following are done in the event of loss of or damage to Covered Property:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage. If feasible, set the damaged property aside and in the best possible order for examination. Also 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.
- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values, amount of loss claimed and a detailed description of each item.

- (6) As often as may be reasonably required, permit us to inspect the damaged property and examine your books and records, including financial records and tax returns.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis,

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and permit us to make copies from your books and records.

- (7) 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.
- (8) Cooperate with us in the investigation or settlement of the claim.
- (9) Resume all or part of your "operations" as quickly as possible.

- b. We may examine any insured or their employee under oath, while not in the presence of any other insured or employee, 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. At our option and expense, any examination under oath may be video or audio taped as well as being recorded by stenographic record. If a written transcript is prepared of the testimony, then at our request your answers under oath must be signed under penalty of perjury.

#### 4. Legal Action Against Us

No one may bring a legal action against us under this insurance unless:

- a. There has been full compliance with all of the terms of this insurance; and
- b. The action is brought within two year after the date on which the direct physical loss or damage occurred.

#### 5. Loss Payment

In the event of loss or damage covered by this policy:

- a. At our option, we will either:
  - (1) Pay the value of lost or damaged property as described in e. below;
  - (2) Pay the cost of repairing or replacing the lost or damaged property;
  - (3) Take all or any part of the property at an agreed or appraised value; or
  - (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to b. below.
- b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of, or compliance with, any ordinance or law regulating the construction, use or repair of any property.

- c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss, provided you have complied with all of the conditions set forth in paragraph 3. above.

- d. We will not pay you more than your financial interest in the Covered Property.

- e. Except as provided in (2) through (9) below, we will determine the value of Covered Property as follows:

- (1) At replacement cost without deduction for depreciation, subject to the following:

- (a) We will pay the cost to repair or replace, after application of the deductible and without deduction for depreciation, but not more than the least of the following amounts, subject to E.5.b. above:

- (i) The Limit of Insurance under this policy that applies to the lost or damaged property;

- (ii) The cost to replace, on the same premises, the lost or damaged property with other property:

- i. Of comparable material and quality; and
- ii. Used for the same purpose; or

- (iii) The amount that you actually spend that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new premises, the cost is limited to the cost which would have been incurred had the building been built at the original premises.

- (b) You may make a claim for loss or damage covered by this insurance on an "actual cash value" basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an "actual cash value" basis, you may still make a claim on a replacement cost basis if you notify us of your intent to do so within 180 days after the loss or damage.

- (c) We will not pay on a replacement cost basis for any loss or damage:



- (i) Until the lost or damaged property is actually repaired or replaced; and
- (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

HOWEVER, if your loss qualifies for payment on a replacement cost basis and the cost of repair or replacement is \$5,000 or less, we will pay the cost to repair or replace, after application of the deductible and without deduction for depreciation.

- (2) If the "Actual Cash Value – Buildings" option applies, as shown in the Declarations, paragraph (1) above does not apply to Buildings. Instead, we will determine the value of Buildings at "actual cash value".
- (3) The following property at "actual cash value":
  - (a) Used or second-hand merchandise held in storage or for sale;
  - (b) Property of others, other than leased personal property you have a contractual responsibility to insure, but this property is not covered for more than the amount for which you are liable, plus the cost of labor, materials or services furnished or arranged by you on personal property of others;
  - (c) Household contents, except personal property in apartments or rooms furnished by you as landlord;
  - (d) Manuscripts; and
  - (e) Works of art, antiques or rare articles, including but not limited to etchings, pictures, statuary, marble, bronzes, porcelain and bric-a-brac.
- (4) Glass at the cost of replacement with safety glazing material if required by law.
- (5) Tenants' Improvements and Betterments at:
  - (a) Replacement cost if you make repairs promptly.
  - (b) A proportion of your original cost if you do not make repairs

promptly. We will determine the proportionate value as follows:

- (i) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
- (ii) Divide the amount determined in (i) above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

- (c) Nothing if others pay for repairs or replacement.
- (6) Applicable only to Money and Securities Additional Coverage, and Employee Dishonesty Optional Coverage:
  - (a) "Money" at its face value and in general circulation; and
  - (b) "Securities" at their value at the close of business on the day the loss is discovered.
- (7) Applicable only to Accounts Receivable:
  - (a) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage, the following method will be used:
    - (i) 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 occurs; and
    - (ii) Adjust that total for any 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.
  - (b) The following will be deducted from the total amount of accounts receivable, however that amount is established:

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- (i) The amount of the accounts for which there is no loss or damage;
  - (ii) The amount of the accounts that you are able to reestablish or collect;
  - (iii) An amount to allow for probable bad debts that you are normally unable to collect; and
  - (iv) All unearned interest and service charges.
- (8) "Stock" you have sold but not delivered at the selling price less expenses you otherwise would have had.
- (9) Business Income and Extra Expense:
  - (a) We will determine the amount of a "business income" loss based on:
    - (i) The net income of your business before the direct physical loss or damage occurred;
    - (ii) The likely net income of your business if no physical loss or damage occurred, but not including any likely increase in net income attributable to an increase in the volume of business as a result of favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
    - (iii) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
    - (iv) Other relevant sources of information, including:
      - i. Financial records and accounting procedures;
      - ii. Bills, invoices and other vouchers; and
      - iii. Deeds, liens and contracts.
  - (b) We will determine the amount of "extra expense" based on:
    - (i) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage occurred. The following will be deducted from the total of such expenses:
      - i. The remaining salvage value of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
      - ii. Any "extra expense" that is paid for by other insurance;
    - (ii) All necessary expenses that reduce the "business income" loss that otherwise would have been incurred.
- f. Our payment for loss of or damage to property of others will only be for the account of the owners of the property. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments 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.
- g. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- h. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, provided you have complied with all of the terms of this policy; and
  - (1) We have reached agreement with you on the amount of loss; or
  - (2) An appraisal award has been made.
- i. A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value

of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance and all other provisions of this Loss Payment Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Transfer Of Rights Of Recovery Against Others To Us Condition in this policy.

## 6. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, you may retain the property. But then you must return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

HOWEVER if, at the time of loss, the amount of loss or damage to your property exceeded our Limit of Insurance and your property in excess of the Limit of Insurance was turned over to us, you retain your rights to recovery on such uninsured property. We will return to you a portion of any recovery on that property based upon the proportion of the loss in excess of our Limit of Insurance bears to the total loss.

## 7. Resumption Of Operations

We will reduce the amount of your:

- a. Loss payable under Business Income Additional Coverage, other than "extra expense", to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.
- b. Loss payable under Extra Expense Additional Coverage to the extent you can return "operations" to normal and discontinue such "extra expense".

## 8. Vacancy

### a. Description Of Terms

- (1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in (1)(a) and (1)(b) below:
  - (a) When this policy is issued to a tenant, and with respect to that

tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

- (b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:
  - (i) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; and/or
  - (ii) Used by the building owner to conduct customary operations.

- (2) Buildings under construction or renovation are not considered vacant.

## b. Vacancy Provisions

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

- (1) We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:
  - (a) Vandalism;
  - (b) Sprinkler leakage, unless you have protected the system against freezing;
  - (c) Building glass breakage;
  - (d) Water damage, including damage that is caused by or resulting from freezing;
  - (e) Theft; or
  - (f) Attempted theft.
- (2) With respect to Covered Causes of Loss other than those listed in paragraphs (1)(a) through (1)(f) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

## F. PROPERTY GENERAL CONDITIONS

The following conditions apply in addition to the COMMON POLICY CONDITIONS.

### 1. Control Of Property

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If any person other than you has control of your property after a loss, a breach of these conditions by such a person, beyond your direction or control, will not be considered a breach of these conditions by you, and it will not affect this insurance.

The breach of any condition of this Coverage Form, other than the Concealment, Misrepresentation or Fraud Common Policy Condition, at any one or more locations will not affect coverage at any locations where, at the time of loss or damage, the breach of condition did not exist.

## 2. Mortgageholders

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

All of the terms of this policy will then apply directly to the mortgageholder.

- e. 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 policy:
  - (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and

- (2) 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.

- f. If we cancel this policy, we will give written notice to the mortgageholder 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.
- g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

## 3. No Benefit To Bailee

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

## 4. Policy Period, Coverage Territory

Under this form:

- a. We cover loss or damage commencing:
  - (1) During the policy period shown in the Declarations; and
  - (2) Within the coverage territory or, with respect to property in transit, while it is between points in the coverage territory.
- b. The coverage territory is:
  - (1) The United States of America (including its territories and possessions);
  - (2) Puerto Rico; and
  - (3) Canada.

## G. OPTIONAL COVERAGES

If shown as applicable in the Declarations, the following Optional Coverages also apply. These Optional Coverages are subject to the terms and conditions applicable to property coverage in this policy, except as provided below.

### 1. Employee Dishonesty Optional Coverage

- a. We will pay for:

- (1) Direct loss of or damage to Business Personal Property and "money" and "securities";
  - (2) The legal obligation you have because of the theft or unauthorized use of your business credit, debit or charge cards issued to you or registered in your name or the name of your business;
  - (3) Loss resulting from "fraudulent instruction" directing a financial institution to transfer, pay or deliver "money" or "securities" from your "transfer account"; or
  - (4) Loss directly related to the use of any computer to fraudulently cause a transfer of covered property from inside the described premises to a person (other than a messenger) or place outside those premises; resulting from dishonest acts committed by any of your employees acting alone or in collusion with other persons (except you, your partner or an officer of a closely held corporation) with the manifest intent to:
    - (1) Cause you to sustain loss or damage; and also
    - (2) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
      - (a) Any employee; or
      - (b) Any other person or organization.
- b. We will not pay for loss or damage:
- (1) Resulting from any dishonest or criminal act that you, any of your partners, "members" or any officer of a closely held corporation commit whether acting alone or in collusion with other persons.
  - (2) Resulting from any dishonest act committed by any of your employees (except as provided in paragraph a.), "managers" or directors:
    - (a) Whether acting alone or in collusion with other persons; or
    - (b) While performing services for you or otherwise.
  - (3) The only proof of which as to its existence or amount is:
    - (a) An inventory computation; or
    - (b) A profit and loss computation.
- c. The most we will pay for loss or damage in any one occurrence is the Limit of Insurance for Employee Dishonesty shown in the Declarations.
- d. All loss or damage:
- (1) Caused by one or more persons; or
  - (2) Involving a single act or series of acts;
- is considered one occurrence.
- e. If any loss is covered:
- (1) Partly by this insurance; and
  - (2) Partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest;
- the most we will pay is the larger of the amount recoverable under this insurance or the prior insurance.
- We will pay only for loss or damage you sustain through acts committed or events occurring during the policy period. Regardless of the number of years this policy remains in force or the number of premiums paid and regardless that previous policies were in effect, whether issued by us, any affiliated company or any other company, this coverage shall not be cumulative from year to year or period to period.
- f. This Employee Dishonesty Optional Coverage is cancelled as to any employee immediately upon discovery by:
- (1) You; or
  - (2) Any of your partners, "members", "managers", officers or directors not in collusion with the employee;
- of any dishonest act committed by that employee before or after being hired by you.
- g. We will pay only for covered loss or damage sustained during the policy period and discovered no later than one year from the end of the policy period.
- h. If you (or any predecessor in interest) sustained loss or damage during the period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this Optional Coverage, provided:

- (1) This Optional Coverage became effective at the time of cancellation or termination of the prior insurance; and
  - (2) The loss or damage would have been covered by this Optional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.
- i. The insurance under paragraph h. above is part of, not in addition to, the Limit of Insurance applying to this Optional Coverage and is limited to the lesser of the amount recoverable under:
- (1) This Optional Coverage as of its effective date; or
  - (2) The prior insurance had it remained in effect.
- j. With respect to the Employee Dishonesty Optional Coverage in paragraph G.1., employee means:
- (1) Any natural person:
    - (a) While in your service or for 30 days after termination of service;
    - (b) Who you compensate directly by salary, wages or commissions; and
    - (c) Who you have the right to direct and control while performing services for you;
  - (2) Any natural person who is furnished temporarily to you:
    - (a) To substitute for a permanent employee as defined in paragraph (1) above, who is on leave; or
    - (b) To meet seasonal or short-term workload conditions;
  - (3) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in paragraph (2) above;
  - (4) Any natural person who is a former employee, director, partner, "member", "manager", representative or trustee retained as a consultant while performing services for you; or
  - (5) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody

of property outside any building you occupy in conducting your business.

But employee does not mean:

- (1) Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
- (2) Any "manager", director or trustee except while performing acts coming within the usual duties of an employee.

## 2. Ordinance or Law Optional Coverages

- a. The Coverage(s) provided by this Ordinance or Law Optional Coverage apply only if both paragraphs a.(1) and a.(2) are satisfied and are then subject to the qualifications set forth in a.(3).

- (1) The ordinance or law:
  - (a) Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
  - (b) Is in force at the time of loss.

But this Ordinance or Law Optional Coverage applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered.
- (2) The building sustains direct physical damage:
  - (a) That is covered under this policy and such damage results in enforcement of, or compliance with, the ordinance or law; or
  - (b) That is covered under this policy and direct physical damage that is not covered under this policy, and the building damage in its entirety results in enforcement of, or compliance with, the ordinance or law.
  - (c) But if the damage is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this Ordinance or Law Optional Coverage even if the building has also sustained covered direct physical damage.

- (3) In the situation described in a.(2)(b) above, we will not pay the full amount of loss otherwise payable under the terms of this Ordinance or Law Optional Coverage. Instead, we will pay a proportion of such loss; meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

(Section f. of this Ordinance or Law Optional Coverage provides an example of this procedure.)

HOWEVER, if the covered direct physical damage alone would have resulted in enforcement of, or compliance with, the ordinance or law, then we will pay the full amount of loss otherwise payable under terms of this Ordinance or Law Optional Coverage.

**b. Coverage 1 - Loss to the Undamaged Portion of Building**

When the Declarations show that Ordinance or Law - Coverage 1 applies at a described building and if a Covered Cause of Loss occurs to covered Building property, we will pay for the loss in value of the undamaged portion of the building as a consequence of enforcement of or compliance with an ordinance or law that requires demolition of undamaged parts of the same building.

This Coverage 1 of Ordinance or Law Optional Coverage is included within the Limit of Insurance shown in the Declarations as applicable to the covered Building property. This portion of the Ordinance or Law Optional Coverage does not increase the Limit of Insurance.

**c. Coverage 2 - Demolition Cost and Broadened Increased Cost of Construction**

When the Declarations show that Ordinance or Law - Coverage 2 applies at a described building and if a Covered Cause of Loss occurs to covered Building property:

- (1) We will pay the cost to demolish and clear the site of undamaged parts of the same building, as a consequence of enforcement of, or compliance with, an ordinance or law that requires demolition of such undamaged property; and

- (2) We will pay the increased cost to repair or reconstruct damaged portions of the building; and/or reconstruct or remodel undamaged portions of that building, whether or not demolition is required when the increased cost is a consequence of enforcement or compliance with the minimum requirements of the ordinance or law.

HOWEVER, we will not pay for the increased costs to reconstruct or remodel undamaged portions of that Building property:

- (a) Unless the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law; or
- (b) If the building is not repaired, reconstructed or remodeled.

Paragraph e. of 5. Loss Payment under Section E. PROPERTY LOSS CONDITIONS does not apply.

The most we will pay for the total of all covered losses under this Coverage 2 of Ordinance or Law Optional Coverage, in any one occurrence is the Limit of Insurance shown in the Declarations.

The \$25,000 Limit of Insurance for Increased Cost of Construction – Damaged Property Additional Coverage remains available for damaged property and is separate from the Limit of Insurance shown in the Declarations for Ordinance or Law Optional Coverage 2.

This portion of the Ordinance or Law Optional Coverage is in addition to the Limits of Insurance.

**d. Additional Terms and Conditions of Ordinance or Law**

- (1) The terms of this Ordinance or Law Optional Coverage apply separately to each building to which this Optional Coverage applies.
- (2) With respect to this Ordinance or Law Optional Coverage, we will not pay for:
- (a) Enforcement of, or compliance with, any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by

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"pollutants" or due to the presence, growth, proliferation, spread of any activity of "fungi", wet or dry rot or bacteria; or

- (b) The costs associated with the enforcement of or compliance with any ordinance, law, rule, or regulation 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", "fungi", wet or dry rot or bacteria.

- (3) Under this Ordinance or Law Optional Coverage, we will not pay for loss due to any ordinance or law that:

- (a) You were required to comply with before the loss, even if the building was undamaged; and
- (b) You failed to comply with.

**(4) Loss Payment**

- (a) When Coverage 1 applies, loss payment for that building, including damaged and undamaged portions, will be determined as follows:
  - (i) If the property is repaired or replaced, on the same or another premises, we will not pay more than the lesser of:
    - i. The amount you actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same described premises and to the same height, floor area, style and comparable quality of the original property insured; or
    - ii. The Limit of Insurance applicable to the covered Building property.
  - (ii) If the property is not repaired or replaced, we will not pay more than the lesser of:
    - i. The "actual cash value" of the building at the time of loss; or

- ii. The Limit of Insurance applicable to the covered Building property.

- (b) When Coverage 2 applies, the most we will pay for the total of all covered losses for Demolition Cost and Broadened Increased Cost of Construction is the Limit of Insurance for Coverage 2.

Subject to this Limit of Insurance, the following loss payment provisions apply:

- (i) For Demolition Cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described building.
- (ii) With respect to Broadened Increased Cost of Construction:
  - i. We will not pay for the increased cost of construction until the property is actually repaired or replaced, at the same or another premises; and
  - ii. Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
- (iii) If the building is repaired or replaced at the same described premises, or if you elect to rebuild at another premises, the most we will pay under Coverage 2 is the increased cost of construction at the same described premises.
- (iv) If the ordinance or law requires relocation to another premises, the most we will pay under Coverage 2 is the increased cost of construction at the new premises.

- e. This Ordinance or Law Optional Coverage is not subject to the terms of the Ordinance or Law Exclusion, to the extent that such exclusion would conflict



with the provisions of this Optional Coverage.

- f. Example of Proportionate Loss Payment for Ordinance or Law Coverage Losses (procedure as set forth in Section a.(3) of this Ordinance or Law Optional Coverage).

Assume:

- Wind is a Covered Cause of Loss.  
Flood is an excluded Cause of Loss;
- The building has a value of \$200,000;
- Total direct physical damage to building: \$100,000;
- The ordinance or law in this jurisdiction is enforced when building damage equals or exceeds 50% of the building's value;
- Portion of direct physical damage that is covered (caused by wind): \$30,000;
- Portion of direct physical damage that is not covered (caused by flood): \$70,000; and
- Loss under Ordinance or Law Coverage 2 of this endorsement: \$60,000.

Step 1: Determine the proportion that the covered direct physical damage bears to the total direct physical damage.

$\$30,000 \text{ divided by } \$100,000 = .30$

Step 2: Apply that proportion to the Ordinance or Law loss.

$\$60,000 \times .30 = \$18,000$

In this example, the most we will pay under this endorsement for the Coverage 2 loss is \$18,000, subject to the applicable Limit of Insurance and any other applicable provisions.

NOTE: The same procedure applies to losses under Coverage 1 of this endorsement.

### 3. Optional Amendment of Coverage - Exclude Theft

When "Excluding Theft" is stated in the Declarations after Business Personal Property coverage, then under:

- a. Paragraph 3. of Section B.  
EXCLUSIONS, the following exclusion is added:

#### Theft

Theft or attempted theft resulting in loss of or damage to Business Personal Property.

- b. The Money and Securities Additional Coverage, paragraph (1)(a) is deleted.

## H. PROPERTY DEFINITIONS

The terms "you", "your", "we", "us", "our" and "insured" are defined in the Preamble of this Coverage Form. The following words or phrases, which appear in quotation marks throughout this Coverage Form and any of its endorsements, are defined as follows:

1. **"Accident"** means a fortuitous event that causes direct physical damage to "covered equipment". The event must be one of the following:
  - a. Mechanical breakdown, including rupture or bursting caused by centrifugal force;
  - b. Artificially generated electrical, magnetic or electromagnetic energy, including electric arcing, that damages, disturbs, disrupts or otherwise interferes with any electrical or electronic wire, device, appliance, system or network;
  - c. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
  - d. Loss of or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
  - e. Loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.
2. **"Actual Cash Value"** means the cost to repair or replace Covered Property, at the time of loss or damage, whether that property has sustained partial or total loss or damage, with material of like kind and quality, subject to a deduction for deterioration, depreciation and obsolescence.
3. **"Business Income"** means the:
  - a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses; plus

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- b. Necessary continuing normal operating expenses incurred, while "operations" are suspended, including payroll.
- 4. **"Computer"** means:
  - a. Programmable electronic equipment that is used to store, retrieve and process data; and
  - b. Associated peripheral equipment that provides communication, including input and output functions such as printing and auxiliary functions such as data transmission.

"Computer" includes those used to operate production type machinery or equipment.

- 5. **"Counterfeit money"** means an imitation of "money" that is intended to deceive and to be taken as genuine.
- 6. **"Covered equipment"** means Covered Property:
  - a. That generates, transmits or utilizes energy, including electronic communications and data processing equipment; or
  - b. Which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.

None of the following is "covered equipment":

- a. Structure, foundation, cabinet, compartment or air supported structure or building;
- b. Insulating or refractory material;
- c. Sewer piping, underground vessels or piping, piping forming a part of a sprinkler system or water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
- d. Dragline, excavation or construction equipment;
- e. Equipment manufactured by you for sale; or
- f. Vehicle, aircraft or floating vessel or any equipment mounted on such vehicle, aircraft or floating vessel. However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power supplier will not be considered a vehicle, aircraft or floating vessel.
- 7. **"Dependent property"** means property owned or operated by others, not including any described premises, on whom you depend on to:

- a. Deliver materials or services to you, or to others for your account. Services does not include water supply services, water removal services, steam, fuel, communication, or power supply services.
- b. Purchase your products or services.
- c. Manufacture products for delivery to your customers under contract of sale.
- d. Attract customers to your business. But this does not include firms in the business of promoting or advertising your business.

The "Dependent property" must be located in the coverage territory of this policy.

HOWEVER, "Dependent property" does not mean any property owned or operated by others on whom you depend on to provide internet services; web hosting services; internet hosting services; space on any server, computer, computer system, or other similar equipment; web pages; social media or networking services; or similar services.

- 8. **"Electronic data"** means information, facts or "computer" programs stored as or on, created or used on, or transmitted to or from "computer" software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of "computer" software which are used with electronically controlled equipment. The term "computer" programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a "computer" or device connected to it, which enable the "computer" or device to receive, process, store, retrieve or send data.
- 9. **"Extra Expense"** means expense incurred:
  - a. To avoid or minimize the suspension of business and to continue "operations":
    - (1) At the described premises; or
    - (2) At replacement premises or at temporary locations, including relocation expenses and costs to equip and operate the replacement or temporary locations.
  - b. To minimize the suspension of business if you cannot continue "operations".
  - c. To:
    - (1) Repair or replace any property; or
    - (2) Research, replace or restore the lost information on damaged "valuable papers and records";

to the extent it reduces the amount of loss that otherwise would have been payable under the Extra Expense Additional Coverage or the Business Income Additional Coverage.

10. **"Fraudulent instruction"** means:

- a. An electronic, telegraphic, cable, teletype, telefacsimile or telephone instruction which purports to have been transmitted by you, but which was in fact fraudulently transmitted by someone else without your knowledge or consent;
- b. A written instruction (other than those described in Paragraph A.5.k.) issued by you, which was forged or altered by someone other than you without your knowledge or consent or which purports to have been issued by you, but was in fact fraudulently issued without your knowledge or consent; or

11. **"Fungi"** means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

12. **"Hazardous substance"** means any substance other than ammonia that has been declared to be hazardous to health by a governmental agency.

13. **"Manager"** means a person serving in a directorial capacity for a limited liability company.

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

15. **"Money"** means:

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

16. **"Operations"** mean your business activities occurring at the described premises.

17. **"Ordinary payroll expenses"** mean payroll expenses for all your employees except:

- a. Officers;
- b. Executives;
- c. Department Managers;
- d. Employees under contract; and
- e. Additional Exemptions shown in the Declarations as:
  - (1) Job Classifications; or
  - (2) Employees.

Ordinary payroll expenses include:

- a. Payroll;
- b. Employee benefits, if directly related to payroll;
- c. FICA payments you pay;
- d. Union dues you pay; and
- e. Workers' compensation premiums.

18. **"Period of restoration"** means:

- a. For other than the Dependent Properties – Business Income Additional Coverage and Business Income and Extra Expense – Increased Period of Restoration Due to Ordinance or Law Coverage Extension:

(1) The period of time that:

- (a) Begins the number of hours shown in the Declarations after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and

(b) Ends on the earlier of:

- (i) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
- (ii) The date when business is resumed at a new permanent location.

(2) "Period of restoration" does not include any increased period required due to the enforcement of, or compliance with, any ordinance or law that:

- (a) Regulates the construction, use or repair, or requires the tearing down of any property; or
- (b) 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".

(3) The expiration date of this policy will not cut short the "period of restoration".

- b. For Business Income and Extra Expense – Increased Period of Restoration Due to Ordinance or Law Coverage Extension:

(1) The period of time that:

- (a) Begins:

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- (i) At the time of direct physical loss or damage for Business Income Additional Coverage; or
  - (ii) Immediately after the time of direct physical loss or damage for Extra Expense Additional Coverage; caused by or resulting from any Covered Cause of Loss at the described premises; and
- (b) Ends on the earlier of:
  - (i) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
  - (ii) The date when business is resumed at a new permanent location.
- (2) "Period of restoration" includes any increased period required to repair or reconstruct the property to conform with the minimum standards or any ordinance or law, in force at the time of loss, that regulates the construction or repair, or requires the tearing down of any property.
- (3) The expiration date of this policy will not cut short the "period of restoration".
- c. For Dependent Properties Additional Coverage:
  - (1) The period of time that:
    - (a) Begins:
 

24 hours after the time of direct physical loss or damage for Business Income Additional Coverage caused by or resulting from any Covered Cause of Loss at the premises of the "dependent property"; and
    - (b) Ends on the earlier of:
      - (i) The date when the property at the premises of the "dependent property" should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
      - (ii) The date when your business is resumed at a permanent new location.
  - (2) "Period of restoration" does not include any increased period required due to the enforcement of, or compliance with, any ordinance or law that:
    - (a) Regulates the construction, use or repair, or requires the tearing down of any property; or
    - (b) 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".
  - (3) The expiration date of this policy will not cut short the "period of restoration".
- 19. **"Perishable goods"** mean personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.
- 20. **"Pollutants"** mean any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapor, soot, fumes, acids, alkalis, petroleum products and their derivatives, chemicals and waste. Such irritants or contaminants are "pollutants" whether or not they have any function in your business, operations, premises, sites or locations.  
Waste includes but is not limited to materials to be recycled, reconditioned or reclaimed and livestock, poultry or other animal excrement.
- 21. **"Secondary dependent property"** means an entity which is not owned or operated by a Dependent property and which:
  - a. Delivers materials or services to a dependent property, which in turn are used by the Dependent property in providing materials or services to you; or
  - b. Accepts materials or services from a Dependent property, which in turn accepts your materials or services.

A road, bridge, tunnel, waterway, airfield, pipeline or any other similar area or structure is not a Secondary dependent property.

Any property which delivers any of the following services is not a Secondary dependent property with respect to such services:

  - (i) Water supply services;
  - (ii) Wastewater removal services;
  - (iii) Communication supply services; or
  - (iv) Power supply services.

The Secondary dependent property must be located in the coverage territory of this policy: HOWEVER, "Secondary Dependent Property" does not mean any property owned or operated by others on whom you depend on to provide internet services; web hosting services; internet hosting services; space on any server, computer, computer system, or other similar equipment; web pages; social media or networking services; or similar services.

22. **"Securities"** mean negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:

- a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) 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;

but does not include "money" or lottery tickets held for sale.

23. **"Specified Causes of Loss"** means the following:

Fire; lightning; explosion, windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.

- a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
  - (1) The cost of filling sinkholes; or
  - (2) Sinking or collapse of land into man-made underground cavities.
- b. Falling objects does not include loss of or damage to:
  - (1) Personal property in the open; or
  - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
- c. Water damage means:
  - (1) Accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any

part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam; and

- (2) Accidental discharge or leakage of water or waterborne material as the direct result of the breaking apart or cracking of a water or sewer pipe that is located off the described premises and is part of a municipal potable water supply system or municipal sanitary sewer system, if the breakage or cracking is caused by wear and tear.

But water damage does not include loss or damage otherwise excluded under the terms of the Water Exclusion. Therefore, for example, there is no coverage in the situation in which discharge or leakage of water results from the breaking apart or cracking of a pipe which was caused by or related to weather-induced flooding, even if wear and tear contributed to the breakage or cracking. As another example, and also in accordance with the terms of the Water Exclusion, there is no coverage for loss or damage caused by or related to weather-induced flooding which follows or is exacerbated by pipe breakage or cracking attributable to wear and tear.

To the extent that accidental discharge or leakage of water falls within the criteria set forth in c.(1) or c.(2) of this definition of "specified causes of loss", such water is not subject to the provisions of the Water Exclusion which preclude coverage for surface water or water under the ground surface.

- 24. **"Stock"** means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.
- 25. **"Transfer account"** means an account maintained by you at a financial institution from which you can initiate the transfer, payment or delivery of "money" and "securities":
  - a. By means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly through an electronic funds transfer system; or
  - b. By means of written instructions (other than those described in Paragraph A.5.k.) establishing the conditions under which

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such transfers are to be initiated by such financial institution through an electronic funds transfer system.

26. **"Valuable papers and records"** mean inscribed, printed, or written:

a. Documents;

b. Manuscripts; and

c. Records;

including abstracts, books, deeds, drawings, films, maps or mortgages.

HOWEVER, "valuable papers and records" does not mean "money" or "securities".

**All terms and conditions of this policy apply unless modified by this endorsement.**

# PREMIER BUSINESSOWNERS LIABILITY COVERAGE FORM

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## PREMIER BUSINESSOWNERS LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Please 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. Please refer to Section V. DEFINITIONS.

### I. COVERAGES

#### A. COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

##### 1. INSURING AGREEMENT

- a. We will pay those sums up to the applicable Limit of Insurance 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 for which there is coverage under this policy.

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 sole 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 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 "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"; and

- (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, including any duty we have to defend "suits", does not apply to:

### a. Expected Or Intended Injury

"Bodily injury" or "property damage" which is expected or intended by the insured.

This exclusion applies even if the resulting "bodily injury" or "property damage":

- (1) Is of a different kind, quality or degree than initially expected or intended; or
- (2) Is sustained by a different person, entity, real property, or personal property than that initially expected or intended.

HOWEVER, 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 attorney 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 attorney 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 allege negligence or other wrongdoing in:

- (a) The supervision, hiring, employment, training or monitoring of others by an 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.

This exclusion applies only if you:

- (1) Manufacture, sell or distribute alcoholic beverages;
- (2) Serve or furnish alcoholic beverages for a charge whether or not such activity:
  - (a) Requires a license; or
  - (b) Is for the purpose of financial gain or livelihood; or
- (3) Serve or furnish alcoholic beverages without a charge, if a license is required for such activity.

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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. **Laws**

Any liability or legal obligation of any insured with respect to "bodily injury" or "property damage" arising out of any of the following:

- (1) Any federal, state, county, municipal or local law, ordinance, order, directive or regulation barring discrimination, including but not limited to those based on race, color, national origin, ancestry, citizenship, gender, sexual orientation, marital status, religion or religious belief, age, economic status, income, medical condition, pregnancy, parenthood or mental or physical disability;
- (2) Any workers' compensation, unemployment compensation, disability benefits law, or any other statutory benefits law;
- (3) The Migrant and Seasonal Agricultural Worker Protection Act;
- (4) Any state, federal or governmental antitrust statute or regulation, including but not limited to the Racketeer Influenced and Corrupt Organizations Act (RICO), the Securities Act of 1933, the Securities Exchange Act of 1934, or any state Blue Sky law;
- (5) The Employees' Retirement Income Security Act (E.R.I.S.A.) of 1974; or
- (6) Any other similar statutes, ordinances, orders, directives or regulations.

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:

- (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.

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 that 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 any insured or 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.

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**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 allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by an 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.

HOWEVER, 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 or motor vehicle registration law where it is licensed or principally garaged; or
  - (b) The operation of any of the 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 government authority in hindering or defending against any of these.

**j. Damage To Property**

"Property damage" to:

- (1) Property you own, rent, or occupy;
- (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.

Other than damage by the Covered Causes of Loss provided under Tenants Property Damage Legal Liability, paragraphs (1), (3) and (4) of this exclusion do not apply to

"property damage" to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Tenants Property Damage Legal Liability 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".

HOWEVER, 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. **Bodily Injury To Any Insured**

"Bodily injury" to:

- (1) Any insured, except "volunteer workers"; or
- (2) Any insured whenever the ultimate benefits of any indemnification will accrue directly or indirectly to any insured or the heirs of any insured.

q. **Damage To Named Insured's Property**

Any claim or "suit" for "property damage" by you or on your behalf against any other person or organization that is also a Named Insured under this policy.

r. **Abuse or Molestation**

"Bodily injury" or "property damage" arising out of:

- (1) The actual or threatened abuse or molestation by anyone of any person while in the care, custody or control of any insured; or
- (2) The negligence:
  - (a) Employment;
  - (b) Investigation;
  - (c) Supervision;
  - (d) Reporting to the proper authorities, or failure to so report; or
  - (e) Retention;
 of a person for whom any insured is or ever was legally responsible and whose conduct would be excluded by Paragraph (1) above.

s. **Asbestos, Electromagnetic, Lead or Radon**

"Bodily injury" or "property damage" arising out of:

- (1) Asbestos including but not limited to any injury or damage related to, arising or alleged to have arisen out of any use, exposure, existence,

detection, removal, elimination, avoidance, act, error, omission, failure to disclose or warn of the presence of asbestos or any other duty involving asbestos;

- (2) Electromagnetic emissions or radiation including but not limited to any injury or damage related to, arising or alleged to have arisen out of any use, exposure, existence, detection, removal, elimination, avoidance, act, error, omission, failure to disclose or warn of the presence of electromagnetic emissions or radiation or any other duty involving electromagnetic emissions or radiation;
- (3) Lead including but not limited to any injury or damage related to, arising or alleged to have arisen out of any use, exposure, existence, detection, removal, elimination, avoidance, act, error, omission, failure to disclose or warn of the presence of lead or any other duty involving lead; or
- (4) Radon or any other radioactive emissions, manmade or natural, including but not limited to any injury or damage related to, arising or alleged to have arisen out of any use, exposure, existence, detection, removal, elimination, avoidance, act, error, omission, failure to disclose or warn of the presence of radon or any other radioactive emissions or any other duty involving radon or other radioactive emissions.

**t. Employment Practices**

"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 or discrimination 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.

**u. Fiduciary Responsibility**

"Bodily injury" or "property damage" arising out of the ownership, maintenance or use, including all related operations, of property in relation to which you or any insured is acting in any fiduciary or representative capacity. This exclusion does not apply if you are a trust, as described in Section II. WHO IS AN INSURED.

**v. Professional Services**

"Bodily injury" or "property damage" that arises out of or is a result of the rendering of, or failure to render, any professional service, treatment, advice or instruction. This exclusion includes, but is not limited to, any:

- (1) Legal, accounting, insurance, real estate, financial, advertising or consulting service, advice or instruction;
- (2) Preparing, approving, or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications;
- (3) Supervisory, inspection, engineering, or architectural service, advice or instruction;
- (4) Medical, surgical, psychiatric, chiropractic, chiropody, physiotherapy, osteopathy, acupuncture, dental, x-ray, nursing or any other health service, treatment, advice or instruction;
- (5) Any psychological therapy or any other counseling or mental health service, treatment, advice or instruction;

- (6) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming, including but not limited to cosmetology, tonsorial, tattooing, tanning or massage;
- (7) Optometry or optical or hearing aid service, treatment, advice or instruction, including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;
- (8) Ear or other body piercing service, treatment, advice or instruction;
- (9) Service, treatment, advice or instruction in the practice of pharmacy; or
- (10) Electronic data processing, computer consulting or computer programming services, advice or instruction.

This exclusion applies even if the claims allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by an insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the rendering or failure to render of any professional service.

w. **Testing, Evaluating or Consulting**

"Bodily injury" or "property damage" arising out of:

- (1) An error, omission, defect or deficiency:
  - (a) In any test performed, or any evaluation, consultation or advice given by or on behalf of you or any insured; or
  - (b) In experimental data or the insured's interpretation of that data.
- (2) The reporting of or reliance upon any such test, evaluation, consultation or advice.

x. **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 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, that addresses, prohibits or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

y. **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.

As used in this exclusion, electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.

HOWEVER, this exclusion does not apply to liability for damages because of "bodily injury".

z. **Silica, Silica-Related Dust or Talc**

- (1) "Bodily injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, or ingestion of, "silica", "silica-related dust" or "Talc".

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- (2) "Property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, "silica", "silica-related dust" or "Talc".
- (3) Any loss, cost or expense arising, in whole or in part, 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, "silica", "silica-related dust" or "Talc", by any insured or by any other person or entity.

**aa. Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability**

- (1) Damages, other than damages because of "personal and advertising injury", arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2) Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph 1. or 2. above.

HOWEVER, unless Paragraph 1. above applies, this exclusion does not apply to damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing

description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.

**ab. Fungi or Bacteria**

- (1) "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for:
  - (a) The actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents; or
  - (b) The failure to warn or to disclose the presence of "fungi" or bacteria;
 

regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
- (2) Any loss, cost or expenses arising out of the 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.

HOWEVER, this exclusion does not apply to any "fungi" or bacteria that are, are on or are contained in, a good or product intended for bodily digestion.

**3. TENANTS PROPERTY DAMAGE LEGAL LIABILITY**

**Certain Exclusions Not Applicable**

Exclusions c. through n., p., q., r., t., u., v. and w. do not apply to "property damage" to premises while rented to you or temporarily occupied by you with permission of the owner, if such "property damage" arises out of a Covered Cause Of Loss provided under the BUSINESSOWNERS PROPERTY COVERAGE FORM. A separate limit of insurance, called Tenants Property Damage Legal Liability Limit, applies to this coverage as described in Section III. LIMITS OF INSURANCE.



## B. **COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY**

### 1. **INSURING AGREEMENT**

- a. We will pay those sums up to the applicable Limit of Insurance 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 for which there is coverage under this policy.

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 sole 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, including any duty we have to defend "suits", does not apply to personal and advertising injury:

- a. **Knowing Violation Of Rights Of Another**

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**

Arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity.

- c. **Material Published Prior To Policy Period**

Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.

- d. **Criminal Act**

Arising out of a criminal act committed by or at the direction of any insured or a criminal act committed by another for which any insured is held to be vicariously liable.

HOWEVER, this exclusion does not apply to "personal injury" resulting from the use of reasonable force to protect persons or property.

- e. **Contractual Liability**

For which the insured has assumed liability in a contract or agreement. HOWEVER, 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**

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**

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 Price**

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**

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.

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j. **Insureds In Media And Internet Type Business**

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 a., b. and c. of the definition of "personal and advertising injury" under Section V. DEFINITIONS.

k. **Electronic Chatrooms Or Bulletin Boards**

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**

Arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatags, or any other similar tactics to mislead another's potential customers.

m. **Pollution**

Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

n. **Pollution-Related**

With respect to any loss, cost or expense arising out of any:

- (1) Request, demand or order 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**

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 government authority in hindering or defending against any of these.

p. **Recording and Distribution Of Material In Violation Of Law**

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 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, that addresses, prohibits or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

q. **Laws**

Any liability or legal obligation of any insured arising out of any of the following:

- (1) Any federal, state, county, municipal or local law, ordinance, order, directive or regulation barring discrimination, including but not limited to those based on race, color, national origin, ancestry, citizenship, gender, sexual orientation, marital status, parenthood, religion or religious belief, age, economic status,

- income, medical condition, pregnancy, or mental or physical disability;
- (2) Any workers' compensation, unemployment compensation, disability benefits law, or any other statutory benefits law;
- (3) The Migrant and Seasonal Agricultural Worker Protection Act;
- (4) Any state, federal or governmental antitrust statute or regulation, including but not limited to the Racketeer Influenced and Corrupt Organizations Act (RICO), the Securities Act of 1933, the Securities Exchange Act of 1934, or any state Blue Sky law;
- (5) The Employees' Retirement Income Security Act (E.R.I.S.A.) of 1974; or
- (6) Any other similar statutes, ordinances, orders, directives or regulations.

**r. Abuse or Molestation**

Arising out of:

- (1) The actual or threatened abuse or molestation by anyone of any person while in the care, custody or control of any insured; or
- (2) The negligent:
  - (a) Employment;
  - (b) Investigation;
  - (c) Supervision;
  - (d) Reporting to the proper authorities, or failure to so report; or
  - (e) Retention;
 of a person for whom any insured is or ever was legally responsible and whose conduct would be excluded by Paragraph (1) above.

**s. Employment Practices**

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 or

discrimination directed at that person.

- (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.

**t. Asbestos, Electromagnetic, Lead or Radon**

Arising out of:

- (1) Asbestos including but not limited to any injury or damage related to, arising or alleged to have arisen out of any use, exposure, existence, detection, removal, elimination, avoidance, act, error, omission, failure to disclose or warn of the presence of asbestos or any other duty involving asbestos;
- (2) Electromagnetic emissions or radiation including but not limited to any injury or damage related to, arising or alleged to have arisen out of any use, exposure, existence, detection, removal, elimination, avoidance, act, error, omission, failure to disclose or warn of the presence of electromagnetic emissions or radiation or any other duty involving electromagnetic emissions or radiation;
- (3) Lead including but not limited to any injury or damage related to, arising or alleged to have arisen out of any use, exposure, existence, detection, removal, elimination, avoidance, act, error, omission, failure to disclose or warn of the presence of lead or any other duty involving lead; or
- (4) Radon or any other radioactive emissions, manmade or natural,

including but not limited to any injury or damage related to, arising or alleged to have arisen out of any use, exposure, existence, detection, removal, elimination, avoidance, act, error, omission, failure to disclose or warn of the presence of radon or any other radioactive emissions or any other duty involving radon or other radioactive emissions.

u. **Fiduciary Responsibility**

That arises out of the ownership, maintenance or use, including all related operations, of property in relation to which you or any insured is acting in any fiduciary or representative capacity. This exclusion does not apply if you are; a trust, as described in Section II. WHO IS AN INSURED.

v. **Professional Services**

That arises out of or is a result of the rendering of, or failure to render, any professional service, treatment, advice or instruction. This exclusion includes, but is not limited to any:

- (1) Legal, accounting, insurance, real estate, financial, advertising or consulting service, advice or instruction;
- (2) Preparing, approving, or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications;
- (3) Supervisory, inspection, engineering, or architectural service, advice or instruction;
- (4) Medical, surgical, psychiatric, chiropractic, chiropody, physiotherapy, osteopathy, acupuncture, dental, x-ray, nursing or any other health service, treatment, advice or instruction;
- (5) Any psychological therapy or any other counseling or mental health service, treatment, advice or instruction;
- (6) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming, including but not limited to cosmetology, tonsorial, tattooing, tanning or massage;
- (7) Optometry or optical or hearing aid service, treatment, advice or

instruction, including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;

- (8) Ear or other body piercing service, treatment, advice or instruction;
- (9) Service, treatment, advice or instruction in the practice of pharmacy; or
- (10) Electronic data processing, computer consulting or computer programming services, advice or instruction.

This exclusion applies even if the claims allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by an insured, if the offense which caused the "personal and advertising injury" involved the rendering or failure to render of any professional service.

w. **Testing, Evaluation or Consulting**

Arising out of:

- (1) An error, omission, defect or deficiency:
  - (a) In any test performed, or any evaluation, consultation or advice given by or on behalf of you or any insured; or
  - (b) In experimental data or the insured's interpretation of that data.
- (2) The reporting of or reliance upon any such test, evaluation, consultation or advice.

x. **Silica, Silica-Related Dust or Talc**

"Personal and Advertising Injury" arising, in whole or in part, out of:

- (a) The actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, "silica", "silica-related dust" or "Talc".
- (b) Any loss, cost or expense arising, in whole or in part, 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, "silica", "silica-related dust" or "Talc" by any insured or by any other person or entity.

y. **Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability**

"Personal and advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.

z. **Fungi or Bacteria**

- (1) "Personal and advertising injury" which would not have occurred, in whole or in part, but for:
  - (a) The actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents; or
  - (b) The failure to warn or to disclose the presence of "fungi" or bacteria; regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
- (2) Any loss, cost or expenses arising out of the 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. **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:

- (1) The accident takes place in the "coverage territory" and during the policy period;
- (2) The expenses are incurred and reported to us within one year of the date of the accident; and
- (3) 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. **Athletic Activities**  
To a person injured while practicing, instructing or participating in any physical exercises or games, sports or athletic contests.

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f. **Products-Completed Operations Hazard**

Included within the "products-completed operations hazard".

g. **Coverage A Exclusions**

Excluded under COVERAGE A.

**D. 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. 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:

- a. We have used up the applicable limit of insurance in the payment of judgments or settlements; or
- b. The conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

## II. WHO IS AN INSURED

### 1. If you are:

- 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. A trust, you are an insured. Your trustee or co-trustees are also insureds, but only with respect to their duties as a trustee in connection with your property, operations and activities.
- e. 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.

### 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" is an insured 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), or 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 Paragraphs (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; or
  - (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

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- (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 policy.
  - 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.
- 4. 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.

5. **Automatic Additional Insureds**

Any of the following persons or organizations are automatically insureds when you and such person or organization have agreed in a written contract or agreement that such person or organization be added as an additional insured on your policy providing general liability coverage.

HOWEVER, the insurance afforded to any of the following additional insureds only applies to the extent permitted by law and will not be broader than that which you are required by the contract or agreement to provide for any of the following additional insureds.

a. **Co-Owners of Insured Premises**

Any person or organization with whom you co-own a premises insured under this policy is an additional insured, but only with respect to their liability as the co-owner of such premises.

HOWEVER, their status as additional insured under this policy ends when you cease to co-own such premises with that person or organization.

b. **Controlling Interest**

Any person or organization that has a controlling interest in you is an additional insured, but only with respect to liability arising out of:

- (1) Their financial control of you; or
- (2) Their ownership, maintenance or control of premises you lease or occupy;

subject to the following additional exclusion:

This insurance, including any duty we have to defend "suits", does not apply to structural alterations, new construction or demolition operations performed by or for such person or organization.

HOWEVER, their status as additional insured under this policy ends when they cease to have such controlling interest in you.

c. **Grantor of Franchise or License**

Any person or organization that has granted you a franchise or license by written contract or agreement is an additional insured, but only with respect to their liability as the grantor of a franchise or license to you.

HOWEVER, their status as additional insured under this policy ends when their contract or agreement with you granting the franchise or license ends.

d. **Lessors of Leased Equipment**

Any person or organization from whom you lease equipment by written contract or agreement is an additional insured, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of the equipment leased to you by that person or organization, subject to the following additional exclusion:

This insurance, including any duty we have to defend "suits", does not apply to "bodily injury" or "property damage" arising out of, in whole or in part, or results from, in whole or in part, the active negligence of such person or organization.



HOWEVER, their status as additional insured under this policy ends when their contract or agreement with you for such leased equipment ends.

e. **Managers or Lessors of Leased Premises**

Any person or organization from whom you lease premises is an additional insured, but only with respect to their liability arising out of your use of that part of the premises leased to you, subject to the following additional exclusion:

This insurance, including any duty we have to defend "suits", does not apply to structural alterations, new construction or demolition operations performed by or for such person or organization.

HOWEVER, their status as additional insured under this policy ends when you cease to be a tenant of such premises.

f. **Mortgagee, Assignee or Receiver**

Any person or organization who has status as mortgagee, assignee or receiver of your property is an additional insured, but only with respect to their liability as mortgagee, assignee or receiver arising out of your ownership, maintenance, or use of such premises, subject to the following additional exclusion:

This insurance, including any duty we have to defend "suits", does not apply to structural alterations, new construction or demolition operations performed by or for such person or organization.

HOWEVER, their status as additional insured under this policy ends when their status as mortgagee, assignee or receiver ends.

g. **Owners or Other Interest from Whom Land has been Leased**

Any person or organization from whom you lease premises is an additional insured, but only with respect to their liability arising out of your maintenance or use of that part of the land leased to you, subject to the following additional exclusion:

This insurance, including any duty we have to defend "suits", does not apply to structural alterations, new construction or demolition operations performed by or for such person or organization.

HOWEVER, their status as additional insured under this policy ends when you cease to lease that land.

h. **State or Political Subdivisions - Permits Relating to Premises**

Any state or political subdivision which has issued a permit in connection with premises insured by this policy which you own, rent, or control is an additional insured, but only with respect to the following hazards:

- (1) The existence, maintenance, repair, construction, erection, or removal of advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, hoistaway openings, sidewalk vaults, street banners, or decoration and similar exposures;
- (2) The construction, erection, or removal of elevators; or
- (3) The ownership, maintenance, or use of any elevators covered by this insurance.

HOWEVER, their status as additional insured under this policy ends when the permit ends.

### III. LIMITS OF INSURANCE AND DEDUCTIBLE

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. **General Aggregate Limit of Insurance**  
(Other than Products-Completed Operations)  
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.

The General Aggregate Limit applies separately to each of your described premises. For the purposes of this provision, premises means involving the same or connecting lots, or premises whose connection is interrupted only by a public

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street, roadway or waterway, or railroad right-of-way.

3. **Products-Completed Operations Aggregate Limit of Insurance**

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. **Personal and Advertising Injury Limit of Insurance**

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. **Each Occurrence Limit of Insurance**

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. **Tenants Property Damage Legal Liability Limit of Insurance**

Subject to paragraph 5. above, the Tenants Property Damage Legal Liability Limit is the most we will pay under COVERAGE A for damages because of all "property damage" to premises, while rented to you or temporarily occupied by you with permission of the owner, arising out of any one "occurrence".

7. **Medical Payments Limit of Insurance**

Subject to paragraph 5. above, the Medical Payments Limit is the most we will pay under COVERAGE C for all medical expenses because of "bodily injury" sustained by any one person.

8. The Limits of Insurance of this policy 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.

9. **Property Damage Deductible**

If a deductible amount is shown in the Liability Declarations, the following provisions apply:

- a. If a deductible amount for Property Damage is shown in the Liability Declarations, any obligation by us under this policy to pay sums on your behalf because of "property damage", applies only to sums in excess of the deductible amount shown in the Declarations for any one "occurrence".
- b. If a deductible amount for Car Wash Property Damage is shown in the Liability Declarations, any obligation by us under this policy to pay sums on your behalf because of "property damage", applies only to sums in excess of the deductible amount shown in the Declarations for any one claim.
- c. If we pay all or any part of a deductible to settle any claim or "suit", upon notification of such payment by us, you shall promptly reimburse us for the amount of the deductible that has been paid by us.

IV. **LIABILITY CONDITIONS**

The following conditions apply in addition to the COMMON POLICY CONDITIONS.

1. **Bankruptcy**

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this policy.

2. **Duties In The Event Of Occurrence, Offense, Claim Or Suit**

- a. You and any insured must see to it that we are notified as soon as practicable of an "occurrence" or an offense that 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";
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to the insured because of injury or damage to which this insurance may also apply; and
- (5) Agree to be examined 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 or "suit". At our option and expense, any examination under oath may be video or audio taped as well as being recorded by stenographic record. In the event of an examination, an insured's answers must be signed.

- 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 policy:

- 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 policy 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 policy 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. **Separation Of Insureds**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this policy 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.

V. **DEFINITIONS**

The terms "you", "your", "we", "us", "our" and "insured" are defined in the Preamble of this Coverage Form. The following words or phrases, which appear in quotation marks throughout this Coverage Form and any of its endorsements, are defined as follows:

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 websites, 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 or motor vehicle registration 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

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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; or
  - (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, by-laws or any other similar governing document.
- 7. **"Fungi"** means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or byproducts produced or released by fungi.
- 8. **"Hostile fire"** means one which becomes uncontrollable or breaks out from where it was intended to be.
- 9. **"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:
  - a. The repair, replacement, adjustment or removal of "your product" or "your work"; or
  - b. Your fulfilling the terms of the contract or agreement.
- 10. **"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 paragraph (2) above and supervisory, inspection, architectural or engineering activities.

11. **"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".
12. **"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".
13. **"Mobile equipment"** means any of the following types of land vehicles, including any attached machinery or equipment:
  - a. Bulldozers, forklifts, farm machinery, farm implements and other vehicles designed for use or used principally off public roads. This includes motorized golf carts, snowmobiles, and other land vehicles designed for recreational use;
  - b. Vehicles maintained for use solely on or next to premises you own or rent;
  - c. Vehicles, other than snowmobiles, 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 paragraphs 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 paragraphs 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) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; and
  - (3) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers.

HOWEVER, "mobile equipment" does not include land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where they are licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law or motor vehicle registration law are considered "autos".

14. **"Occurrence"** means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
15. **"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;

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- 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".
16. **"Pollutants"** mean any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapor, soot, fumes, acids, alkalis, petroleum products and their derivatives, chemicals and waste. Such irritants or contaminants are "pollutants" whether or not they have any function in your business, operations, premises, sites or locations.

Waste includes but is not limited to materials to be recycled, reconditioned or reclaimed and livestock, poultry or other animal excrement.

17. **"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.

HOWEVER, if your business includes the selling, handling or distribution of "your product" for consumption on premises you own or rent, all "bodily injury" and "property damage" that arises out of "your products" is included if the "bodily injury" or "property damage" occurs after you have relinquished possession of those products.

- 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; or
  - (2) The existence of tools, uninstalled equipment or abandoned or unused materials.

18. **"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, 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.

19. **"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.

20. **"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.
21. **"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.
22. **"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.
23. **"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.
24. **"Silica"** means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.
25. **"Silica-related dust"** means a mixture or combination of silica and other dust or particles.
26. **"Talc"** means magnesium silicate hydroxide (a mineral that is part of the silicate group and in some forms is also known as soapstone) and includes the mineral in any form including but not limited to fibers or dust.

## PREMIER BUSINESSOWNERS COMMON POLICY CONDITIONS

Various provisions in this policy restrict coverage. Please 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 Insureds shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

All coverages of 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. Five (5) days before the effective date of cancellation if any one of the following conditions exists at any building that is Covered Property in this policy:
    - (1) The building has been vacant or unoccupied 60 or more consecutive days. This does not apply to:
      - (a) Seasonal unoccupancy; or
      - (b) Buildings in the course of construction, renovation or addition.  
Buildings with 65% or more of the rental units or floor area vacant or unoccupied are considered unoccupied under this provision.
    - (2) After damage by a Covered Cause of Loss, permanent repairs to the building:
      - (a) Have not started; and
      - (b) Have not been contracted for; within 30 days of initial payment of loss.
    - (3) The building has:
      - (a) An outstanding order to vacate;
      - (b) An outstanding demolition order; or
      - (c) Been declared unsafe by governmental authority.
  - (4) Fixed and salvageable items have been or are being removed from the building and are not being replaced. This does not apply to such removal that is necessary or incidental to any renovation or remodeling.
  - (5) Failure to:
    - (a) Furnish necessary heat, water, sewer service or electricity for 30 consecutive days or more, except during a period of seasonal unoccupancy; or
    - (b) Pay property taxes that are owing and have been outstanding for more than one year following the date due, except that this provision will not apply where you are in a bona fide dispute with the taxing authority regarding payment of such taxes.
  - b. Ten (10) days before the effective date of cancellation if we cancel for nonpayment of premium.
  - c. Thirty (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. Refunds will be calculated on a pro-rata basis regardless of who initiates the cancellation. 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.



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**B. CHANGES**

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

**C. CONCEALMENT, MISREPRESENTATION OR FRAUD**

1. This policy is void in its entirety in any case of fraud, at any time, by you or your representative as it relates to this policy.
2. This policy is also void if you, your authorized representative or any other insured, at any time, conceal or misrepresent any material fact, or violate any material warranty, concerning:
  - a. This policy, including your application for this policy;
  - b. The Covered Property;
  - c. Your interest in the Covered Property; or
  - d. A claim under this policy.
3. We also have the right to rescind this policy based upon any other grounds provided by law.

**D. EXAMINATION OF YOUR BOOKS AND RECORDS**

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

**E. 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.

**F. INSURANCE UNDER TWO OR MORE COVERAGES OF THIS POLICY**

If two or more of this policy's coverages apply to the same injury, loss or damage, we will not pay more than the actual amount of the injury, loss or damage, up to the highest applicable Limit of Insurance under any one coverage.

**G. LIBERALIZATION**

If we adopt any revision that would broaden the coverage under this policy without additional premium within 60 days prior to or during the policy period, the broadened coverage will immediately apply to this policy.

**H. OTHER INSURANCE**

1. Under any property coverage provided by this policy, if there is other insurance covering the same loss or damage, we will pay only for 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. But we will not pay more than the applicable Limit of Insurance.
2. Under any liability coverage provided by this policy,
  - a. If, for injury or loss we cover, there is other valid and collectible insurance available to any insured under another policy:
    - (1) Issued by another insurer, or if there is self insurance or similar risk retention that applies to a loss covered by this policy, then this insurance provided by us shall be excess over such other insurance; or
    - (2) Issued by us or any of our affiliate companies, that applies to a loss covered by this policy, then only the highest applicable Limit of Insurance shall apply to such loss. This condition does not apply to any policy issued

by us that is designed to provide Excess or Umbrella liability insurance.

- b. This insurance, if applicable, is also excess, whether that other insurance is primary, excess, contingent or provided on any other basis:
- (1) Over any applicable property insurance or other insurance that insures for direct physical loss or damage;
  - (2) Over any valid and collectible insurance available to you covering liability for damages arising out of the premises or operations for which you have been added as an additional insured; or
  - (3) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. under Section I. COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY of the Liability Coverage Form.

- c. When this insurance is excess, we will have no duty under the liability coverage provided by this policy to defend any insured against any claim or "suit" that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so, but we will be entitled to any insured's rights against all those other insurers.

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:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this policy.

d. **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.

I. **PREMIUMS**

1. The first Named Insured shown in the Declarations:
  - a. Is responsible for the payment of all premiums; and
  - b. Will be the payee for any return premiums we pay.
2. 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.
3. With our consent, you may continue this policy in force by paying a continuation premium for each successive one-year period. The premium must be:
  - a. Paid to us prior to the anniversary date; and
  - b. Determined in accordance with Paragraph 2. above.

Our forms then in effect will apply. If you do not pay the continuation premium, this policy will expire on the first anniversary date that we have not received the premium.
4. Undeclared exposures or changes in your business operation and acquisition or use of locations may occur during the policy period that are not shown in the Declarations. If so, we may require an additional premium. That premium will be determined in accordance with our rates and rules in effect at the inception of such policy.

J. **PREMIUM AUDIT**

1. We have the right but are not obligated to audit this policy. The first Named Insured must keep records of the information we need for premium computation, and send us copies of those records at such times as we may request.
2. If we do audit your policy, at the close of that audit period, we will compute the earned

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premium for that period and the final premium due based upon your actual exposures.

3. We will send notice to the first Named Insured after the audit has been completed. 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.

**K. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US**

**1. Applicable to Businessowners Property Coverage:**

If any person or organization to or for whom we make payment under this policy 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 must do nothing after loss to impair them. But you may waive your rights against another party in writing:

- a. Prior to a loss to your Covered Property.
- b. After a loss to your Covered Property only if, at time of loss, that party is one of the following:
  - (1) Someone insured by this insurance;
  - (2) A business firm:
    - (a) Owned or controlled by you; or
    - (b) That owns or controls you; or
  - (3) Your tenant, but only with our written consent.

You may also accept the usual bills of lading or shipping receipts limiting the liability of carriers.

This will not restrict your insurance.

**2. Applicable to Businessowners Liability Coverage:**

If the insured has rights to recover all or part of any payment we have made under this policy, 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. This condition does not apply to Medical Payments Coverage.

HOWEVER, in the event of any payment under this policy, we waive our right of recovery or subrogation against any person or organization with respect to which you have waived your right of recovery or subrogation in writing and prior to a loss.

**L. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY**

1. 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.
2. 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.

**All terms and conditions of this policy apply unless modified by this endorsement.**

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

## **NUCLEAR ENERGY EXCLUSION**

This endorsement modifies insurance provided under the following:

### **PREMIER BUSINESSOWNERS LIABILITY COVERAGE FORM**

**A. This insurance does not apply:**

1. Under any Liability Coverage, to "bodily injury" or "property damage":
  - a. 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
  - b. Resulting from the "hazardous properties" of "nuclear material" and with respect to which:
    - (1) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or
    - (2) The insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
2. 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.
3. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:
  - a. The "nuclear material":
    - (1) Is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured"; or
    - (2) Has been discharged or dispersed therefrom;

- b. 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
- c. 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 c. applies only to "property damage" to such "nuclear facility" and any property thereat.

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

1. **"Hazardous properties"** includes radioactive, toxic or explosive properties.
2. **"Nuclear material"** means "source material", "special nuclear material" or "by-product material".
3. **"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.
4. **"Spent fuel"** means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".
5. **"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".
6. **"Nuclear facility"** means:
  - a. Any "nuclear reactor";

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- 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.
- 7. **"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.
- 8. **"Property damage"** includes all forms of radioactive contamination of property.

**All terms and conditions of this policy apply unless modified by this endorsement.**

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

## **HIRED AUTO AND NON-OWNED AUTO LIABILITY**

This endorsement modifies insurance provided under the following:

### **PREMIER BUSINESSOWNERS LIABILITY COVERAGE FORM**

- A. Insurance is provided only for those coverages that are designated in the Liability Declarations.

1. **HIRED AUTO LIABILITY**

When Hired Auto Liability Coverage is designated in the Declarations as Included, the insurance provided under Section I. COVERAGES, A. COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY, and this endorsement, applies to "bodily injury" or "property damage" arising out of the maintenance, use or entrustment of a "hired auto" by you or your "employees" in the course of your business.

2. **NON-OWNED AUTO LIABILITY**

When Non-Owned Auto Liability Coverage is designated in the Declarations as Included, the insurance provided under Section I. COVERAGES, A. COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY, and this endorsement, applies to "bodily injury" or "property damage" arising out of the maintenance, use or entrustment of any "non-owned auto" in your business by any person other than you.

- B. For insurance provided by this endorsement, Section I. COVERAGES, A. COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY, under 2. EXCLUSIONS:

1. Exclusion g. Aircraft, Auto or Watercraft is amended by adding the following paragraph:  
HOWEVER, this exclusion does not apply to any "hired auto" or "non-owned auto" (as defined in this endorsement).
2. Exclusion e. Employer's Liability is amended by adding the following paragraph:  
HOWEVER, this exclusion does not apply to "bodily injury" arising out of and in the course of domestic employment by the insured, unless benefits for such injury are in whole or in part either payable or required to be provided by any workers compensation law.
3. The following additional exclusions also apply, but only with respect to the coverages provided by this endorsement:

This insurance, including any duty we have to defend "suits", does not apply to:

- a. "Property damage" to:
    - (1) Property owned or being transported by, or rented or loaned to any insured; or
    - (2) Property in the care, custody or control of any insured.
  - b. "Bodily injury" or "property damage" which arises out of or is a result of the handling of any property:
    - (1) Before it is moved from the place where it is accepted by an insured for movement into or onto a "hired auto" or "non-owned auto"; or
    - (2) After it is moved from a "hired auto" or "non-owned auto" to the place where it is finally delivered by an insured.
  - c. "Bodily injury" or "property damage" which arises out of or is a result of the movement of any property by a mechanical device (other than a hand truck) unless the device is attached to a "hired auto" or "non-owned auto".
- C. Only with respect to the coverage provided by this endorsement, Section II. WHO IS AN INSURED is replaced by the following:  
Each of the following is an insured to the extent set forth below:
- a. You;
  - b. Any other person using a "hired auto" within the scope of your permission;
  - c. Any partner or "executive officer" of yours, with respect to a "non-owned auto" while being used in the course of your business;
  - d. Any other person or organization, but only for their vicarious liability because of acts or omissions of you or of an insured under a., b. or c. above; and
  - e. Your "employee" while operating an "auto" hired or rented under a contract or agreement, with your permission, in that

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"employee's" name, while performing duties related to the conduct of your business.

- f. HOWEVER, none of the following is an insured under this endorsement:

- (1) Any person engaged in the business of his or her employer for "bodily injury" to any co-"employee" of such person injured in the course of employment, or to the spouse, child, parent, brother or sister of that co-"employee" as a consequence of such "bodily injury", or for any obligation to share damages with or repay someone else who must pay damages because of the injury;
- (2) Any "employee", partner or "executive officer" with respect to any "auto" owned by such "employee", partner or "executive officer" or a member of their household;
- (3) Any person while employed in or otherwise engaged in duties in connection with an "auto business", other than an "auto business" you operate;
- (4) The owner, lessor or lessee (when you are a sublessee) of a "hired auto" or the owner of a "non-owned auto" or any agent or "employee" of any such owner, lessor or lessee; or
- (5) Any person or organization for the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations.

- D. For insurance provided by this endorsement, under Section IV. LIABILITY CONDITIONS, the following condition also applies:

If there is any other "auto" liability insurance under any other policy, or self insurance or similar protection, that applies to a loss covered by this endorsement, then this insurance shall be excess over that other insurance.

- E. With respect to the coverage provided by this endorsement, under Section V. DEFINITIONS:

1. The following is added to the "coverage territory" definition:

For "hired auto", the "coverage territory" is extended to anywhere in the world if:

- a. An "auto" of the private passenger type is leased, hired, rented or borrowed without a driver for a period 30 days or less; and
- b. 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.

2. The following additional definitions also apply:

- a. **"Auto Business"** means the business or occupation of selling, repairing, servicing, storing or parking "autos".

- b. **"Hired Auto"** means any "auto" you lease, hire, rent or borrow.

HOWEVER, this does not include any "auto" you lease, hire, rent or borrow from any of your "employees" or members of their households, or from any partner or "executive officer" of yours.

- c. **"Non-Owned Auto"** means any "auto" you do not own, lease, hire, rent or borrow which is used in connection with your business, including "autos" owned by your "employees", partners (if you are a partnership), members (if you are a limited liability company) or members of their household.

**All terms and conditions of this policy apply unless modified by this endorsement.**

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

## **PROTECTIVE SAFEGUARDS**

This endorsement modifies insurance provided under the following:

PREMIER BUSINESSOWNERS PROPERTY COVERAGE FORM

### **NOTICE**

**YOU RISK THE LOSS OF CERTAIN INSURANCE COVERAGE AT PREMISES DESIGNATED IN THE DECLARATIONS IF YOU FAIL TO MAINTAIN ANY OF THE APPLICABLE PROTECTIVE SAFEGUARDS, LISTED BY SYMBOL IN THE DECLARATIONS FOR EACH PREMISES.**

**TO AVOID POTENTIAL LOSS OF COVERAGE YOU MUST REPORT ANY PROTECTIVE SAFEGUARD SUSPENSION OR DISABLEMENT BY CALLING 1-866-322-3214**

Your acceptance of this policy in the payment of premium when due constitutes your understanding and acknowledgement that you risk the loss of certain insurance at the premises designated if you fail to maintain the protective safeguard and your acceptance and agreement with the terms of this endorsement.

#### **A. CONDITION**

As a condition of this insurance, you are required to maintain the applicable protective devices or services for fire, denoted by symbols P-1, P-2, P-3, P-4, P-5, P-8, or P-9; or for burglary and robbery, denoted by symbols P-6 or P-7, as designated at each premises by symbol in the Declarations.

#### **B. EXCLUSIONS**

Under Section B. EXCLUSIONS, the following exclusions are added:

##### **1. FIRE PROTECTIVE SAFEGUARDS**

We will not pay for loss or damages caused by or resulting from fire if, prior to the fire, you:

- a. Knew or should have known of any suspension or impairment in any protective safeguard as designated at each premises by symbol in the Declarations and failed to notify us of that fact; or
- b. Failed to maintain any protective safeguard as designated at each premises by symbol in the Declarations and over which you have control, in complete working order; or
- c. Add or modify any cooking equipment and operate it prior to adding or extending any Fire Suppression System that is required by code to protect it.

If part of an Automatic Sprinkler System is shut off due to breakage, leakage, freezing conditions or opening of sprinkler heads, notification to us will not be necessary if you can restore full protection within 48 hours.

##### **2. BURGLARY AND ROBBERY PROTECTIVE SAFEGUARDS**

We will not pay for loss or damage caused by or resulting from theft if, prior to the theft, you:

- a. Knew or should have known of any suspension or impairment in any protective safeguard designated at each premises by symbol in the Declarations and failed to notify us of that fact; or
- b. Failed to maintain any protective safeguard designated at each premises by symbol in the Declarations and over which you had control, in complete working order.

#### **C. PROTECTIVE SAFEGUARD SYMBOLS**

The protective safeguards to which this endorsement applies are identified in the Declarations by the following symbols:

**"P-1" Automatic Sprinkler System**, including related supervisory services. Automatic Sprinkler System means:

- a. Any automatic fire protective or extinguishing system, including connected:
  - 1) Sprinklers and discharge nozzles;
  - 2) Ducts, pipes, valves and fittings;



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- 3) Tanks, their component parts and supports; and
  - 4) Pumps and private fire protection mains.
  - b. When supplied from an automatic fire protective system:
    - 1) Nonautomatic fire protective systems; and
    - 2) Hydrants, standpipes and outlets.
- "P-2" Automatic Fire Alarm**, protecting the entire building, that is:
- a. Connected to a central station; or
  - b. Reporting to a public or private fire alarm station.
- "P-3" Security Service**, with a recording system or watch clock, making hourly rounds covering the entire building, when the premises are not in actual operation.
- "P-4" Service Contract** with a privately owned fire department providing fire protection service to the described premises.
- "P-5" Watchman Service** based on contract with a privately owned security company providing premises protection services to the described premises.

- "P-6" Local Burglar Alarm** protecting the entire building which in the event of an unauthorized or attempted entry at the described premises, triggers a loud sounding gong or siren, or a visual device, on the outside of the building.
- "P-7" Central Station Burglar Alarm** protecting the entire building which, in the event of an unauthorized or attempted entry at the described premises, will automatically transmit an alarm signal to an outside Central Station or police station.
- "P-8" Fire Suppression System**, including related supervisory services. Fire Suppression System means any automatic fire protective or extinguishing system designed to protect cooking equipment (i.e. cooking surfaces, deep fat fryers, grease ducts and hoods) including connected:
- a. Sprinklers and discharge nozzles;
  - b. Ducts, pipes, valves and fittings; and
  - c. Tanks, their component parts and supports.
- "P-9"** The protective system described in the Schedule of this endorsement.

#### SCHEDULE

All terms and conditions of this policy apply unless modified by this endorsement.

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

## **CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

PREMIER BUSINESSOWNERS PROPERTY COVERAGE FORM  
PREMIER BUSINESSOWNERS LIABILITY COVERAGE FORM

The following provisions are added to the Businessowners Policy and apply to Property and Liability Coverages:

**A. CAP ON CERTIFIED TERRORISM LOSSES**

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United

States or to influence the policy or affect the conduct of the United States Government by coercion.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year 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 the Treasury.

- B.** The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for loss or injury or damage that is otherwise excluded under this Policy.

**All terms and conditions of this policy apply unless modified by this endorsement.**

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

## **CONDITIONAL EXCLUSION OF TERRORISM (RELATING TO DISPOSITION OF FEDERAL TERRORISM RISK INSURANCE ACT)**

This endorsement modifies insurance provided under the following:

PREMIER BUSINESSOWNERS PROPERTY COVERAGE FORM  
PREMIER BUSINESSOWNERS LIABILITY COVERAGE FORM

### **SCHEDULE**

The **Exception Covering Certain Fire Losses** (paragraph **B.2.** of this endorsement) applies to property located in the following states:

California	Iowa	New Jersey	Washington
Connecticut	Maine	New York	Wisconsin
Georgia	Massachusetts	Oregon	West Virginia
Idaho	Missouri	Rhode Island	
Illinois	North Carolina	Virginia	

A. The **PROPERTY COVERAGE FORM** and the **LIABILITY COVERAGE FORM** are amended as follows:

1. **Applicability Of The Provisions Of This Endorsement**

- a. The provisions of this endorsement will become applicable commencing on the date when any one or more of the following first occurs. But if your policy (meaning the policy period in which this endorsement applies) begins after such date, then the provisions of this endorsement become applicable on the date your policy begins.
  - (1) The federal Terrorism Risk Insurance Program ("Program"), established by the Terrorism Risk Insurance Act, has terminated with respect to the type of insurance provided under this Coverage Form; or
  - (2) A renewal, extension or replacement of the Program has become effective without a requirement to make terrorism coverage available to you and with revisions that:
    - (a) Increase our statutory percentage deductible under the Program for terrorism losses. (That deductible

determines the amount of all certified terrorism losses we must pay in a calendar year, before the federal government shares in subsequent payment of certified terrorism losses.); or

- (b) Decrease the federal government's statutory percentage share in potential terrorism losses above such deductible; or
  - (c) Redefine terrorism or make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other types of events or occurrences under this policy.
- b. If the provisions of this endorsement become applicable, such provisions:
- (1) Supersede any terrorism endorsement already endorsed to this policy that addresses "certified acts of terrorism" and/or "other acts of terrorism", but only with respect to loss or injury or damage from an incident(s) of terrorism (however defined) that occurs on or after the date when the provisions of this

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endorsement become applicable;  
and

- (2) Remain applicable unless we notify you of changes in these provisions, in response to federal law.
- c. If the provisions of this endorsement do NOT become applicable, any terrorism endorsement already endorsed to this policy that addresses "certified acts of terrorism" and/or "other acts of terrorism", will continue in effect unless we notify you of changes to that endorsement in response to federal law.
2. The following definition is added and applies under this endorsement wherever the term terrorism is enclosed in quotation marks. "Terrorism" means activities against persons, organizations or property of any nature:
  - a. That involve the following or preparation for the following:
    - (1) Use or threat of force or violence; or
    - (2) Commission or threat of a dangerous act; or
    - (3) Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
  - b. When one or both of the following applies:
    - (1) The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
    - (2) It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

## B. AMENDMENTS TO THE PROPERTY COVERAGE FORM

1. Under Section B. EXCLUSIONS, the following exclusion is added:

### EXCLUSION OF TERRORISM

We will not pay for loss or damage caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. But this exclusion applies only when one or

more of the following are attributed to an incident of "terrorism":

- (1) The "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
- (2) Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material; or
- (3) The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
- (4) Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials; or
- (5) The total of insured damage to all types of property in the United States, its territories and possessions, Puerto Rico and Canada exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the "terrorism" and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions. Multiple incidents of "terrorism" which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the threshold is exceeded.

With respect to this item 1.a.(5), the immediately preceding paragraph describes the threshold used to measure the magnitude of an incident of "terrorism" and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of "terrorism", there is no coverage under this Coverage Form.

2. **Exception Covering Certain Fire Losses**  
The following exception to the EXCLUSION OF TERRORISM applies only if indicated

and as indicated in the Schedule of this endorsement.

If "terrorism" results in fire, we will pay for the loss or damage caused by that fire, subject to all applicable policy provisions including the Limit of Insurance on the affected property. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense Additional Coverages or endorsements that apply to those coverages.

### 3. **Application Of Other Exclusions**

When the EXCLUSION OF TERRORISM applies in accordance with the terms of paragraph 1.a. or 1.b., such exclusion applies without regard to exclusion d. Nuclear Hazard in this Coverage Form.

## C. **AMENDMENTS TO THE LIABILITY COVERAGE FORM**

1. The following definition is added and applies under this endorsement wherever the phrase any injury or damage, is enclosed in quotation marks:  

"Any injury or damage" means any injury or damage covered under this Coverage Form or any applicable endorsement, and includes but is not limited to "bodily injury", "property damage" or "personal and advertising injury", as may be defined under this Coverage Form or any applicable endorsement.
2. The following exclusion is added:

### **EXCLUSION OF TERRORISM**

We will not pay for "any injury or damage" caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". "Any injury or damage" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such injury or damage. **But this exclusion applies only when one or more of the following are attributed to an incident of "terrorism":**

- a. The "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or

- b. Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material; or
- c. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
- d. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials; or
- e. The total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the "terrorism" and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or
- f. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
  - (1) Physical injury that involves a substantial risk of death; or
  - (2) Protracted and obvious physical disfigurement; or
  - (3) Protracted loss of or impairment of the function of a bodily member or organ.

Multiple incidents of "terrorism" which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the thresholds in paragraphs 2.e. or 2.f. are exceeded.

With respect to this Exclusion, paragraphs 2.e. and 2.f. describe the threshold used to measure the magnitude of an incident of "terrorism" and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of "terrorism", there is no coverage under this Coverage Form.

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- D. The following provision is added to the Businessowners Policy and apply to Property and Liability Coverages:  
The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a

terrorism exclusion, do not serve to create coverage for loss or injury or damage that is otherwise excluded under this Policy.

**All terms and conditions of this policy apply unless modified by this endorsement.**

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

## **EXCLUSION OF LOSS DUE TO BY-PRODUCTS OF PRODUCTION OR PROCESSING OPERATIONS (RENTAL PROPERTIES)**

This endorsement modifies insurance provided under the following:

### **PREMIER BUSINESSOWNERS PROPERTY COVERAGE FORM**

- A. The terms of this endorsement apply to rental unit(s) and to the building(s) in which such unit(s) are located, including any contents of such unit(s) and building(s).
- B. In Section B. EXCLUSIONS, under paragraph 1. the following is added:

#### **Loss Due to By-Products of Production or Processing Operations (Rental Properties)**

We will not pay for loss or damage to the described premises, caused by or resulting from smoke, vapor, gas or any substance released in the course of production operations or processing operations performed at the rental unit(s). This exclusion applies regardless of whether such operations are:

- 1. Legally permitted or prohibited;
- 2. Permitted or prohibited under the terms of the lease; or
- 3. Usual to the intended occupancy of the premises.

This exclusion does not apply to loss or damage by fire or explosion that results from the release of a by-product of the production or processing operation.

- C. If the loss or damage described in Paragraph B. of this endorsement results in Business Income loss or Extra Expense, there is no coverage for such loss or expense under the Business Income or Extra Expense Additional Coverages.
- D. The conduct of a tenant's production or processing operations will not be considered to be vandalism of the rental premises regardless of whether such operations are:
  - 1. Legally permitted or prohibited;
  - 2. Permitted or prohibited under the terms of the lease; or
  - 3. Usual to the intended occupancy of the premises.

**All terms and conditions of this policy apply unless modified by this endorsement.**

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

## **COMMUNICABLE DISEASE EXCLUSION**

This endorsement modifies insurance provided under the following:

### **PREMIER BUSINESSOWNERS LIABILITY COVERAGE FORM**

- A. In Section I. COVERAGES, COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY, under paragraph 2. EXCLUSIONS, the following exclusions are added:

This insurance, including any duty we have to defend "suits", does not apply to:

#### **Communicable Disease**

This insurance does not apply to "bodily injury" or "property damage" or "personal and advertising injury" arising out of the actual or alleged transmission of a communicable disease.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the:

- a. Supervising, hiring, employing, training or monitoring of others that may be infected with and spread a communicable disease;
- b. Testing for a communicable disease;
- c. Failure to prevent the spread of the disease; or
- d. Failure to report the disease to authorities.

- B. In Section I. COVERAGES, COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY, under paragraph 2. EXCLUSIONS, the following exclusions are added:

This insurance, including any duty we have to defend "suits", does not apply to:

#### **Communicable Disease**

This insurance does not apply to "personal and advertising injury" arising out of the actual or alleged transmission of a communicable disease.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the:

- a. Supervising, hiring, employing, training or monitoring of others that may be infected with and spread a communicable disease;
- b. Testing for a communicable disease;
- c. Failure to prevent the spread of the disease; or
- d. Failure to report the disease to authorities.

**All terms and conditions of this policy apply unless modified by this endorsement.**



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

## FOOD SERVICE PLUS ENDORSEMENT

This endorsement modifies insurance provided under the following:

### PREMIER BUSINESSOWNERS PROPERTY COVERAGE FORM

#### SCHEDULE

Coverage Description	Limit of Insurance	Deductible
Credit Card Forgery	\$5,000	\$500
Credit Card Slip Theft, Disappearance or Destruction	\$5,000	\$500
Automatic Extinguishing System Protecting Cooking Equipment		
Recharge Expenses	\$5,000	\$500
Clean-up Expenses (Accidental Discharge)	\$5,000	\$500
Loss of Income from Discharge	\$5,000	\$500
Food Contamination – Loss of Income	Per Described Premises	24 hour wait
	Annual Policy Aggregate	
– Restoration Expenses	\$10,000	\$500
– Additional Advertising Expense	\$5,000	\$500
– Inoculation Expense Reimbursement	\$5,000	\$500
Spoilage from Power Outage	\$10,000 *	\$500
Brands and Labels	BPP Limit	No Deductible

\* If a higher limit was purchased for Food Contamination – Loss of Income or Spoilage from Power Outage, the limit for such coverage would be shown in the Declarations – however the Deductible remains unchanged.

#### A. OPERATION OF THIS ENDORSEMENT

This Food Service PLUS Endorsement provides the coverage described herein only at your covered restaurant premises. Restaurant includes, but is not limited to, the following styles of service under which you prepare and serve food to the public: fine dining, family, buffet, fast food, pizza parlor, bagel shop, deli, sandwich shop, micro brewery or ice cream shop.

#### B. The following is added to the PROPERTY COVERAGE FORM:

1. Under Section A. COVERAGES, the following is added to 5. ADDITIONAL COVERAGES:

##### a. Credit Card Forgery

(1) We will pay for loss involving written instruments required in conjunction with your customers' credit, debit or charge card resulting directly from forgery or alteration of such written instruments by your customers.

(2) The following exclusion is added:

We will not pay for loss arising from any credit, debit or charge card transaction if you have not complied

fully with the provisions, conditions or other terms of the card issuer.

(3) In Section A. COVERAGES, under 2. PROPERTY NOT COVERED, item b. does not apply to this Credit Card Forgery Additional Coverage.

(4) We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Schedule of this endorsement. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance shown in the Schedule of this endorsement.

(5) All loss caused by any person or in which that person is involved, whether the loss involves one or more instruments, is considered one occurrence.

##### b. Credit Card Slip Theft, Disappearance or Destruction

(1) We will pay for loss of written instruments required in conjunction with any credit, debit, or charge card

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at the described premises resulting directly from theft meaning any act of stealing, disappearance or destruction.

- (2) In addition to the LIMITATIONS and EXCLUSIONS applicable to property coverage, we will not pay for loss:
  - (a) Resulting from accounting or arithmetical errors or omissions; or
  - (b) Due to the giving or surrendering of property in any exchange or purchase.
- (3) In Section A. COVERAGES, under 2. PROPERTY NOT COVERED, item b. does not apply to this Credit Card Slip Theft, Disappearance or Destruction Additional Coverage.
- (4) We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Schedule of this endorsement. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance shown in the Schedule of this endorsement.
- (5) You must keep records of all written instruments so we can verify the amount of any loss or damage.
- (6) All loss:
  - (a) Caused by one or more persons; or
  - (b) Involving a single act or series of related acts;

Is considered one occurrence.

**c. Automatic Extinguishing System Protecting Cooking Equipment**

**(1) Recharge Expenses**

We will pay your necessary expenses to recharge an automatic extinguishing system that protects cooking equipment when discharged as designed or if discharged accidentally.

**(2) Clean up Expenses**

We will pay your necessary expenses to clean up a described premises after an accidental discharge of an automatic extinguishing system that protects cooking equipment. The cleanup expenses must relate directly to such discharge.

**(3) Lost Income from Discharge**

We will also pay for actual loss of Business Income you sustain due to a suspension of your normal business "operations" during the period of time normally required to clean up and recharge your automatic extinguishing system as a result of its accidental discharge at the described premises.

We will not pay for loss or damage in any one occurrence separately for each of these Automatic Extinguishing System Protecting Cooking Equipment Additional Coverages until the amount of loss or damage exceeds the applicable Deductible shown in the Schedule of this endorsement. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance shown in the Schedule of this endorsement for that coverage.

**d. Food Contamination**

**(1) Loss of Income**

If your covered restaurant premises are affected as a direct result of an "announcement" of "food contamination", we will pay the loss of "business income" you sustain due to the necessary suspension of your "operations". This coverage will begin 24 hours after the date of the "announcement" and ends on the date when "business income" is restored to 95% of the level of the corresponding period in the year prior to the "announcement", in any event not to exceed 12 months.

The most we will pay for your loss of "business income" is the Per Described Premises Limit of Insurance shown in the Schedule of this endorsement, subject to the Annual Policy Aggregate shown in the Schedule of this endorsement.

HOWEVER, if a limit of insurance is shown at a premises described in the Property Declarations for Food Contamination – Loss of Income, that limit replaces the Food Contamination – Loss of Income limit of insurance shown in the Schedule of this endorsement for that described premises.

- (2) If one of your covered restaurant premises is closed by the Board of Health or any other governmental authority having jurisdiction as a result of the discovery or suspicion of "food contamination", for that described premises, we will:

(a) **Restoration Expenses**

- (i) Pay your expense to clean your equipment as required by the Board of Health or any other governmental authority;
- (ii) Pay your cost to replace the food which is, or is suspected to be, contaminated;
- (iii) Pay your expense to provide necessary medical tests for your exposed employees (including temporary or leased employees) and inoculations for your infected employees (also including temporary or leased employees) who are potentially infected by the "food contamination". However, we will not pay for any expense that is otherwise covered under your Workers' Compensation Policy.

(b) **Additional Advertising Expenses**

Pay your additional advertising expenses you incur to restore your reputation.

(c) **Inoculation Expense Reimbursement**

Reimburse your reasonable expenses incurred for inoculation of your restaurant patrons by a licensed medical professional because of "food contamination" alleged by such patrons to have been transmitted or caused by ingestion of your food.

HOWEVER, this coverage does not apply to you, your employees (including temporary or leased employees) or, unless they are an affected patron, members of either's household.

(d) **Limits and Deductibles**

Separately as regards to paragraphs (a), (b) and (c) and described premises, we will not pay for loss or damage until the amount of loss or damage exceeds the Deductible shown in the Schedule of this endorsement. We will then pay the amount of loss or damage in excess of each Deductible up to the Limit of Insurance shown in the Schedule of this endorsement.

- (3) We will not pay any fines or penalties levied against you by the Board of Health or any other governmental authority having jurisdiction as a result of the discovery or suspicion of "food contamination" at a described premises.

(4) **Additional Definitions**

As used in this endorsement:

- (a) **"Announcement"** means a declaration by a Board of Health or any other governmental authority having jurisdiction, or a publication or broadcast by the media, of the discovery or suspicion of "food contamination" at a described premises or at a location of the same type, trade name and operation. Any and all "announcements" concerning the same event or a series of related events, regardless of the number of locations or individuals affected, shall be considered one "announcement". Any such "announcement" must occur during the policy period.
- (b) **"Food contamination"** means an outbreak of food poisoning or food related illness of one or more persons arising out of:
  - (i) Tainted food you distributed or purchased;
  - (ii) Food which has been improperly processed, stored, handled or prepared in the course of your business operations.

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e. **Spoilage from Power Outage**

- (1) We will pay for loss of or damage to "perishable stock" at a premises described in the Declarations, caused by "power outage" if the "perishable stock" is:

- (a) Owned by you and used in your business; or
- (b) Owned by others and in your care, custody or control, however, such property is not covered for more than the amount for which you are legally liable, plus the cost of labor, materials or services furnished or arranged by you on that property.

HOWEVER, "perishable stock" does not include property located:

- (i) On buildings; or
- (ii) In the open.

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Schedule of this endorsement. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance shown in the Schedule of this endorsement.

HOWEVER, if a limit of insurance is shown at a premises described in the Property Declarations for Spoilage From Power Outage, that limit replaces the Spoilage From Power Outage limit of insurance shown in the Schedule of this endorsement.

- (2) As used in this Spoilage from Power Outage Additional Coverage:

- (a) **"Perishable Stock"** means property:
  - (i) Maintained under controlled temperature or humidity conditions for preservation;
  - (ii) Susceptible to loss or damage if the controlled temperature or humidity conditions change; and
  - (iii) Food which has been contaminated by virus or bacteria transmitted through one or more employees, including temporary or leased employees.

- (b) **"Power Outage"** means change in the temperature or humidity resulting from complete or partial interruption of electrical power, either on or off the premises described, due to conditions beyond your control.

HOWEVER, "power outage" does not include interruption of electrical power caused by or resulting from an "accident" to "covered equipment" under the Equipment Breakdown Additional Coverage.

- (3) The following additional exclusions apply to this Spoilage from Power Outage Additional Coverage:

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

- (a) The disconnection of any refrigerating, cooling or humidity control system from the source of power.
- (b) The deactivation of electrical power caused by the manipulation of any switch or other device used to control the flow of electrical power or current.
- (c) The inability of an electrical utility company or other power source to provide sufficient power due to:
  - (i) Lack of fuel; or
  - (ii) Governmental order.
- (d) The inability of a power source at the described premises to provide sufficient power due to lack of generating capacity to meet demand.
- (e) Earth Movement.
- (f) Governmental Action.
- (g) Nuclear Hazard.
- (h) War And Military Action.
- (i) Water.

- (4) The coverage provided by this Spoilage from Power Outage Additional Coverage is excess over any other valid and collectible insurance.

f. **Brands and Labels**

If branded or labeled merchandise that is Covered Property is damaged by a Covered Cause of Loss, and we take all or part of the property at an agreed or

appraised value, then you may extend the insurance that applies to Business Personal Property to pay reasonable expenses you incur to:

- (1) Stamp "salvage" on the merchandise or its containers, if the stamp will not physically damage the merchandise; or
- (2) Remove the brands and labels to comply with applicable law, if doing

so will not physically damage the merchandise or its containers.

The most we will pay under this Brands and Labels Additional Coverage is the Business Personal Property Limit of Insurance shown in the Declarations.

This Brands and Labels Additional Coverage will not increase the Limits of Insurance provided by this policy.

**All terms and conditions of this policy apply unless modified by this endorsement.**

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

## **DATA COMPROMISE COVERAGE**

### **RESPONSE EXPENSES AND DEFENSE AND LIABILITY**

This endorsement modifies insurance provided under the following:

#### **PREMIER BUSINESSOWNERS PROPERTY COVERAGE FORM**

Under Section A. COVERAGES, 5. ADDITIONAL COVERAGES, the following Additional Coverage is added:

### **SECTION 1 – RESPONSE EXPENSES**

#### **DATA COMPROMISE COVERED CAUSE OF LOSS**

Coverage under this Data Compromise Coverage endorsement applies only if all of the following conditions are met:

1. There has been a “personal data compromise”;
2. Such “personal data compromise” is first discovered by you during the policy period for which this Data Compromise Coverage endorsement is applicable; and
3. Such “personal data compromise” is reported to us within 60 days after the date it is first discovered by you.

All incidents of “personal data compromise” that are discovered at the same time or arise from the same cause will be considered one “personal data compromise”.

#### **COVERAGE – SECTION 1**

If the three conditions listed above in DATA COMPROMISE – COVERED CAUSE OF LOSS have been met, then we will provide coverage for the following expenses when they arise directly from the covered cause of loss and are necessary and reasonable. Coverages 4. and 5. apply only if there has been a notification of the “personal data compromise” to “affected individuals” as covered under Coverage 3.

##### **1. Forensic IT Review**

Professional information technologies review if needed to determine, within the constraints of what is possible and reasonable, the nature and extent of the “personal data compromise” and the number and identities of the “affected individuals”.

This does not include costs to analyze, research or determine any of the following:

- a. Vulnerabilities in systems, procedures or physical security;

- b. Compliance with Payment Card Industry or other industry security standards; or
- c. The nature or extent of loss or damage to data that is not “personally identifying information” or “personally sensitive information”.

If there is reasonable cause to suspect that a covered “personal data compromise” may have occurred, we will pay for costs covered under Forensic IT Review, even if it is eventually determined that there was no covered “personal data compromise”.

HOWEVER, once it is determined that there was no covered “personal data compromise”, we will not pay for any further costs.

##### **2. Legal Review**

Professional legal counsel review of the “personal data compromise” and how you should best respond to it.

If there is reasonable cause to suspect that a covered “personal data compromise” may have occurred, we will pay for costs covered under Legal Review, even if it is eventually determined that there was no covered “personal data compromise”.

HOWEVER, once it is determined that there was no covered “personal data compromise”, we will not pay for any further costs.

##### **3. Notification to Affected Individuals**

We will pay your necessary and reasonable costs to provide notification of the “personal data compromise” to “affected individuals”.

##### **4. Services to Affected Individuals**

We will pay your necessary and reasonable costs to provide the following services to “affected individuals”.

- a. The following services apply to any “personal data compromise”.

##### **(1) Informational Materials**

A packet of loss prevention and customer support information.

**(2) Help Line**

A toll-free telephone line for “affected individuals” with questions about the “personal data compromise”. Where applicable, the line can also be used to request additional services as listed in b.(1) and b.(2).

- b. The following additional services apply to “personal data compromise” events involving “personally identifying information”.

**(1) Credit Report and Monitoring**

A credit report and an electronic service automatically monitoring for activities affecting an individual’s credit records. This service is subject to the “affected individual” enrolling for this service with the designated service provider.

**(2) Identity Restoration Case Management**

As respects any “affected individual” who is or appears to be a victim of “identity theft” that may reasonably have arisen from the “personal data compromise”, the services of an identity restoration professional who will assist that “affected individual” through the process of correcting credit and other records and, within the constraints of what is possible and reasonable, restoring control over his or her personal identity.

**5. PR Services**

Professional public relations firm review of and response to the potential impact of the “personal data compromise” on your business relationships. This includes costs to implement public relations recommendations of such firm. This may include advertising and special promotions designed to retain your relationship with “affected individuals”.

HOWEVER, we will not pay for promotions:

- a. Provided to any of your directors or employees; or
- b. Costing more than \$25 per “affected individual”.

**LIMITS – SECTION 1**

The most we will pay under Response Expenses coverage is the Data Compromise Response Expenses Limit for this endorsement as indicated on the Declarations.

The Data Compromise Response Expenses Limit is an annual aggregate limit. This amount is the most we will pay for the total of all loss covered under Section 1. arising out of all “personal data compromise” events which are first discovered by you during the present annual policy period. This limit applies

regardless of the number of “personal data compromise” events discovered by you during that period.

A “personal data compromise” may be first discovered by you in one policy period but cause covered costs in one or more subsequent policy periods. If so, all covered costs arising from such “personal data compromise” will be subject to the Data Compromise Response Expenses Limit applicable to the policy period when the “personal data compromise” was first discovered by you.

The most we will pay under Response Expenses coverage for loss arising from any “malware-related compromise” is the Named Malware (Sec. 1) sublimit for this endorsement as indicated on the Declarations. For the purpose of the Named Malware (Sec. 1) sublimit, all “malware-related compromises” that are caused, enabled or abetted by the same virus or other malicious code are considered to be a single “personal data compromise”.

The most we will pay under Forensic IT Review, Legal Review and PR Services coverages for loss arising from any one “personal data compromise” is the applicable sublimit for each of those coverages as indicated on the Declarations. These sublimits are part of, and not in addition to, the Data Compromise Response Expenses Limit. PR Services coverage is also subject to a limit per “affected individual” as described in 5. PR Services.

Coverage for Services to “affected individuals” is limited to costs to provide such services for a period of up to one year from the date of the notification to the “affected individuals”. Notwithstanding, coverage for Identity Restoration Case Management services initiated within such one year period may continue for a period of up to one year from the date such Identity Restoration Case Management services are initiated.

**DEDUCTIBLE – SECTION 1**

Response Expenses coverage is subject to the Response Expenses Deductible for this endorsement as indicated on the Declarations. You shall be responsible for such deductible amount as respects each “personal data compromise” covered under this endorsement.

**SECTION 2 – DEFENSE AND LIABILITY****DEFENSE AND LIABILITY COVERED CAUSE OF LOSS**

Coverage under this Data Compromise Coverage endorsement applies only if all three of the conditions in DATA COMPROMISE – COVERED CAUSE OF LOSS are met.

Only with regard to Section 2 – Defense and Liability coverage, the following conditions must also be met:

1. You have provided notifications and services to “affected individuals” in consultation with us pursuant to Response Expenses coverage;
2. You receive notice of a “data compromise suit” brought by one or more “affected individuals” or by a governmental entity on behalf of one or more “affected individuals”;
3. Notice of such “data compromise suit” is received by you within two years of the date that the “affected individuals” are notified of the “personal data compromise”; and
4. Such “data compromise suit” is reported to us as soon as practicable, but in no event more than 60 days after the date it is first received by you.

### **COVERAGE – SECTION 2**

If all of the conditions listed above in DEFENSE AND LIABILITY – COVERED CAUSE OF LOSS have been met, then we will provide coverage for “data compromise defense costs” and “data compromise liability” directly arising from the covered cause of loss.

### **LIMITS – SECTION 2**

The most we will pay under Defense and Liability coverage (other than post-judgment interest) is the Data Compromise Defense and Liability Limit for this endorsement as indicated on the Declarations.

The Data Compromise Defense and Liability Limit is an annual aggregate limit. This amount is the most we will pay for all loss covered under Section 2. (other than post-judgment interest) arising out of all “personal data compromise” events which are first discovered by you during the present annual policy period. This limit applies regardless of the number of “personal data compromise” events discovered by you during that period.

A “personal data compromise” may be first discovered by you in one policy period but cause covered costs in one or more subsequent policy periods. If so, all covered costs arising from such “personal data compromise” (other than post-judgment interest) will be subject to the Data Compromise Defense and Liability Limit applicable to the policy period when the “personal data compromise” was first discovered by you.

The most we will pay under Defense and Liability coverage for loss arising from any “malware-related compromise” is the Named Malware (Sec. 2) sublimit for this endorsement as indicated on the Declarations. For the purpose of the Named Malware (Sec. 2) sublimit, all “malware-related compromises” that are caused, enabled or abetted by the same virus or other

malicious code are considered to be a single “personal data compromise”. This sublimit is part of, and not in addition to, the Defense and Liability Limit.

### **DEDUCTIBLE – SECTION 2**

Defense and Liability coverage is subject to the Defense and Liability Deductible for this endorsement as indicated on the Declarations. You shall be responsible for such deductible amount as respects each “data compromise suit” covered under this endorsement.

## **EXCLUSIONS, ADDITIONAL CONDITIONS AND DEFINITIONS APPLICABLE TO BOTH SECTION 1 AND SECTION 2**

### **EXCLUSIONS**

The following additional exclusions apply to this coverage:

We will not pay for costs arising from the following:

1. Your intentional or willful complicity in a “personal data compromise”.
2. Any criminal, fraudulent or dishonest act, error or omission, or any intentional or knowing violation of the law by you.
3. Any “personal data compromise” occurring prior to the first inception of this Data Compromise Coverage endorsement or any coverage substantially similar to that described in this endorsement.
4. Costs to research or correct any deficiency. This includes, but is not limited to, any deficiency in your systems, procedures or physical security that may have contributed to a “personal data compromise”.
5. Any fines or penalties. This includes, but is not limited to, fees or surcharges from affected financial institutions.
6. Any criminal investigations or proceedings.
7. Any extortion or blackmail. This includes, but is not limited to, ransom payments and private security assistance.
8. Any “personal data compromise” involving data that is being transmitted electronically, unless such data is encrypted to protect the security of the transmission.
9. Your reckless disregard for the security of “personally identifying information” or “personally sensitive information” in your care, custody or control.
10. That part of any “data compromise suit” seeking any non-monetary relief.



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**ADDITIONAL CONDITIONS**

The following Additional Conditions apply to all coverages under this endorsement.

**A. Data Compromise Liability Defense**

1. We shall have the right and the duty to assume the defense of any applicable "data compromise suit" against you. You shall give us such information and cooperation as we may reasonably require.
2. You shall not admit liability for or settle any "data compromise suit" or incur any defense costs without our prior written consent.
3. If you refuse to consent to any settlement recommended by us and acceptable to the claimant, we may then withdraw from your defense by tendering control of the defense to you. From that point forward, you shall, at your own expense, negotiate or defend such "data compromise suit" independently of us. Our liability shall not exceed the amount for which the claim or suit could have been settled if such recommendation was consented to, plus defense costs incurred by us, and defense costs incurred by you with our written consent, prior to the date of such refusal.
4. We shall not be obligated to pay any damages or defense costs, or to defend or continue to defend any "data compromise suit", after the Data Compromise Defense and Liability Limit has been exhausted.
5. We shall pay all interest on that amount of any judgment within the Data Compromise Defense and Liability Limit which accrues:
  - a. After entry of judgment; and
  - b. Before we pay, offer to pay or deposit in court that part of the judgment within the Data Compromise Defense and Liability Limit or, in any case, before we pay or offer to pay the entire Data Compromise Defense and Liability Limit.

These interest payments shall be in addition to and not part of the Data Compromise Defense and Liability Limit.

**B. Duties in the Event of a "Data Compromise Suit"**

1. If a "data compromise suit" is brought against you, you must:
  - a. Immediately record the specifics of the "data compromise suit" and the date received;
  - b. Provide us with written notice, as soon as practicable, but in no event more than 60

days after the date the "data compromise suit" is first received by you;

- c. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "data compromise suit";
  - d. Authorize us to obtain records and other information;
  - e. Cooperate with us in the investigation, settlement or defense of the "data compromise suit";
  - f. Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to you because of loss to which this insurance may also apply; and
  - g. Not take any action, or fail to take any required action, that prejudices your rights or our rights with respect to such "data compromise suit".
2. You may not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our prior written consent.
  3. If you become aware of a claim or complaint that may become a "data compromise suit", you shall promptly inform us of such claim or complaint.

**C. Due Diligence**

You agree to use due diligence to prevent and mitigate costs covered under this endorsement. This includes, but is not limited to, complying with, and requiring your vendors to comply with, reasonable and industry-accepted protocols for:

1. Providing and maintaining appropriate physical security for your premises, computer systems and hard copy files;
2. Providing and maintaining appropriate computer and Internet security;
3. Maintaining and updating at appropriate intervals backups of computer data;
4. Protecting transactions, such as processing credit card, debit card and check payments; and
5. Appropriate disposal of files containing "personally identifying information" or "personally sensitive information", including shredding hard copy files and destroying physical media used to store electronic data.

**D. Legal Advice**

We are not your legal advisor. Our determination of what is or is not covered under this Data Compromise Coverage endorsement does not

represent advice or counsel from us about what you should or should not do.

#### E. Pre-Notification Consultation

You agree to consult with us prior to the issuance of notification to "affected individuals". We assume no responsibility under this Data Compromise Coverage for any services promised to "affected individuals" without our prior agreement. If possible, this pre-notification consultation will also include the designated service provider(s) as agreed to under Additional Condition F. Service Providers. You must provide the following at our pre-notification consultation with you:

1. The exact list of "affected individuals" to be notified, including contact information.
2. Information about the "personal data compromise" that may appropriately be communicated with "affected individuals".
3. The scope of services that you desire for the "affected individuals". For example, coverage may be structured to provide fewer services in order to make those services available to more "affected individuals" without exceeding the available Response Expenses Limit.

#### F. Service Providers

1. We will only pay under this Data Compromise Coverage for services that are provided by service providers approved by us. You must obtain our prior approval for any service provider whose expenses you want covered under this Data Compromise Coverage. We will not unreasonably withhold such approval.
2. Prior to the Pre-Notification Consultation described in Additional Condition E. above, you must come to agreement with us regarding the service provider(s) to be used for the Notification to Affected Individuals and Services to Affected Individuals. We will suggest a service provider. If you prefer to use an alternate service provider, our coverage is subject to the following limitations:
  - a. Such alternate service provider must be approved by us;
  - b. Such alternate service provider must provide services that are reasonably equivalent or superior in both kind and quality to the services that would have been provided by the service provider we had suggested; and
  - c. Our payment for services provided by any alternate service provider will not exceed the amount that we would have paid

using the service provider we had suggested.

#### G. Services

The following conditions apply as respects any services provided to you or any "affected individual" by us, our designees or any service firm paid for in whole or in part under this Data Compromise coverage:

1. The effectiveness of such services depends on your cooperation and assistance.
2. All services may not be available or applicable to all individuals. For example, "affected individuals" who are minors or foreign nationals may not have credit records that can be provided or monitored. Service in Canada will be different from service in the United States and Puerto Rico in accordance with local conditions.
3. We do not warrant or guarantee that the services will end or eliminate all problems associated with the covered events.
4. You will have a direct relationship with the professional service firms paid for in whole or in part under this coverage. Those firms work for you.

#### DEFINITIONS

With respect to the provisions of this endorsement only, the following definitions are added:

1. **"Affected Individual"** means any person who is your current, former or prospective customer, client, member, owner, director or employee and whose "personally identifying information" or "personally sensitive information" is lost, stolen, accidentally released or accidentally published by a "personal data compromise" covered under this endorsement. This definition is subject to the following provisions:
    - a. "Affected individual" does not include any business or organization. Only an individual person may be an "affected individual".
    - b. An "affected individual" must have a direct relationship with your interests as insured under this policy. The following are examples of individuals who would not meet this requirement:
      - (1) If you aggregate or sell information about individuals as part of your business, the individuals about whom you keep such information do not qualify as "affected individuals".
- HOWEVER, specific individuals may qualify as "affected individuals" for another reason, such as being an employee of yours.

- (2) If you store, process, transmit or transport records, the individuals whose "personally identifying information" or "personally sensitive information" you are storing, processing, transmitting or transporting for another entity do not qualify as "affected individuals".

HOWEVER, specific individuals may qualify as "affected individuals" for another reason, such as being an employee of yours.

- (3) You may have operations, interests or properties that are not insured under this policy. Individuals who have a relationship with you through such other operations, interests or properties do not qualify as "affected individuals".

HOWEVER, specific individuals may qualify as "affected individuals" for another reason, such as being an employee of the operation insured under this policy.

- c. An "affected individual" may reside anywhere in the world.

2. **"Data Compromise Defense Costs"** means expenses resulting solely from the investigation, defense and appeal of any "data compromise suit" against you. Such expenses must be reasonable and necessary. They will be incurred by us. They do not include your salaries or your loss of earnings. They do include premiums for any appeal bond, attachment bond or similar bond, but without any obligation to apply for or furnish any such bond.

3. **"Data Compromise Liability"**

- a. "Data compromise liability" means the following, when they arise from a "data compromise suit":
  - (1) Damages, judgments or settlements to "affected individuals";
  - (2) Defense costs added to that part of any judgment paid by us, when such defense costs are awarded by law or court order; and
  - (3) Pre-judgment interest on that part of any judgment paid by us.
- b. "Data compromise liability" does not mean:
  - (1) Damages, judgments or settlements to anyone who is not an "affected individual";
  - (2) Civil or criminal fines or penalties imposed by law;
  - (3) Punitive or exemplary damages;

- (4) The multiplied portion of multiplied damages;
- (5) Taxes; or
- (6) Matters which may be deemed uninsurable under the applicable law.

4. **"Data Compromise Suit"**

- a. "Data Compromise Suit" means a civil proceeding in which damages to one or more "affected individuals" arising from a "personal data compromise" or the violation of a governmental statute or regulation are alleged. Such proceeding must be brought in the United States of America, Puerto Rico or Canada. "Data compromise suit" includes:
    - (1) An arbitration proceeding in which such damages are claimed and to which you must submit or do submit with our consent;
    - (2) Any other alternative dispute resolution proceeding in which such damages are claimed and to which you submit with our consent; or
    - (3) A written demand for money, when such demand could reasonably result in a civil proceeding as described in this definition.
  - b. "Data compromise suit" does not mean any demand or action brought by or on behalf of someone who is:
    - (1) Your director or officer;
    - (2) Your owner or part-owner; or
    - (3) A holder of your securities;
 in their capacity as such, whether directly, derivatively, or by class action. "Data compromise suit" will include proceedings brought by such individuals in their capacity as "affected individuals", but only to the extent that the damages claimed are the same as would apply to any other "affected individual".
  - c. "Data compromise suit" does not mean any demand or action brought by or on behalf of an organization, business, institution or any other party that is not an "affected individual" or governmental entity.
5. **"Identity Theft"** means the fraudulent use of "personally identifying information". This includes fraudulently using such information to establish credit accounts, secure loans, enter into contracts or commit crimes.  
 "Identity theft" does not include the fraudulent use of a business name, d/b/a or any other method of identifying a business activity.
  6. **"Malware-Related Compromise"** means a "personal data compromise" that is caused, enabled or abetted by a virus or other malicious

code that, at the time of the "personal data compromise", is named and recognized by the CERT® Coordination Center, McAfee®, Secunia, Symantec or other comparable third party monitors of malicious code activity.

7. **"Personal Data Compromise"** means the loss, theft, accidental release or accidental publication of "personally identifying information" or "personally sensitive information" as respects one or more "affected individuals". If the loss, theft, accidental release or accidental publication involves "personally identifying information", such loss, theft, accidental release or accidental publication must result in or have the reasonable possibility of resulting in the fraudulent use of such information. This definition is subject to the following provisions:

- a. At the time of the loss, theft, accidental release or accidental publication, the "personally identifying information" or "personally sensitive information" need not be at the insured premises but must be in the direct care, custody or control of:
  - (1) You; or
  - (2) A professional entity with which you have a direct relationship and to which you (or an "affected individual" at your direction) have turned over (directly or via a professional transmission or transportation provider) such information for storage, processing, transmission or transportation of such information.
- b. "Personal data compromise" includes disposal or abandonment of "personally identifying information" or "personally

sensitive information" without appropriate safeguards such as shredding or destruction, subject to the following provisions:

- (1) The failure to use appropriate safeguards must be accidental and not reckless or deliberate; and
  - (2) Such disposal or abandonment must take place during the time period for which this Data Compromise Coverage endorsement is effective.
- c. "Personal data compromise" includes situations where there is a reasonable cause to suspect that such "personally identifying information" or "personally sensitive information" has been lost, stolen, accidentally released or accidentally published, even if there is no firm proof.
8. **"Personally Identifying Information"** means information, including health information, that could be used to commit fraud or other illegal activity involving the credit, access to health care or identity of an "affected individual". This includes, but is not limited to, Social Security numbers or account numbers.
- "Personally identifying information" does not mean or include information that is otherwise available to the public.
9. **"Personally Sensitive Information"** means private information specific to an individual the release of which requires notification of "affected individuals" under any applicable law.
- "Personally sensitive information" does not mean or include "personally identifying information".
10. **"You"** means the named insured.

**All terms and conditions of this policy apply unless modified by this endorsement.**

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

## **CYBERONE COVERAGE**

### **COMPUTER ATTACK AND NETWORK SECURITY LIABILITY**

This endorsement modifies insurance provided under the following:

#### **PREMIER BUSINESSOWNERS PROPERTY COVERAGE FORM**

Under Section A. COVERAGES, 5. ADDITIONAL COVERAGES, the following Additional Coverage is added:

#### **SECTION 1 – COMPUTER ATTACK**

##### **SECTION 1 – COVERED CAUSE OF LOSS**

This Computer Attack coverage applies only if all of the following conditions are met:

1. There has been a “computer attack”; and
2. Such “computer attack” is first discovered by you during the policy period for which this endorsement is applicable; and
3. Such “computer attack” is reported to us as soon as practicable, but in no event more than 60 days after the date it is first discovered by you.

##### **SECTION 1 – COVERAGES PROVIDED**

If all three of the conditions listed above in SECTION 1 – COVERED CAUSE OF LOSS have been met, then we will provide you the following coverages for loss directly arising from such “computer attack”.

##### **1. Data Restoration**

We will pay your necessary and reasonable “data restoration costs”.

##### **2. Data Re-creation**

We will pay your necessary and reasonable “data re-creation costs”.

##### **3. System Restoration**

We will pay your necessary and reasonable “system restoration costs”.

##### **4. Loss of Business**

We will pay your actual “business income loss” and your necessary and reasonable “extra expenses”.

##### **5. Public Relations**

If you suffer covered “business income loss”, we will pay for the services of a professional public relations firm to assist you in communicating your response to the “computer attack” to the media, the public and your customers, clients or members.

#### **SECTION 1 - LIMITS**

The most we will pay under Computer Attack coverage is the Computer Attack Limit indicated for this endorsement. If no limit is shown or is shown as Excluded in the Declarations, then the Computer Attack coverage will be considered to have a limit of \$0.

The most we will pay under Data Re-creation coverage for loss (including “business income loss” and “extra expense” related to data re-creation activities) arising from any one “computer attack” is the Data Re-creation Sublimit indicated for this endorsement. This sublimit is part of, and not in addition to, the Computer Attack Limit. If no sublimit is shown or is shown as Excluded in the Declarations, then the Data Re-creation coverage will be considered to have a sublimit of \$0.

The most we will pay under Loss of Business coverage for loss arising from any one “computer attack” is the Loss of Business Sublimit indicated for this endorsement. This sublimit is part of, and not in addition to, the Computer Attack Limit. If no sublimit is shown or is shown as Excluded in the Declarations, then the Loss of Business coverage will be considered to have a sublimit of \$0.

The most we will pay under Public Relations coverage for loss arising from any one “computer attack” is the Public Relations Sublimit indicated for this endorsement. This sublimit is part of, and not in addition to, the Computer Attack Limit. If no sublimit is shown or is shown as Excluded in the Declarations, then the Public Relations coverage will be considered to have a sublimit of \$0.

The Computer Attack Limit is an annual aggregate limit. This amount is the most we will pay for the total of all loss covered under Section 1 arising out of all “computer attack” events which are first discovered by you during the present annual policy period. This limit applies regardless of the number of “computer attack” events occurring during that period.

A “computer attack” may be first discovered by you in one policy period but it may cause covered costs in

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one or more subsequent policy periods. If so, all covered costs arising from such “computer attack” will be subject to the Computer Attack Limit applicable to the policy period when the “computer attack” was first discovered by you.

## **SECTION 1 - DEDUCTIBLE**

The Computer Attack coverage is subject to the Computer Attack Deductible indicated in the Declarations. You shall be responsible for the applicable deductible amount as respects loss arising from each “computer attack” covered under this endorsement.

## **SECTION 2 – NETWORK SECURITY LIABILITY**

### **SECTION 2 – COVERED CAUSE OF LOSS**

This Network Security Liability coverage applies only if all of the following conditions are met:

1. You first receive notice of a “network security liability suit” during the policy period for which this endorsement is applicable or any Extended Reporting Periods; and
2. Such “network security liability suit” is reported to us as soon as practicable, but in no event more than 60 days after the date it is first received by you.

### **SECTION 2 – COVERAGES PROVIDED**

If both of the conditions listed above in SECTION 2 – COVERED CAUSE OF LOSS have been met, then we will provide you the following coverages for loss directly arising from such “network security liability suit”.

#### **1. Defense**

We will pay your necessary and reasonable “network security liability defense costs”.

#### **2. Settlement Costs**

We will pay your necessary and reasonable “network security liability settlement costs”.

## **SECTION 2 - LIMITS**

Except for post-judgment interest, the most we will pay under Network Security Liability coverage is the Network Security Liability Limit indicated for this endorsement. If no limit is shown or is shown as Excluded in the Declarations, then the Network Security Liability coverage will be considered to have a limit of \$0.

The Network Security Liability Limit is an annual aggregate limit. This amount is the most we will pay for the total of all loss covered under Section 2 (other than post-judgment interest) arising out of all “network security liability suits” of which you first receive notice during the present annual policy period or any

Extended Reporting Periods. This limit applies regardless of the number of “network security liability suits” of which you first receive notice during that period.

You may first receive notice of a “network security liability suit” in one policy period but it may cause covered costs in one or more subsequent policy periods. If so, all covered costs arising from such “network security liability suit” (other than post-judgment interest) will be subject to the Network Security Liability Limit applicable to the policy period when notice of the “network security liability suit” was first received by you.

The Network Security Liability Limit for the Extended Reporting Periods (if applicable) shall be part of, and not in addition to, the Network Security Liability Limit for the immediately preceding policy period.

## **SECTION 2 - DEDUCTIBLE**

The Network Security Liability coverage is subject to the Network Security Liability Deductible indicated in the Declarations. You shall be responsible for the applicable deductible amount as respects loss arising from each “network security liability suit” covered under this endorsement.

## **EXCLUSIONS, ADDITIONAL CONDITIONS AND DEFINITIONS APPLICABLE TO ALL SECTIONS**

### **EXCLUSIONS**

The following additional exclusions apply to this coverage:

We will not pay for costs or loss arising from the following:

1. Loss to the internet, an internet service provider, or any computer or computer system that is not owned or leased by you and operated under your control.
2. Costs to research or correct any deficiency.
3. Any fines or penalties.
4. Any criminal investigations or proceedings.
5. Any threat, extortion or blackmail. This includes, but is not limited to, ransom payments and private security assistance.
6. Your intentional or willful complicity in a covered loss event or your reckless disregard for the security of your computer system or data.
7. Any criminal, fraudulent or dishonest act, error or omission, or any intentional or knowing violation of the law by you.
8. Any “computer attack” occurring prior to the first inception of this CyberOne coverage

endorsement or any coverage substantially similar to that described in this endorsement.

9. That part of any "network security liability suit" seeking any non-monetary relief.
10. Any "network security liability suit" arising from a propagation of malware, denial of service attack, or loss, release or disclosure of business data that occurred prior to the first inception of this CyberOne coverage endorsement or any coverage substantially similar to that described in this endorsement.
11. The propagation or forwarding of malware, including viruses, worms, Trojans, spyware and keyloggers in connection with hardware or software created, produced or modified by you for sale, lease or license to third parties.

#### **ADDITIONAL CONDITIONS**

The following additional conditions apply to all coverages under this endorsement.

##### **A. Due Diligence**

You agree to use due diligence to prevent and mitigate costs covered under this endorsement. This includes, but is not limited to, complying with reasonable and industry-accepted protocols for:

1. Providing and maintaining appropriate computer and internet security; and
2. Maintaining and updating at appropriate intervals backups of computer data.

##### **B. Duties in the Event of a "Network Security Liability Suit"**

1. If a "network security liability suit" is brought against you, you must:
  - a. Immediately record the specifics of the "network security liability suit" and the date received; and
  - b. Provide us with written notice, as soon as practicable, but in no event more than 60 days after the date the "network security liability suit" is first received by you.
  - c. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "network security liability suit";
  - d. Authorize us to obtain records and other information;
  - e. Cooperate with us in the investigation, settlement or defense of the "network security liability suit";
  - f. Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to you because of loss to which this insurance may also apply; and

- g. Not take any action, or fail to take any required action, that prejudices your rights or our rights with respect to such "network security liability suit".

##### **C. Extended Reporting Periods**

1. You shall have the right to the Extended Reporting Periods described in this section, in the event that:
  - a. You or we cancel this CyberOne coverage;
  - b. You or we refuse to renew this CyberOne coverage; or
  - c. We renew this CyberOne coverage on an other than a claims-made basis or with a retroactive date later than the date of the first inception of this CyberOne coverage endorsement or any coverage substantially similar to that described in this endorsement;
2. If an event as specified in Paragraph 1. has occurred, you shall have the right to the following:
  - a. An Automatic Extended Reporting Period of 30 days after the effective date of cancellation or nonrenewal at no additional premium in which to give to us written notice of a "network security liability suit" of which you first receive notice during said Automatic Extended Reporting Period for any propagation of malware, denial of service attack, or loss, release or disclosure of business data occurring before the end of the coverage period for this CyberOne coverage and which is otherwise covered by this CyberOne coverage; and
  - b. Upon payment of an additional premium of 100% of the full annual premium applicable to this CyberOne coverage, a Supplemental Extended Reporting Period of 1 year immediately following the effective date of cancellation or nonrenewal in which to give to us written notice of a "network security liability suit" of which you first receive notice during said Supplemental Extended Reporting Period for any propagation of malware, denial of service attack, or loss, release or disclosure of business data occurring before the end of the coverage period for this CyberOne coverage and which is otherwise covered by this CyberOne coverage.

To obtain the Supplemental Extended Reporting Period, you must request it in writing and pay the additional premium

due, within 30 days of the effective date of cancellation or nonrenewal. The additional premium for the Supplemental Extended Reporting Period shall be fully earned at the inception of the Supplemental Extended Reporting Period. If we do not receive the written request as required, you may not exercise this right at a later date.

This insurance, provided during the Supplemental Extended Reporting Period, is excess over any other valid and collectible insurance that begins or continues in effect after the Supplemental Extended Reporting Period becomes effective, whether the other insurance applies on a primary, excess, contingent, or any other basis.

#### **D. Network Security Liability Defense**

1. We shall have the right and the duty to assume the defense of any applicable "network security liability suit" against you. You shall give us such information and cooperation as we may reasonably require.
2. You shall not admit liability for or settle any "network security liability suit" or incur any defense costs without our prior written consent.
3. If you refuse to consent to any settlement recommended by us and acceptable to the claimant, we may then withdraw from your defense by tendering control of the defense to you. From that point forward, you shall, at your own expense, negotiate or defend such "network security liability suit" independently of us. Our liability shall not exceed the amount for which the claim or suit could have been settled if such recommendation was consented to, plus defense costs incurred by us, and defense costs incurred by you with our written consent, prior to the date of such refusal.
4. We shall not be obligated to pay any damages or defense costs, or to defend or continue to defend any "network security liability suit", after the Network Security Liability Limit has been exhausted.
5. We shall pay all interest on that amount of any judgment within the Network Security Liability Limit which accrues:
  - a. After entry of judgment; and
  - b. Before we pay, offer to pay or deposit in court that part of the judgment within the Network Security Liability Limit or, in any case, before we pay or offer to pay the entire Network Security Liability Limit.

These interest payments shall be in addition to and not part of the Network Security Liability Limit.

#### **E. Other Data Coverage in This Policy**

Some elements of this CyberOne coverage may also be covered under the policy to which this endorsement is attached. If so, this CyberOne coverage will apply as excess, additional coverage. If loss payment has been made under the policy for the same event, the amount of such payment will count towards the deductible that applies to this CyberOne coverage.

#### **F. Services**

The following conditions apply as respects any services provided to you by any service firm provided or paid for in whole or in part under this endorsement:

1. The effectiveness of such services depends on your cooperation and assistance.
2. We do not warrant or guarantee that the services will end or eliminate all problems associated with the covered events.

#### **DEFINITIONS**

With respect to the provisions of this endorsement only, the following definitions are added:

1. "Business Income Loss" means the sum of the:
  - a. Net income (net profit or loss before income taxes) that would have been earned or incurred; and
  - b. Continuing normal and necessary operating expenses incurred, including employee payroll,

actually lost by you during the "period of restoration".

2. "Computer Attack" means one of the following involving a computer or other electronic hardware that is owned or leased by you and operated under your control:
  - a. Unauthorized Access - meaning the gaining of access to your computer system by an unauthorized person or persons; or
  - b. Malware Attack – meaning damage to your computer system or data arising from malicious code, including viruses, worms, Trojans, spyware and keyloggers. This does not mean damage from shortcomings or mistakes in legitimate electronic code or damage from code installed on your computer system during the manufacturing process.
  - c. Denial of Service Attack – meaning a deliberate act to prevent third parties from gaining access to your computer system



through the internet in a manner in which they are legally entitled.

3. "Data Re-creation Costs"

- a. "Data re-creation costs" means the costs of an outside professional firm hired by you to research, re-create and replace data that has been lost or corrupted and for which there is no electronic source available or where the electronic source does not have the same or similar functionality to the data that has been lost or corrupted.
- b. "Data re-creation costs" also means your actual "business income loss" and your necessary and reasonable "extra expenses" arising from the lack of the lost or corrupted data during the time required to research, recreate and replace such data.
- c. "Data re-creation costs" does not mean costs to research, re-create or replace:
  - (1) Software programs or operating systems that are not commercially available; or
  - (2) Data that is obsolete, unnecessary or useless to you.

4. "Data Restoration Costs"

- a. "Data restoration costs" means the costs of an outside professional firm hired by you to replace electronic data that has been lost or corrupted. In order to be considered "data restoration costs," such replacement must be from one or more electronic sources with the same or similar functionality to the data that has been lost or corrupted.
- b. "Data restoration costs" does not mean costs to research, restore or replace:
  - (1) Software programs or operating systems that are not commercially available; or
  - (2) Data that is obsolete, unnecessary or useless to you.

5. "Extra Expense" means the additional cost you incur to operate your business during the "period of restoration" over and above the cost that you normally would have incurred to operate your business during the same period had no "computer attack" occurred.

6. "Network Security Liability Defense Costs"

- a. "Network security liability defense costs" means reasonable and necessary expenses resulting solely from the investigation, defense and appeal of any "network security liability suit" against you. Such expenses may be incurred by us. Such expenses may include premiums for any appeal bond, attachment bond or similar bond. However,

we have no obligation to apply for or furnish such bond.

- b. "Network security liability defense costs" does not mean your salaries or your loss of earnings.

7. "Network Security Liability Settlement Costs"

- a. "Network security liability settlement costs" means the following, when they arise from a "network security liability suit":
  - (1) Damages, judgments or settlements; and
  - (2) Defense costs added to that part of any judgment paid by us, when such defense costs are awarded by law or court order; and
  - (3) Pre-judgment interest on that part of any judgment paid by us.
- b. "Network security liability settlement costs" does not mean:
  - (1) Civil or criminal fines or penalties imposed by law;
  - (2) Punitive or exemplary damages;
  - (3) The multiplied portion of multiplied damages;
  - (4) Taxes; or
  - (5) Matters which may be deemed uninsurable under the applicable law.

8. "Network Security Liability Suit"

- a. "Network security liability suit" means a civil proceeding against you in which damages are alleged. Such proceeding must be brought in the United States of America, Puerto Rico or Canada. Such proceeding must be based on an allegation that a negligent security failure or weakness with respect to a computer or other electronic hardware that is owned or leased by you and operated under your control allowed one or more of the following to happen:
  - (1) The unintended propagation or forwarding of malware, including viruses, worms, Trojans, spyware and keyloggers. Malware does not include shortcomings or mistakes in legitimate electronic code.
  - (2) The unintended abetting of a denial of service attack against one or more other systems.
  - (3) The loss, release or disclosure of business data that is owned by or proprietary to a third party. This does not include personally identifying information or other information that is sensitive or personal to individuals.

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- b. "Network security liability suit" includes the following:
  - (1) An arbitration or alternative dispute resolution proceeding that you are required to submit to or which we agree you should submit to; or
  - (2) A written demand for money, when such demand could reasonably result in a civil proceeding as described in this definition.
- c. "Network security liability suit" does not mean any demand or action alleging or arising from property damage or bodily injury.
- d. "Network security liability suit" does not mean any demand or action brought by or on behalf of someone who is:
  - (1) Your director or officer;
  - (2) Your owner or part-owner; or
  - (3) A holder of your securities;
 in their capacity as such, whether directly, derivatively, or by class action.
- 9. "Period of Restoration" means the period of time that begins at the time that the "computer attack" is discovered by you and continues until the earlier of:
  - a. The date that all data restoration, data re-creation and system restoration directly related to the "computer attack" has been completed; or
  - b. The date on which such data restoration, data re-creation and system restoration could have been completed with the exercise of due diligence and dispatch.
- 10. "System Restoration Costs"
  - a. "System restoration costs" means the costs of an outside professional firm hired by you to do any of the following in order to restore your computer system to its pre- "computer attack" level of functionality:
    - (1) Replace or reinstall computer software programs;
    - (2) Remove any malicious code; and
    - (3) Configure or correct the configuration of your computer system.
  - b. "System restoration costs" does not mean:
    - (1) Costs to increase the speed, capacity or utility of your computer system;
    - (2) Labor of your employees;
    - (3) Any costs in excess of the actual cash value of your computer system; or
    - (4) Costs to repair or replace hardware.

**All terms and conditions of this policy apply unless modified by this endorsement.**

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

## **IDENTITY RECOVERY COVERAGE**

### **IDENTITY THEFT CASE MANAGEMENT SERVICE AND EXPENSE REIMBURSEMENT**

This endorsement modifies insurance provided under the following:

#### **PREMIER BUSINESSOWNERS PROPERTY COVERAGE FORM**

Under Section A. COVERAGES, 5. ADDITIONAL COVERAGES, the following Additional Coverage is added:

#### **IDENTITY RECOVERY COVERAGE**

We will provide the Case Management Service and Expense Reimbursement Coverage indicated below if all of the following requirements are met:

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

If all three of the requirements listed above have been met, then we will provide the following to the "identity recovery insured":

#### **1. Case Management Service**

Services of an "identity recovery case manager" as needed to respond to the "identity theft"; and

#### **2. Expense Reimbursement**

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

This coverage is additional insurance.

#### **EXCLUSIONS**

The following additional exclusions apply to this coverage:

We do not cover loss or expense arising from any of the following:

1. The theft of a professional or business identity.
2. Any fraudulent, dishonest or criminal act by an "identity recovery insured" or any person aiding or abetting an "identity recovery insured", or by any authorized representative of an "identity recovery insured", whether acting alone or in collusion with others. However, this exclusion shall not apply to

the interests of an "identity recovery insured" who has no knowledge of or involvement in such fraud, dishonesty or criminal act.

3. An "identity theft" that is not reported in writing to the police.

#### **LIMITS**

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

Expense Reimbursement Coverage is subject to an Expense Reimbursement Limit of \$25,000 annual aggregate per "identity recovery insured." The Expense Reimbursement Limit shall apply separately to each 12 month period within the policy period. For policy periods greater than 12 months, this coverage will be subject to a new and separate Expense Reimbursement Limit upon each 12 month anniversary of the beginning of the policy period. Regardless of the number of claims, the Expense Reimbursement Limit is the most we will pay for the total of all loss or expense arising out of all "identity thefts" to any one "identity recovery insured" which are first discovered by the "identity recovery insured" during the applicable 12 month period. If an "identity theft" is first discovered in one 12 month period and continues into other 12 month periods, all loss and expense arising from such "identity theft" will be subject to the aggregate Expense Reimbursement Limit applicable to the 12 month period when the "identity theft" was first discovered.

Legal costs as provided under item d. of the definition of "identity recovery expenses" are part of, and not in addition to, the Expense Reimbursement Coverage limit.

Item e. (Lost Wages) and item f. (Child and Elder Care Expenses) of the definition of "identity recovery expenses" are jointly subject to a sublimit of \$5,000.

This sublimit is part of, and not in addition to, the Expense Reimbursement Coverage limit. Coverage is limited to wages lost and expenses incurred within 12

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months after the first discovery of the "identity theft" by the "identity recovery insured."

Item g. (Mental Health Counseling) of the definition of "identity recovery expenses" is subject to a sublimit of \$1,000. This sublimit is part of, and not in addition to, the Expense Reimbursement Coverage limit. Coverage is limited to counseling that takes place within 12 months after the first discovery of the "identity theft" by the "identity recovery insured."

Item h. (Miscellaneous Unnamed Costs) of the definition of "identity recovery expenses" is subject to a sublimit of \$1,000. This sublimit is part of, and not in addition to, the Expenses Reimbursement Coverage limit. Coverage is limited to costs incurred within 12 months after the first discovery of the "identity theft" by the "identity recovery insured."

### DEDUCTIBLE

Case Management Service and Expense Reimbursement Coverage are not subject to a deductible.

### CONDITIONS

The following additional conditions apply to this coverage:

#### A. Help Line

For assistance, the "identity recovery insured" should call the **Identity Recovery Help Line** at **1-877-800-5028**.

The **Identity Recovery Help Line** can provide the "identity recovery insured" with:

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

In some cases, we may provide Case Management services at our expense to an "identity recovery insured" prior to a determination that a covered "identity theft" has occurred. Our provision of such services is not an admission of liability under the policy. We reserve the right to deny further coverage or service if, after investigation, we determine that a covered "identity theft" has not occurred.

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

#### B. Services

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

1. Our ability to provide helpful services in the event of an "identity theft" depends on the cooperation, permission and assistance of the "identity recovery insured."
2. All services may not be available or applicable to all individuals. For example, "identity recovery insureds" who are minors or foreign nationals may not have credit records that can be provided or monitored. Service in Canada will be different from service in the United States and Puerto Rico in accordance with local conditions.
3. We do not warrant or guarantee that our services will end or eliminate all problems associated with an "identity theft" or prevent future "identity thefts."

### DEFINITIONS

With respect to the provisions of this endorsement only, the following definitions are added:

1. **"Identity Recovery Case Manager"** means one or more individuals assigned by us to assist an "identity recovery insured" with communications we deem necessary for re-establishing the integrity of the personal identity of the "identity recovery insured." This includes, with the permission and cooperation of the "identity recovery insured," written and telephone communications with law enforcement authorities, governmental agencies, credit agencies and individual creditors and businesses.
2. **"Identity Recovery Expenses"** means the following when they are reasonable and necessary expenses that are incurred as a direct result of an "identity theft":
  - a. Costs for re-filing applications for loans, grants or other credit instruments that are rejected solely as a result of an "identity theft."
  - b. Costs for notarizing affidavits or other similar documents, long distance telephone calls and postage solely as a result of your efforts to report an "identity theft" or amend or rectify records as to your true name or identity as a result of an "identity theft."
  - c. Costs for credit reports from established credit bureaus.
  - d. Fees and expenses for an attorney approved by us for the following:
    - (1) The defense of any civil suit brought against an "identity recovery insured."

- (2) The removal of any civil judgment wrongfully entered against an "identity recovery insured."
  - (3) Legal assistance for an "identity recovery insured" at an audit or hearing by a governmental agency.
  - (4) Legal assistance in challenging the accuracy of the "identity recovery insured's" consumer credit report.
  - (5) The defense of any criminal charges brought against an "identity recovery insured" arising from the actions of a third party using the personal identity of the "identity recovery insured."
- e. Actual lost wages of the "identity recovery insured" for time reasonably and necessarily taken away from work and away from the work premises. Time away from work includes partial or whole work days. Actual lost wages may include payment for vacation days, discretionary days, floating holidays and paid personal days. Actual lost wages does not include sick days or any loss arising from time taken away from self employment. Necessary time off does not include time off to do tasks that could reasonably have been done during non-working hours.
  - f. Actual costs for supervision of children or elderly or infirm relatives or dependants of the "identity recovery insured" during time reasonably and necessarily taken away from such supervision. Such care must be provided by a professional care provider who is not a relative of the "identity recovery insured."
  - g. Actual costs for counseling from a licensed mental health professional. Such care must be provided by a professional care provider who is not a relative of the "identity recovery insured."
  - h. Any other reasonable costs necessarily incurred by an "identity recovery insured" as a direct result of the "identity theft."
    - (1) Such costs include:
      - (A) Costs by the "identity recovery insured" to recover control over his or her personal identity.
      - (B) Deductibles or service fees from financial institutions.
    - (2) Such costs do not include:
      - (A) Costs to avoid, prevent or detect "identity theft" or other loss.
      - (B) Money lost or stolen.
      - (C) Costs that are restricted or excluded elsewhere in this endorsement or policy.
3. **"Identity Recovery Insured"** means the following:
- a. When the entity insured under this policy is a sole proprietorship, the "identity recovery insured" is the individual person who is the sole proprietor of the insured entity.
  - b. When the entity insured under this policy is a partnership, the "identity recovery insureds" are the current partners.
  - c. When the entity insured under this policy is a corporation or other organization, the "identity recovery insureds" are all individuals having an ownership position of 20% or more of the insured entity. However, if and only if there is no one who has such an ownership position, then the "identity recovery insured" shall be:
    - (1) The chief executive of the insured entity; or
    - (2) As respects a religious institution, the senior ministerial employee.
  - d. The employees of the entity insured.
  - e. The resident family members of any of the above.
- An "identity recovery insured" must always be an individual person. The entity insured under this policy is not an "identity recovery insured."
4. **"Identity Theft"** means the fraudulent use of the social security number or other method of identifying an "identity recovery insured." This includes fraudulently using the personal identity of an "identity recovery insured" to establish credit accounts, secure loans, enter into contracts or commit crimes.
- "Identity theft" does not include the fraudulent use of a business name, d/b/a or any other method of identifying a business activity.

**All terms and conditions of this policy apply unless modified by this endorsement.**

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

## **LIQUOR LIABILITY COVERAGE**

This endorsement modifies insurance provided under the following:

**PREMIER BUSINESSOWNERS LIABILITY COVERAGE FORM**

In Section I. COVERAGES, A. COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY, under 2. EXCLUSIONS, exclusion c. is deleted.

HOWEVER, under no circumstances does this insurance apply to "bodily injury", "property damage" or "personal and advertising injury" which arises out of or is a result of any alcoholic beverage being sold, served or furnished while any required license is suspended, or after such license expires, is cancelled or revoked.

**All terms and conditions of this policy apply unless modified by this endorsement.**

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

## **VIRGINIA AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:

PREMIER BUSINESSOWNERS COMMON POLICY CONDITIONS  
PREMIER BUSINESSOWNERS PROPERTY COVERAGE FORM  
PREMIER BUSINESSOWNERS LIABILITY COVERAGE FORM

- A. In the COMMON POLICY CONDITIONS, condition A. CANCELLATION is replaced by the following:

### **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, stating the reason for cancellation, at least:
  - a. 15 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 45 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver written notice to the first Named Insured's last mailing address known to us. If notice is mailed, it will be sent in accordance with Virginia Law.
4. Our notice 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. The cancellation will be effective even if we have not made or offered a refund. The following provisions govern calculation of return premium.
  - a. We will compute the return premium pro rata and round to the next higher whole dollar when this policy is cancelled:
    - (1) At our request;
    - (2) Because you no longer has a financial or insurable interest in the property or business operation that is the subject of insurance; or
    - (3) And is rewritten in the same company or group.

- b. When this policy is cancelled at your request (except when paragraphs (2) or (3) apply), we will return 90% of the pro rata unearned premium, rounded to the next higher whole dollar.

6. If notice is mailed, proof of mailing will be sufficient proof of notice.

- B. The following conditions are added to the COMMON POLICY CONDITIONS:

### **NONRENEWAL**

1. If we elect not to renew this policy, we will mail or deliver a notice of nonrenewal to the first Named Insured, stating the reason for nonrenewal, at least:
  - a. 15 days before the expiration date if the nonrenewal is due to nonpayment of premium; or
  - b. 45 days before the expiration date if the nonrenewal is for any other reason.
2. We will mail or deliver written notice of nonrenewal to the first Named Insured's last mailing address known to us. If notice is mailed, it will be sent by ordinary mail for which a Certificate of Mailing has been obtained, or by registered or certified mail. If notice is mailed, proof of mailing will be sufficient proof of notice.

- C. In the COMMON POLICY CONDITIONS, under Condition H. OTHER INSURANCE, paragraph 1. is replaced by the following:

1. Under any property coverage provided by this policy, if there is other insurance covering the same loss or damage, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this policy bears to the Limits of Insurance of all insurance covering on the same basis. But we will not pay more than the applicable Limit of Insurance.

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**D. AMENDMENTS TO THE PROPERTY COVERAGE FORM**

1. Under Section A. COVERAGES, The **Fire Department Service Charge** Additional Coverage is replaced by the following:

**Fire Department Service Charge**

- a. When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$2,500 for service at each premises described in the Declarations, unless a different limit is shown in the Declarations. Such limit is the most we will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed.

This Additional Coverage applies to your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

- b. If the fire department service charge is not covered under the terms of Paragraph a., then the following applies:

When a volunteer fire department is called to save or protect the Covered Property from a Covered Cause of Loss, we will pay the amount billed to you, up to \$250, unless a different limit is shown in the Declarations for volunteer fire department services charges.

This Additional Coverage applies to your liability for service charges billed to you by a volunteer fire department, provided that:

- (1) The volunteer fire department is not fully funded by real estate taxes or other property taxes; and
- (2) The service charge is not made in response to a call outside of the volunteer fire department's fire protection district, city or municipality pursuant to a contract.

- c. No deductible applies to this Additional Coverage.

2. Under Section E. PROPERTY LOSS CONDITIONS, paragraph 2. Appraisal is replaced by the following:

**Appraisal**

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the

loss. In this event, each party will select a competent and impartial appraiser. You and we must notify the other of the appraiser selected within 20 days of the written demand for appraisal. The two appraisers will select an umpire. If the appraisers do not agree on the selection of an umpire within 15 days, the insured or the insurer may apply in writing, for the appointment of an umpire, to the judge of the circuit court of the county or city in which the damaged or destroyed property was located at the time of loss. The appraisers will state separately the value of the property and amount of loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two set the amount of loss. Any outcome of the appraisal will be binding on both parties. If you make a written demand for an appraisal of the loss, each party will:

- a. Pay its own appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

However, if we make written demand for an appraisal of the loss, we will reimburse you for the reasonable cost of your chosen appraiser, and for your portion of the cost of the umpire.

If there is an appraisal, we will still retain our right to deny the claim.

3. Under Section E. PROPERTY LOSS CONDITIONS, 3. Duties In The Event Of Loss Or Damage, paragraph a.(1) does not apply.
4. Under Section E. PROPERTY LOSS CONDITIONS, 5. Loss Payment, paragraph e.(1)(b) is replaced by the following:
  - (b) You may make an initial claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim on a replacement cost basis if you notify us of your intent to do so within 6 months of the later of the following dates:
    - i. The last date on which you received a payment for actual cash value; or
    - ii. The date of entry of a final order of a court of competent jurisdiction declaring your right to full replacement cost.



**E. AMENDMENTS TO ENDORSEMENTS**

1. If the CONDOMINIUM COMMERCIAL UNIT-OWNERS OPTIONAL COVERAGE endorsement, form PB1703, is a part of this

policy, then under B. MISCELLANEOUS REAL PROPERTY COVERAGE in that endorsement, paragraph 2. does not apply.

**All terms and conditions of this policy apply unless modified by this endorsement.**