



PO Box 819
Appleton, WI 54912-0819
(920) 739-3161

SECURA Supreme Insurance Company
BUSINESS PROTECTOR POLICY
Common Policy
RENEWAL DECLARATIONS

POLICY NO. 80-BP-003374818-1

RENEWAL OF 80-BP-003374818-0

ACCOUNT NUMBER: 7626082

NAMED INSURED AND MAILING ADDRESS

MIDLAND CENTER LOT 2 CONDOMINIUM
ASSOCIATION INC
0326 HWY 133 STE 290
CARBONDALE, CO 81623

AGENCY AND MAILING ADDRESS

050026

GIA GROUP LLC
1605 GRAND AVE #K
GLENWOOD SPRINGS, CO 81602

(970) 945-9161

POLICY PERIOD: FROM 10/04/2023 TO 10/04/2024 AT 12:01 AM STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE.

THE NAMED INSURED IS: Corporation

BUSINESS DESCRIPTION: Buildings or Premises - bank or office - mercantile or manufacturing
(lessor's risk only) - Other than Not-For-Profit

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

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

		PREMIUM
COMMERCIAL PROPERTY	\$	13,278
COMMERCIAL GENERAL LIABILITY	\$	1,524
COMMERCIAL CRIME AND FIDELITY	\$	Not Covered
COMMERCIAL INLAND MARINE	\$	Not Covered
EMPLOYMENT PRACTICES LIABILITY	\$	86
CYBER SECURITY	\$	264
ESTIMATED POLICY PREMIUM		\$ 15,152
ESTIMATED POLICY TOTAL		\$ 15,152.00

This is not a bill - Invoice to follow.
Total premium is payable in monthly installments.

SECURA Supreme Insurance Company
BUSINESS PROTECTOR POLICY
Common Policy
RENEWAL DECLARATIONS

POLICY NO. 80-BP-003374818-1
INSURED: MIDLAND CENTER LOT 2 CONDOMINIUM
ASSOCIATION INC

EFFECTIVE DATE: 10/04/2023
AGENCY: GIA GROUP LLC

FORMS AND ENDORSEMENTS APPLICABLE TO ALL COVERAGE PARTS

See Forms Schedule

NOTE: IF NO ENTRY APPEARS ON THE ABOVE ENDORSEMENTS, INFORMATION REQUIRED TO COMPLETE THE FORM WILL BE SHOWN ON THE SUPPLEMENTAL FORM DECLARATION IMMEDIATELY FOLLOWING THE APPLICABLE ENDORSEMENT.

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



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SECURA Supreme Insurance Company
BUSINESS PROTECTOR POLICY
Commercial Property Coverage Part
RENEWAL DECLARATIONS

POLICY NO. 80-BP-003374818-1

RENEWAL OF 80-BP-003374818-0

ACCOUNT NUMBER: 7626082

NAMED INSURED AND MAILING ADDRESS

MIDLAND CENTER LOT 2 CONDOMINIUM
ASSOCIATION INC
0326 HWY 133 STE 290
CARBONDALE, CO 81623

AGENCY AND MAILING ADDRESS

050026

GIA GROUP LLC
1605 GRAND AVE #K
GLENWOOD SPRINGS, CO 81602

(970) 945-9161

POLICY PERIOD: FROM 10/04/2023 TO 10/04/2024 AT 12:01 AM STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE.

LOCATION: 1 BUILDING: 1

DESCRIPTION OF PREMISES

ADDRESS: 120 MIDLAND AVE, STE 150, GLENWOOD SPRINGS, CO 81601
BUILDING DESCRIPTION: COMMERCIAL CONDO UNIT
PROTECTION CLASS: 2 CONSTRUCTION: NON-COMBUSTIBLE

COVERAGES PROVIDED

Insurance At The Described Premises Applies Only For Coverages For Which A Limit Of Insurance Is Shown

COVERAGE	COVERED CAUSE OF LOSS	DEDUCTIBLE	COINSURANCE	LIMIT OF INSURANCE
Building	Special Including Theft	\$5,000	100%	\$11,242,800
View Form				
Agreed Value: \$11,242,800				
Exp Date: 10/04/2024				
Inflation Guard: 8%				
Replacement Cost				

SECURA Supreme Insurance Company
BUSINESS PROTECTOR POLICY
Commercial Property Coverage Part
RENEWAL DECLARATIONS

POLICY NO. 80-BP-003374818-1
INSURED: MIDLAND CENTER LOT 2 CONDOMINIUM
ASSOCIATION INC

EFFECTIVE DATE: 10/04/2023
AGENCY: GIA GROUP LLC

COVERAGE	COVERED CAUSE OF LOSS	DEDUCTIBLE	COINSURANCE	LIMIT OF INSURANCE
BUSINESS INCOME - ACTUAL LOSS SUSTAINED AND EXTRA EXPENSE Business Income Including Rental Value Coinsurance Does Not Apply Extended Period of Indemnity: 30 days	Special Including Theft		View Form	CPE 1555

OPTIONAL COVERAGES	LIMIT	FORM
BUSINESS INCOME		
Discretionary Payroll Expense	View Form	CP 15 04
Beginning Of The Period Of Restoration	View Form	CP 15 56

POLICY OPTIONAL COVERAGES	LIMIT	FORM
Water Back-up and Sump Overflow	View Form	CPE 0696
Equipment Breakdown Wrap	View Form	HSB 5000
Universal Wrap	View Form	CPT 9099 CPT 9000

TERRORISM COVERAGE IS **ACCEPTED** ANNUAL CHARGE IS \$ **124**

PREMIUM	
COMMERCIAL PROPERTY PREMIUM	\$13,278

SECURA Supreme Insurance Company
BUSINESS PROTECTOR POLICY
Commercial Property Coverage Part
RENEWAL DECLARATIONS

POLICY NO. 80-BP-003374818-1

**INSURED: MIDLAND CENTER LOT 2 CONDOMINIUM
ASSOCIATION INC**

EFFECTIVE DATE: 10/04/2023

AGENCY: GIA GROUP LLC

FORMS AND ENDORSEMENTS

APPLYING TO COMMERCIAL PROPERTY AND MADE PART OF THIS POLICY AT TIME OF ISSUE:

See Forms Schedule

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PO Box 819
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SECURA Supreme Insurance Company
BUSINESS PROTECTOR POLICY
Commercial General Liability Coverage Part
RENEWAL DECLARATIONS

POLICY NO. 80-BP-003374818-1

RENEWAL OF 80-BP-003374818-0

ACCOUNT NUMBER: 7626082

NAMED INSURED AND MAILING ADDRESS

MIDLAND CENTER LOT 2 CONDOMINIUM
ASSOCIATION INC
0326 HWY 133 STE 290
CARBONDALE, CO 81623

AGENCY AND MAILING ADDRESS

050026

GIA GROUP LLC
1605 GRAND AVE #K
GLENWOOD SPRINGS, CO 81602

(970) 945-9161

POLICY PERIOD: FROM 10/04/2023 TO 10/04/2024 AT 12:01 AM STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE.

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

COMMERCIAL GENERAL LIABILITY COVERAGE

LIMITS OF INSURANCE		
GENERAL AGGREGATE LIMIT	\$2,000,000	
PRODUCTS – COMPLETED OPERATIONS AGGREGATE LIMIT	\$2,000,000	
PERSONAL INJURY & ADVERTISING INJURY LIMIT	\$1,000,000	
EACH OCCURRENCE LIMIT	\$1,000,000	
DAMAGE TO PREMISES RENTED TO YOU LIMIT	\$1,000,000	ANY ONE PREMISES
MEDICAL EXPENSE LIMIT	\$10,000	ANY ONE PERSON

ALL PREMISES YOU OWN, RENT OR OCCUPY:

LOC	ADDRESS
1	120 Midland Ave, Ste 150, Glenwood Springs, CO 81601

SECURA Supreme Insurance Company
BUSINESS PROTECTOR POLICY
Commercial General Liability Coverage Part
RENEWAL DECLARATIONS

POLICY NO. 80-BP-003374818-1
INSURED: MIDLAND CENTER LOT 2 CONDOMINIUM
ASSOCIATION INC

EFFECTIVE DATE: 10/04/2023
AGENCY: GIA GROUP LLC

STATE: CO

CLASSIFICATION							
LOC	CLASSIFICATION	CODE	PREMIUM BASIS	EXPOSURE	PMS RATE	PDTS RATE	OTHER RATE
1	Buildings or Premises - bank or office - mercantile or manufacturing (Lessor's risk only) (For-Profit)	61212	Square Feet	34,700	36.393	Included	

POLICY OPTIONAL COVERAGES		
COVERAGE	LIMIT	FORM
General Liability Wrap	View Form	CGT 1000
Employment- Related Practices Exclusion	View Form	CG2147
Amendment of Insured Contract Definition	View Form	CG2426
Exclusion - Designated Ongoing Operations	View Form	CG2153
Limitation Of Coverage To Designated Premises Or Project	View Form	CG2144
Exclusion Fungi or Bacteria	View Form	CG2167
Communicable Disease Exclusion	View Form	CG2132

SECURA Supreme Insurance Company
BUSINESS PROTECTOR POLICY
Commercial General Liability Coverage Part
RENEWAL DECLARATIONS

POLICY NO. 80-BP-003374818-1
INSURED: MIDLAND CENTER LOT 2 CONDOMINIUM
ASSOCIATION INC

EFFECTIVE DATE: 10/04/2023
AGENCY: GIA GROUP LLC

TERRORISM COVERAGE IS **ACCEPTED**

ANNUAL CHARGE IS \$

11

	PREMIUM	
	COMMERCIAL GENERAL LIABILITY ADVANCE PREMIUM	\$ 1,524

FORMS AND ENDORSEMENTS

APPLYING TO THIS COVERAGE PART AND MADE PART OF THIS POLICY AT TIME OF ISSUE:

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SECURA Supreme Insurance Company
BUSINESS PROTECTOR POLICY
Employment Practices Liability Coverage Part
RENEWAL DECLARATIONS**POLICY NO. 80-BP-003374818-1****RENEWAL OF 80-BP-003374818-0****ACCOUNT NUMBER: 7626082****NAMED INSURED AND MAILING ADDRESS**MIDLAND CENTER LOT 2 CONDOMINIUM
ASSOCIATION INC
0326 HWY 133 STE 290
CARBONDALE, CO 81623**AGENCY AND MAILING ADDRESS**

050026

GIA GROUP LLC
1605 GRAND AVE #K
GLENWOOD SPRINGS, CO 81602

(970) 945-9161**POLICY PERIOD:** FROM 10/04/2023 TO 10/04/2024 AT 12:01 AM STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE**THE NAMED INSURED IS:** Corporation

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

LIMITS OF INSURANCE**SMALL BUSINESS PROGRAM – EMPLOYMENT PRACTICES LIABILITY COVERAGE**

LIMITS OF INSURANCE		
Employment Practices Liability Each Claim Limit	\$	100,000
Employment Practices Liability Aggregate Limit	\$	100,000
Deductible – Each Claim	\$	5,000
Retroactive Date: 10/04/2022		
THE EMPLOYMENT PRACTICES LIABILITY COVERAGE IS A CLAIMS-MADE AND REPORTED COVERAGE. DEFENSE COSTS APPLY AGAINST THE LIMITS OF INSURANCE AND ARE SUBJECT TO THE DEDUCTIBLE.		

TERRORISM COVERAGE IS EXCLUDED.

PREMIUM		
EMPLOYMENT PRACTICES LIABILITY PREMIUM	\$	86

SECURA Supreme Insurance Company
BUSINESS PROTECTOR POLICY
Employment Practices Liability Coverage Part
RENEWAL DECLARATIONS

POLICY NO. 80-BP-003374818-1
INSURED: MIDLAND CENTER LOT 2 CONDOMINIUM
ASSOCIATION INC

EFFECTIVE DATE: 10/04/2023
AGENCY: GIA GROUP LLC

FORMS AND ENDORSEMENTS APPLICABLE TO ALL COVERAGE PARTS

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SECURA Supreme Insurance Company
BUSINESS PROTECTOR POLICY
Cyber Security Coverage Part
RENEWAL DECLARATIONS

POLICY NO. 80-BP-003374818-1

RENEWAL OF 80-BP-003374818-0

ACCOUNT NUMBER: 7626082

NAMED INSURED AND MAILING ADDRESS

MIDLAND CENTER LOT 2 CONDOMINIUM
ASSOCIATION INC
0326 HWY 133 STE 290
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1605 GRAND AVE #K
GLENWOOD SPRINGS, CO 81602

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IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

CYBER SECURITY COVERAGE PART – Cyber Suite

LIMITS OF INSURANCE

First Party Annual Aggregate Limit	\$	50,000
Third Party Annual Aggregate Limit	\$	50,000
Cyber Security Deductible – Per Occurrence	\$	1,000

THIS INSURANCE PROVIDES SOME CLAIMS-MADE COVERAGE. DEFENSE COSTS APPLY AGAINST THE LIMITS OF INSURANCE AND ARE SUBJECT TO THE DEDUCTIBLE. PLEASE READ THE ENTIRE FORM CAREFULLY.

FIRST PARTY COVERAGES

DATA COMPROMISE RESPONSE EXPENSES

Sublimits Per Occurrence

Public Relations
Reputational Harm

Included

\$ 10,000
\$ 10,000

COMPUTER ATTACK

Sublimit Per Occurrence

Public Relations

Included

\$ 10,000

CYBER EXTORTION

Sublimit Per Occurrence

Included
\$ 10,000

MISDIRECTED PAYMENT FRAUD

Sublimit Per Occurrence

Included
\$ 10,000

COMPUTER FRAUD

Included

CSD 0001 2109

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Page 1 of 2

SECURA Supreme Insurance Company
BUSINESS PROTECTOR POLICY
Cyber Security Coverage Part
 RENEWAL DECLARATIONS

POLICY NO. 80-BP-003374818-1
INSURED: MIDLAND CENTER LOT 2 CONDOMINIUM
ASSOCIATION INC

EFFECTIVE DATE: 10/04/2023
AGENT: GIA GROUP LLC

Sublimit Per Occurrence	\$ 10,000
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TELECOMMUNICATIONS FRAUD	Included
Sublimit Per Occurrence	\$ 10,000

REWARD PAYMENTS	Included
Sublimit Per Policy	\$ 25,000

THIRD PARTY COVERAGES

PRIVACY INCIDENT LIABILITY	Included
NETWORK SECURITY LIABILITY	Included
ELECTRONIC MEDIA LIABILITY	Included

IDENTITY RECOVERY COVERAGES

Annual Aggregate Limit – Per “Identity Recovery Insured”	\$ 25,000
Deductible Per Occurrence – NONE	
Sublimits Per Occurrence	
Lost Wages and Child and Elder Care Expenses	\$ 5,000
Mental Health Counseling	\$ 1,000
Miscellaneous Unnamed Costs	\$ 1,000

TERRORISM COVERAGE IS **ACCEPTED**.

ANNUAL CHARGE IS INCLUDED

PREMIUM

CYBER SECURITY COVERAGE PART PREMIUM	\$ 264
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FORMS AND ENDORSEMENTS

APPLYING TO THIS COVERAGE PART AND MADE PART OF THIS POLICY AT TIME OF ISSUE:

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COMMERCIAL LINES INSURANCE PROVISIONS

This information page with "Policy Provisions" completes the below numbered

Company: **SECURA Supreme Insurance Company**

Policy Number: 80-BP-003374818-1

Account Number: 7626082

Renewal of : 80-BP-003374818-0

Named Insured and Mailing Address

MIDLAND CENTER LOT 2 CONDOMINIUM
ASSOCIATION INC
0326 HWY 133 STE 290
CARBONDALE, CO 81623

Producer and Mailing Address

GIA GROUP LLC
1605 GRAND AVE #K
GLENWOOD SPRINGS, CO 81602

OFFICER SIGNATURE PAGE

In Witness Whereof, we have caused this policy to be executed and attested. If required by statute, it is countersigned by our authorized representative.

Secretary

President and CEO



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SECURA Supreme Insurance Company
BUSINESS PROTECTOR POLICY
RATE FACTOR INFORMATION PAGE

POLICY NO. 80-BP-003374818-1

RENEWAL OF 80-BP-003374818-0

ACCOUNT NUMBER: 7626082

NAMED INSURED AND MAILING ADDRESS

MIDLAND CENTER LOT 2 CONDOMINIUM
ASSOCIATION INC
0326 HWY 133 STE 290
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AGENCY AND MAILING ADDRESS

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GIA GROUP LLC
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GLENWOOD SPRINGS, CO 81602

(970) 945-9161

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R A T E F A C T O R I N F O R M A T I O N P A G E

Your protection with SECURA Insurance includes valuable pricing adjustments. The premium for this policy includes the following factors:

Renewal Rewards of 2% for continuous years of protection. Thank you.

Account Credit of 5% for multiple policies in your account.

Rating factors will apply only to coverage premium development as permitted by rules on file with insurance departments. Other pricing factors determined based on each individual risk and policy type may also apply.



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SECURA Supreme Insurance Company
BUSINESS PROTECTOR POLICY
FORM SCHEDULE

POLICY NO. 80-BP-003374818-1

RENEWAL OF 80-BP-003374818-0

ACCOUNT NUMBER: 7626082

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MIDLAND CENTER LOT 2 CONDOMINIUM
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AGENCY AND MAILING ADDRESS

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INTERLINE FORMS		APPLICABLE COVERAGE PARTS
CG 2170 0115	Cap On Losses From Certified Acts of Terrorism	Cyber Security, General Liability
CG 2176 0115	Exclusion of Punitive Damages Related To A Certified Act of Terrorism	Cyber Security
CG 2187 0115	Conditional Exclusion Of Terrorism (Relating to Disposition of Federal Terrorism Risk Insurance Act)	Cyber Security, General Liability
CG2169 0102	War Or Terrorism Exclusion	Cyber Security, General Liability
IL0017 1198	Common Policy Conditions	Cyber Security, Employment Practices Liability, General Liability, Commercial Property
IL0021 0908	Nuclear Energy Liability Exclusion Endorsement (Broad Form)	General Liability
IL0030 0106	Exclusion Of Terrorism	Commercial Property
IL0415 0498	Protective Safeguards	Commercial Property
IL0935 0702	Exclusion Of Certain Computer-Related Losses	Commercial Property
IL0952 0115	Cap On Losses From Certified Acts Of Terrorism	Commercial Property
IL0995 0107	Conditional Exclusion Of Terrorism (Relating To Disposition Of Federal Terrorism Risk Insurance Act)	Commercial Property
ILE 0020 2101	SECURA Insurance Mutual Holding Company Participation Provisions	Cyber Security, Employment Practices Liability, General Liability, Commercial Property

SECURA Supreme Insurance Company
BUSINESS PROTECTOR POLICY
 FORM SCHEDULE

POLICY NO. 80-BP-003374818-1
INSURED: MIDLAND CENTER LOT 2 CONDOMINIUM
 ASSOCIATION INC

EFFECTIVE DATE: 10/04/2023
AGENCY: GIA GROUP LLC

INTERLINE FORMS		APPLICABLE COVERAGE PARTS
ILE 0195 1301	Asbestos Exclusion	General Liability
ILE 0196 1301	Lead Liability Exclusion	General Liability
ILE 1002 1910	Company Contact Information - Policyholder Notice	Cyber Security, Employment Practices Liability, General Liability, Commercial Property
ILE 4000 1204	Liberalization	Cyber Security, Employment Practices Liability, General Liability, Commercial Property
ILE 4005 1301	Coverage Part Amendatory Endorsement	Cyber Security, Employment Practices Liability
ILE 7000 0301	Multiple Deductible Coordination	Commercial Property
ILE 0465 1301	Two or More Coverage Forms or Policies Issued by Us	General Liability
PLI 2020 2101	Notice Regarding Your Policies With SECURA	Cyber Security, Employment Practices Liability, General Liability, Commercial Property
PLI 4001 2101	Disclosure Pursuant To Terrorism Risk Insurance Act Terrorism Coverage Notice	Cyber Security, General Liability, Commercial Property
IL0125 1113	Colorado Changes - Civil Union	Employment Practices Liability, General Liability
IL0169 0907	Colorado Changes - Concealment, Misrepresentation Or Fraud	Commercial Property
IL0228 0907	Colorado Changes - Cancellation And Nonrenewal	Cyber Security, Employment Practices Liability, General Liability, Commercial Property
ILE 0691 2305	Exclusion - Violation of Privacy Law	General Liability
ILE 0690 2305	Cyber Incidents Exclusion	General Liability

COMMERCIAL PROPERTY FORMS	
CP0010 0607	Building And Personal Property Coverage Form
CP0030 0607	Business Income (And Extra Expense) Coverage Form
CP0090 0788	Commercial Property Conditions
CP0140 0706	Exclusion Of Loss Due To Virus Or Bacteria
CP1030 0607	Causes Of Loss - Special Form
CP1032 0808	Water Exclusion Endorsement
CP1504 0607	Discretionary Payroll Expense
CP1556 0607	Business Income Changes - Beginning Of The Period Of Restoration
CPE 0100 2105	Computer Amendatory
CPE 0696 1301	Water Back-up and Sump Overflow
CPE 1036 1305	Limitations on Coverage For Roof Surfacing
CPE 1075 2105	Exclusion - Cyber Incidents Property
CPE 1555 1301	Business Income - Actual Loss Sustained
CPT 9000 1301	Universal Wrap Schedule
CPT 9099 1301	Universal Wrap Coverage Form
HSB 5000 1301	Equipment Breakdown Wrap-Causes of Loss - Breakdown

SECURA Supreme Insurance Company
BUSINESS PROTECTOR POLICY
FORM SCHEDULE

POLICY NO. 80-BP-003374818-1
INSURED: MIDLAND CENTER LOT 2 CONDOMINIUM
ASSOCIATION INC

EFFECTIVE DATE: 10/04/2023
AGENCY: GIA GROUP LLC

COMMERCIAL GENERAL LIABILITY FORMS

CG0001 1207	Commercial General Liability Coverage Form
CG0068 0509	Recording And Distribution Of Material Or Information In Violation Of Law Exclusion
CG2132 0509	Communicable Disease Exclusion
CG2144 0417	Limitation Of Coverage To Designated Premises, Project Or Operation
CG2147 1207	Employment-Related Practices Exclusion
CG2153 0196	Exclusion - Designated Ongoing Operations
CG2162 0998	Exclusion - Year 2000 Computer-Related and Other Electronic Problems - With Exception for Bodily Injury on Your Premises
CG2167 1204	Fungi Or Bacteria Exclusion
CG2426 0704	Amendment Of Insured Contract Definition
CGE 1000 2305	General Liability Amendatory
CGT 1000 1301	General Liability Wrap

EMPLOYMENT PRACTICES LIABILITY FORMS

EPL 1000 1001	Employment Practices Liability Insurance
EPL 2105 2305	Exclusion - Violation of Privacy Law
EPL 2104 2305	Cyber Incidents Exclusion

CYBER SECURITY FORMS

CSE 5000 2109	Cyber Security Coverage
PLI 5099 2109	Important Notice About Your Policy - Cyber Security Risk Management Tools
CSA 5040 2001	Colorado Claims Made Policy Holder Notice
CSE 5040 2109	Colorado Amendatory

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:

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

- A.** If aggregate insured losses attributable to terrorist acts certified under the federal 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.
- "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.
- 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 injury or damage that is otherwise excluded under this Coverage Part.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF PUNITIVE DAMAGES RELATED TO A CERTIFIED ACT OF TERRORISM

This endorsement modifies insurance provided under the following:

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

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM PUNITIVE DAMAGES

Damages arising, directly or indirectly, out of a "certified act of terrorism" that are awarded as punitive damages.

B. The following definition is added:

"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.

C. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

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:

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

A. Applicability Of The Provisions Of This Endorsement

1. The provisions of this endorsement 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.
 - a. 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 Part or Policy; or
 - b. 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:
 - (1) 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
 - (2) Decrease the federal government's statutory percentage share in potential terrorism losses above such deductible; or
 - (3) 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.
2. If the provisions of this endorsement become applicable, such provisions:
 - a. 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 an incident(s) of terrorism (however defined) which results in injury or damage that occurs on or after the date when the provisions of this endorsement become applicable (for claims made policies, such an endorsement is superseded only with respect to an incident of terrorism (however defined) that results in a claim for injury or damage first being made on or after the date when the provisions of this endorsement become applicable); and
 - b. Remain applicable unless we notify you of changes in these provisions, in response to federal law.
3. 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.

B. The following definitions are added and apply under this endorsement wherever the term terrorism, or the phrase any injury or damage, are enclosed in quotation marks:

1. "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.
2. "Any injury or damage" means any injury or damage covered under any Coverage Part or Policy to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage", "personal and advertising injury", "injury" or "environmental damage" as may be defined in any applicable Coverage Part or Policy.

C. 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":**

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 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
6. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
 - a. Physical injury that involves a substantial risk of death; or
 - b. Protracted and obvious physical disfigurement; or
 - c. 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 **C.5.** or **C.6.** are exceeded.

With respect to this Exclusion, Paragraphs **C.5.** and **C.6.** 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 Part or Policy.

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAR OR TERRORISM EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A.** Exclusion i. under Paragraph 2., **Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

2. Exclusions

This insurance does not apply to:

i. War Or Terrorism

"Bodily injury" or "property damage" arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war; or
- (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; or
- (4) "Terrorism", including any action taken in hindering or defending against an actual or expected incident of "terrorism" regardless of any other cause or event that contributes concurrently or in any sequence to the injury or damage.

However, with respect to "terrorism", this exclusion only applies if one or more of the following are attributable to an incident of "terrorism":

- (1) 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
- (2) Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
 - (a) Physical injury that involves a substantial risk of death; or
 - (b) Protracted and obvious physical disfigurement; or
 - (c) Protracted loss of or impairment of the function of a bodily member or organ; or
- (3) The "terrorism" involves the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or
- (4) The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or

- (5) Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials.

Paragraphs (1) and (2), immediately preceding, describe the thresholds 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 the Terrorism Exclusion will apply to that incident. When the Terrorism Exclusion applies to an incident of "terrorism", there is no coverage under this Coverage Part.

In the event of any incident of "terrorism" that is not subject to the Terrorism Exclusion, coverage does not apply to any loss or damage that is otherwise excluded under this Coverage Part.

Multiple incidents of "terrorism" which occur within a seventy-two hour period and appear to be carried out in concert or to have a related purpose or common leadership shall be considered to be one incident.

B. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:

2. Exclusions

This insurance does not apply to:

War Or Terrorism

"Personal and advertising injury" arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war; or
- (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; or

- (4) "Terrorism", including any action taken in hindering or defending against an actual or expected incident of "terrorism" regardless of any other cause or event that contributes concurrently or in any sequence to the injury.

However, with respect to "terrorism", this exclusion only applies if one or more of the following are attributable to an incident of "terrorism":

- (1) 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
- (2) Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
 - (a) Physical injury that involves a substantial risk of death; or
 - (b) Protracted and obvious physical disfigurement; or
 - (c) Protracted loss of or impairment of the function of a bodily member or organ; or
- (3) The "terrorism" involves the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or
- (4) The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or

- (5) Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials.

Paragraphs (1) and (2), immediately preceding, describe the thresholds 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 the Terrorism Exclusion will apply to that incident. When the Terrorism Exclusion applies to an incident of "terrorism", there is no coverage under this Coverage Part.

In the event of any incident of "terrorism" that is not subject to the Terrorism Exclusion, coverage does not apply to any loss or damage that is otherwise excluded under this Coverage Part.

Multiple incidents of "terrorism" which occur within a seventy-two hour period and appear to be carried out in concert or to have a related purpose or common leadership shall be considered to be one incident.

- C. Exclusion **h.** under Paragraph 2., **Exclusions of Section I – Coverage C – Medical Payments** does not apply.

- D. The following definition is added to the **Definitions** Section:

"Terrorism" means activities against persons, organizations or property of any nature:

1. That involve the following or preparation for the following:
 - a. Use or threat of force or violence; or
 - b. Commission or threat of a dangerous act; or
 - c. Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
2. When one or both of the following applies:
 - a. 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
 - b. 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.

COMMON POLICY CONDITIONS

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

A. Cancellation

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

B. Changes

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

C. Examination Of Your Books And Records

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

D. Inspections And Surveys

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

- b. Give you reports on the conditions we find; and
- c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

The first Named Insured shown in the Declarations:

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

F. Transfer Of Your Rights And Duties Under This Policy

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT

(Broad Form)

This endorsement modifies insurance provided under the following:

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

1. The insurance does not apply:

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

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

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

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

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

2. As used in this endorsement:

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

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

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

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

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

"Nuclear facility" means:

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

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

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

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

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF TERRORISM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL CRIME COVERAGE FORM
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
EQUIPMENT BREAKDOWN PROTECTION COVERAGE FORM
FARM COVERAGE PART
GOVERNMENT CRIME COVERAGE FORM
STANDARD PROPERTY POLICY

SCHEDULE

The **Exception Covering Certain Fire Losses** (Paragraph C) applies to property located in the following state(s), if covered under the indicated Coverage Form, Coverage Part or Policy:

State(s)	Coverage Form, Coverage Part or Policy
Illinois	Commercial Property Coverage Part
Iowa	Commercial Property Coverage Part
Missouri	Commercial Property Coverage Part
Wisconsin	Commercial Property Coverage Part
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

- A.** 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:
- 1.** That involve the following or preparation for the following:
 - a.** Use or threat of force or violence; or
 - b.** Commission or threat of a dangerous act; or
 - c.** Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
 - 2.** When one or both of the following applies:
 - a.** 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
 - b.** 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. 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 **B.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, Coverage Part or Policy.

C. 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 coverage forms or endorsements that apply to those coverage forms, or to the Legal Liability Coverage Form or the Leasehold Interest Coverage Form.

D. Application Of Other Exclusions

1. When the Exclusion Of Terrorism applies in accordance with the terms of **B.1.** or **B.2.**, such exclusion applies without regard to the Nuclear Hazard Exclusion in this Coverage Form, Coverage Part or Policy.
2. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss or damage which would otherwise be excluded under this Coverage Form, Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROTECTIVE SAFEGUARDS

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
FARM COVERAGE PART

SCHEDULE*

Prem. No.	Bldg. No.	Protective Safeguards Symbols Applicable
1	1	P-1
Describe any "P-9":		
* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.		

A. The following is added to the:

Commercial Property Conditions
General Conditions in the
Farm Property – Other Farm
Provisions Form – Additional Coverages,
Conditions, Definitions
General Conditions in the Mobile Agricultural
Machinery and Equipment Coverage Form
General Conditions in the Livestock Coverage
Form

PROTECTIVE SAFEGUARDS

- As a condition of this insurance, you are required to maintain the protective devices or services listed in the Schedule above.
- The protective safeguards to which this endorsement applies are identified by the following symbols:

"P-1" Automatic Sprinkler System, including related supervisory services.

Automatic Sprinkler System means:

- Any automatic fire protective or extinguishing system, including connected:
 - Sprinklers and discharge nozzles;
 - Ducts, pipes, valves and fittings;

(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) Non-automatic fire protective systems; and

(2) Hydrants, standpipes and outlets.

"P-2" Automatic Fire Alarm, protecting the entire building, that is:

- Connected to a central station; or
- 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-9" The protective system described in the Schedule.

B. The following is added to the EXCLUSIONS section of:

CAUSES OF LOSS – BASIC FORM
CAUSES OF LOSS – BROAD FORM
CAUSES OF LOSS – SPECIAL FORM
MORTGAGE HOLDERS ERRORS AND
OMISSIONS COVERAGE FORM
STANDARD PROPERTY POLICY
CAUSES OF LOSS FORM – FARM
PROPERTY
MOBILE AGRICULTURAL MACHINERY AND
EQUIPMENT COVERAGE FORM
LIVESTOCK COVERAGE FORM

We will not pay for loss or damage caused by or resulting from fire if, prior to the fire, you:

1. Knew of any suspension or impairment in any protective safeguard listed in the Schedule above and failed to notify us of that fact; or
2. Failed to maintain any protective safeguard listed in the Schedule above, and over which you had control, in complete working order.

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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
STANDARD PROPERTY POLICY

- A.** We will not pay for loss ("loss") or damage caused directly or indirectly by the following. Such loss ("loss") or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss ("loss") or damage.
- 1.** The failure, malfunction or inadequacy of:
 - a.** Any of the following, whether belonging to any insured or to others:
 - (1)** Computer hardware, including microprocessors;
 - (2)** Computer application software;
 - (3)** Computer operating systems and related software;
 - (4)** Computer networks;
 - (5)** Microprocessors (computer chips) not part of any computer system; or
 - (6)** Any other computerized or electronic equipment or components; or
 - b.** Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph **A.1.a.** of this endorsement;

due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.
 - 2.** Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph **A.1.** of this endorsement.
- B.** If an excluded Cause of Loss as described in Paragraph **A.** of this endorsement results:
- 1.** In a Covered Cause of Loss under the Crime and Fidelity Coverage Part, the Commercial Inland Marine Coverage Part or the Standard Property Policy; or
 - 2.** Under the Commercial Property Coverage Part:
 - a.** In a "Specified Cause of Loss", or in elevator collision resulting from mechanical breakdown, under the Causes of Loss – Special Form; or
 - b.** In a Covered Cause of Loss under the Causes Of Loss – Basic Form or the Causes Of Loss – Broad Form;

we will pay only for the loss ("loss") or damage caused by such "Specified Cause of Loss", elevator collision, or Covered Cause of Loss.
- C.** We will not pay for repair, replacement or modification of any items in Paragraphs **A.1.a.** and **A.1.b.** of this endorsement to correct any deficiencies or change any features.

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:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
STANDARD PROPERTY POLICY

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. Application Of Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

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:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
EQUIPMENT BREAKDOWN PROTECTION COVERAGE FORM
FARM COVERAGE PART
STANDARD PROPERTY POLICY

SCHEDULE

The Exception Covering Certain Fire Losses (Paragraph D.) applies to property located in the following state(s), if covered under the indicated Coverage Form, Coverage Part or Policy:	
State(s)	Coverage Form, Coverage Part Or Policy
Illinois	Commercial Property Coverage Part
Iowa	Commercial Property Coverage Part
Missouri	Commercial Property Coverage Part
Wisconsin	Commercial Property Coverage Part
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Applicability Of The Provisions Of This Endorsement

1. The provisions of this endorsement 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.

- a. 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, Coverage Part or Policy; or

- b. 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:

- (1) 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
- (2) Decrease the federal government's statutory percentage share in potential terrorism losses above such deductible; or
- (3) 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.

2. If the provisions of this endorsement become applicable, such provisions:

- a. 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 damage from an incident(s) of terrorism (however defined) that occurs on or after the date when the provisions of this endorsement become applicable; and
- b. Remain applicable unless we notify you of changes in these provisions, in response to federal law.

3. 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.

- B. 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:

1. That involve the following or preparation for the following:
 - a. Use or threat of force or violence; or
 - b. Commission or threat of a dangerous act; or
 - c. Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
2. When one or both of the following applies:
 - a. 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
 - b. 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.

- C. 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 **C.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, Coverage Part or Policy.

D. 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 coverage forms or endorsements that apply to those coverage forms, or to the Legal Liability Coverage Form or the Leasehold Interest Coverage Form.

E. Application Of Other Exclusions

1. When the Exclusion Of Terrorism applies in accordance with the terms of **C.1.** or **C.2.**, such exclusion applies without regard to the Nuclear Hazard Exclusion in this Coverage Form, Coverage Part or Policy.
2. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss or damage which would otherwise be excluded under this Coverage Form, Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

SECURA INSURANCE MUTUAL HOLDING COMPANY PARTICIPATION PROVISIONS

MEMBERSHIP AND VOTING

As a member of SECURA Insurance Mutual Holding Company, you are entitled to one vote at all meetings either in person or by proxy, on each issue that comes before meetings of the members. You can only cast one vote regardless of the number of policies or coverage you purchased. If two or more persons qualify as a member under a single policy, they are considered one member for purposes of voting. The owner of a group policy will have one vote regardless of the number of persons insured or coverage purchased. Fractional voting is not allowed. If you are a minor, any vote will be given to your parent or legal guardian.

ANNUAL MEETINGS

The Annual Meetings are held at the Home Office: 1500 Mutual Way, Neenah, Wisconsin, on the last Monday of April at 1:30 P.M. Central Standard Time. Notice in this policy shall be sufficient notification.

DIVIDENDS

Policyholder dividends may be established by the Board of Directors upon such terms as the Board may determine consistent with applicable law. The decision to pay a dividend rests in the sole discretion of the Board of Directors. Policyholder dividends are not guaranteed.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ASBESTOS EXCLUSION

This Endorsement modifies insurance provided under the:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART

The following exclusion is added to the Parts shown above as follows:

This insurance does not apply to "bodily injury," "property damage," or "personal and advertising injury" resulting directly or indirectly from asbestos. This exclusion applies both to any insured or to anyone for whom any insured may be held legally liable.

We will not pay for the cost or expense of clean-up, removal, testing, monitoring, containment, treatment or any other costs associated with the presence of asbestos.

All other terms and conditions of this policy not in conflict with the terms and conditions of this Endorsement shall continue to apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LEAD LIABILITY EXCLUSION

This Endorsement Modifies Insurance Provided under the:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

COMMERCIAL UMBRELLA LIABILITY COVERAGE PART

OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART

The following exclusion is added to the Parts shown above as follows:

This insurance does not apply to "bodily injury," "property damage," or "personal and advertising injury" resulting directly or indirectly from lead. This exclusion applies both to any insured or to anyone for whom any insured may be held legally liable.

We will not pay for the cost or expense of clean-up, removal, testing, monitoring, containment, treatment or any other costs associated with the presence of lead.

All other terms and conditions of this policy not in conflict with the terms and conditions of this Endorsement shall continue to apply.

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

COMPANY CONTACT INFORMATION

Policyholder Notice

We are taking the opportunity to advise you of SECURA's contact information:

Corporate Headquarters: **SECURA Insurance Companies**
1500 Mutual Way
Neenah, Wisconsin 54956-5401

Mailing Address: **PO Box 819**
(For Payments, see Billing Invoice) **Appleton, Wisconsin 54912-0819**

Corporate Headquarters Phone Number: **800-558-3405 (CT/ET)**
866-356-7870 (MT/PT)

Middleton Office Phone Number: **877-705-7589**

Claims Phone Number: **800-318-2136 (CT/ET)**
866-356-7870 (MT/PT)

Website Address: <https://www.secura.net>

If you have any questions or concerns, please contact your agent.

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

LIBERALIZATION

With respect to coverage provided by this Endorsement, the following is added to the Policy and supersedes any provisions to the contrary:

If we revise this Coverage Part to provide more coverage under this insurance without additional premium, your policy will automatically provide the additional coverage to any covered loss that occurs on or after the day the revision is effective in your state. This extension of broadened coverage does not apply to any claims involving either:

- (1) continuing or progressive damages, or
- (2) a series of related incidents,

if the first damage or first incident occurs prior to the day the revision is effective in your state.

All other terms and conditions of this policy not in conflict with the terms and conditions of this Endorsement shall continue to apply.

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

COVERAGE PART AMENDATORY ENDORSEMENT

Any state amendatory endorsement which is listed in the Declarations as applicable to this Coverage Part is extended to also modify this Coverage Part. Modifications shown in the amendatory endorsement to titled sections in the Commercial General Liability Coverage Part are modified to also apply to similarly titled sections in this Coverage Part.

For the purposes of this endorsement, a state amendatory endorsement means any state cancellation, non-renewal or amendatory endorsement which begins with an IL, ILE, CG or CGE prefix and is shown on the Declarations for this Coverage Part.

All other terms and conditions of this policy not in conflict with the terms and conditions of this Endorsement shall continue to apply.

MULTIPLE DEDUCTIBLE COORDINATION

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY

This endorsement modifies insurance provided under the following:

COMMERCIAL PROTECTION POLICY BUSINESS PROTECTOR POLICY

Subject to the provisions of the Property, Inland Marine, and Crime Divisions of the policies above, and this endorsement, the following changes apply:

All deductibles will apply to each coverage part within the policy. The total amount deducted from all damages for any single applicable occurrence, event, or accident will not exceed the largest applicable deductible.

All other coverage terms and conditions shall apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TWO OR MORE COVERAGE FORMS OR POLICIES ISSUED BY US

A Single Limit Applies

This Endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY PART
BUSINESS AUTO COVERAGE PART
GARAGE COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

With respect to coverage provided by this Endorsement, the provisions of the Coverage Part apply unless modified by the Endorsement.

The following Condition is added:

Coordinated Liability Condition

We, or any company affiliated with us, may issue two or more insurance policies for you or any company affiliated with you. These policies may provide coverage for:

- a.** Claims or "suit" arising from the same continuous, repeated or related set of factual circumstances; or
- b.** Persons or organizations covered in those policies that are jointly and severally liable.

The various forms, coverage parts or policies issued to you, or any company affiliated with you by us, or any company affiliated with us, do not provide any duplication or overlap of coverage for the same claim or "suit". If any form, coverage part or policy issued to you, or any company affiliated with you by us, or any company affiliated with us, apply to the same loss, claim, accident, "occurrence", offense, wrongful act, abusive conduct, incident, event, upset or similar happening; whether defined in similar manner or not in each policy, the maximum Limit of Insurance under all such forms, coverage parts or policies combined shall not exceed the highest single Limit of Insurance under any applicable coverage part or policy.

This condition does not apply to any Excess or Umbrella Policy issued by us specifically to apply as excess insurance over this policy.

All other terms and conditions of this policy not in conflict with the terms and conditions of this Endorsement shall continue to apply.



NOTICE REGARDING YOUR POLICIES WITH SECURA

Thank you for choosing SECURA Insurance as your insurance provider. SECURA is a service-focused, relationship-driven mutual property and casualty insurance company operating through independent agents. Our vision is to be the company of choice for agents, policyholders, and associates.

SECURA Insurance Mutual Holding Company currently maintains two insurance underwriting companies: SECURA Insurance Company and SECURA Supreme Insurance Company. The companies share resources and your policy coverages between the two companies are similar, although pricing may vary. Both companies are stock affiliated subsidiaries providing its member policyholders voting rights at its annual meeting. SECURA Insurance Company and SECURA Supreme Insurance Company are pooled companies. They share the same financial strength and are rated "A" Excellent by A.M. Best.

As a policyholder, your renewal policy may be offered through either SECURA underwriting company. The reasons could include different pricing structure or different underwriting guidelines that may better fit your account at renewal. Any movement between companies would only occur at policy expiration/renewal.

You will be able to determine which company is offering the continued coverage by looking at your Premium Invoice and policy Declarations.

If you ever have any questions regarding your policy, please contact your insurance agent.



THIS NOTICE IS PART OF YOUR POLICY. PLEASE READ IT CAREFULLY.

Disclosure Pursuant To Terrorism Risk Insurance Act Terrorism Coverage Notice

Welcome to SECURA. Thank you for the opportunity to protect you with solid, reliable insurance for your business.

The Terrorism Risk Insurance Program Reauthorization Act mandates that we make certain terrorism insurance available to specified policyholders provides instructions on how policyholders can respond, and specifies methods of potential future surcharges.

Terrorism-Related Losses

You should know that coverage provided by this policy for losses caused by certified acts of terrorism is partially reimbursed by the United States under a formula established by federal law. When the Insured Losses occurring in a calendar year exceed \$200,000,000 the United States Government would pay 80% of our Insured Losses that exceed our Insurer Deductible. However, your policy may contain other provisions, limitations and exclusions which might affect your coverage, such as exclusion for nuclear events. Some losses resulting from certified acts of terrorism are not covered. Read your policy carefully. The premium charged for this coverage does not include any charges for the portion of loss covered by the federal government.

Cap On Our Participation In Payment Of Terrorism Losses

If aggregate insured losses attributable to terrorist acts certified under the Act exceed \$100 billion in a Calendar Year and we have met our insurer deductible under the Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion. 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.

Policy Types Excluded

The following lines of insurance are not covered by the Act:

- Commercial Auto policies
- Commercial Crime And Fidelity Coverage Part of any policy
- Employment Practices Liability or Professional Liability Claims-Made Coverage Parts of any policy.
- Farmowners policies

Statutory terrorism coverage is excluded and not available for these lines of insurance.

Premium For Terrorism Risk Insurance Act Coverage

The premium for statutory terrorism coverage on this policy is shown as a separate item on the policy declarations page or disclosure schedule.

Federal Recoupment Provisions

The funding for the portion of loss covered by the federal government is under the direction of the U.S. Treasury Department. General tax revenues are initially used; however, partial recovery is allowed via a policyholder surcharge.

The current Federal Recoupment Surcharge is 0%.

The Federal Recoupment can be instituted at any time and applies even if you reject the statutory coverage.

Conditional Exclusions Continue To Apply

The Terrorism Risk Insurance Program Reauthorization Act extends the provision to offer terrorism coverage for a limited period of time. The continuation of coverage beyond that sunset period will be determined in the future by Congress. The attached Conditional Exclusion of Terrorism endorsements become part of your policy. The provisions apply as follows:

If the Act, including federal funding, **is extended** with essentially similar terms the current terrorism coverage continues without change beyond the current expiration.

If the Act, including federal funding, **is not extended** with essentially similar terms, and the Act is allowed to expire, then the Conditional Exclusion endorsements supersede the terrorism endorsements upon expiration of the Act. The policy will then not pay for terrorism when one or more of the following is attributed to an incident of terrorism:

- Nuclear, biological, chemical, or radioactive materials are released or dispersed.
- Damages to all types of property in the coverage territory exceed \$25 million. Your state law may require an exception covering certain fire losses.

Your workers compensation policy will continue to provide coverage for losses dictated by state law subject to all terms, definitions, exclusions and conditions in your policy.

Please carefully read the policy, including any Conditional Exclusion of Terrorism endorsements which are part of your policy.

Terrorism Coverage Pricing

The terrorism coverage pricing for any policy term that will take effect immediately prior to the expiration of the Act contemplates the partial period of coverage. We will not charge more premium if the Act is extended again. We will not return premium if the Act is allowed to expire.

Help Is Just A Phone Call Away

To explore all coverage and pricing opportunities available to you, or if you have questions concerning your rights, we encourage you to contact your SECURA agent.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COLORADO CHANGES – CIVIL UNION

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
 COMMERCIAL GENERAL LIABILITY COVERAGE PART
 COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
 ELECTRONIC DATA LIABILITY COVERAGE PART
 FARM COVERAGE PART
 FARM UMBRELLA LIABILITY POLICY
 LIQUOR LIABILITY COVERAGE PART
 MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
 OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
 POLLUTION LIABILITY COVERAGE PART
 PRODUCT WITHDRAWAL COVERAGE PART
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
 UNDERGROUND STORAGE TANK POLICY

A. The term "spouse" is replaced by the following:

Spouse or party to a civil union recognized under Colorado law.

B. Under the Commercial Automobile Coverage Part, the term "family member" is replaced by the following and supersedes any other provisions to the contrary:

"Family member" means a person related to:

1. The individual Named Insured by blood, adoption, marriage or civil union recognized under Colorado law, who is a resident of such Named Insured's household, including a ward or foster child;
2. The individual named in the Schedule by blood, adoption, marriage or civil union recognized under Colorado law, who is a resident of the individual's household, including a ward or foster child, if the Drive Other Car Coverage – Broadened Coverage For Named Individuals endorsement is attached.

C. With respect to coverage for the ownership, maintenance or use of "covered autos" provided under the Commercial Liability Umbrella Coverage Part, the term "family member" is replaced by the following:

"Family member" means a person related to you by blood, adoption, marriage or civil union recognized under Colorado law, who is a resident of your household, including a ward or foster child.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COLORADO CHANGES – CONCEALMENT, MISREPRESENTATION OR FRAUD

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART – FARM PROPERTY – OTHER FARM PROVISIONS FORM – ADDITIONAL
COVERAGES, CONDITIONS, DEFINITIONS
FARM COVERAGE PART – LIVESTOCK COVERAGE FORM
FARM COVERAGE PART – MOBILE AGRICULTURAL MACHINERY AND
EQUIPMENT COVERAGE FORM

The **CONCEALMENT, MISREPRESENTATION OR
FRAUD** Condition is replaced by the following:

CONCEALMENT, MISREPRESENTATION OR FRAUD

We will not pay for any loss or damage in any case of:

1. Concealment or misrepresentation of a material fact; or
2. Fraud;

committed by you or any other insured ("insured") at any time and relating to coverage under this policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COLORADO CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

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

A. Paragraph **2.** of the **Cancellation** Common Policy Condition is replaced by the following:

- 2.** If this policy has been in effect for less than 60 days, we may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a.** 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b.** 30 days before the effective date of cancellation if we cancel for any other reason.

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

7. Cancellation Of Policies In Effect For 60 Days Or More

- a.** If this policy has been in effect for 60 days or more, or is a renewal of a policy we issued, we may cancel this policy by mailing through first-class mail to the first Named Insured written notice of cancellation:
 - (1)** Including the actual reason, at least 10 days before the effective date of cancellation, if we cancel for nonpayment of premium; or
 - (2)** At least 45 days before the effective date of cancellation if we cancel for any other reason.

We may only cancel this policy based on one or more of the following reasons:

- (1)** Nonpayment of premium;
- (2)** A false statement knowingly made by the insured on the application for insurance; or
- (3)** A substantial change in the exposure or risk other than that indicated in the application and underwritten as of the effective date of the policy unless the first Named Insured has notified us of the change and we accept such change.

C. The following is added and supersedes any other provision to the contrary:

NONRENEWAL

If we decide not to renew this policy, we will mail through first-class mail to the first Named Insured shown in the Declarations written notice of the nonrenewal at least 45 days before the expiration date, or its anniversary date if it is a policy written for a term of more than one year or with no fixed expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

D. The following condition is added:

INCREASE IN PREMIUM OR DECREASE IN COVERAGE

We will not increase the premium unilaterally or decrease the coverage benefits on renewal of this policy unless we mail through first-class mail written notice of our intention, including the actual reason, to the first Named Insured's last mailing address known to us, at least 45 days before the effective date.

Any decrease in coverage during the policy term must be based on one or more of the following reasons:

1. Nonpayment of premium;
2. A false statement knowingly made by the insured on the application for insurance; or
3. A substantial change in the exposure or risk other than that indicated in the application and underwritten as of the effective date of the policy unless the first Named Insured has notified us of the change and we accept such change.

If notice is mailed, proof of mailing will be sufficient proof of notice.

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

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

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section H., Definitions.

A. Coverage

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

1. Covered Property

Covered Property, as used in this Coverage Part, means the type of property described in this section, **A.1.**, and limited in **A.2.**, Property Not Covered, if a Limit of Insurance is shown in the Declarations for that type of property.

a. Building, meaning the building or structure described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Permanently installed:
 - (a) Machinery and
 - (b) Equipment;
- (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
 - (a) Fire-extinguishing equipment;
 - (b) Outdoor furniture;
 - (c) Floor coverings; and
 - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- (5) If not covered by other insurance:
 - (a) Additions under construction, alterations and repairs to the building or structure;

(b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure.

b. Your Business Personal Property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises, consisting of the following unless otherwise specified in the Declarations or on the Your Business Personal Property – Separation Of Coverage form:

- (1) Furniture and fixtures;
- (2) Machinery and equipment;
- (3) "Stock";
- (4) All other personal property owned by you and used in your business;
- (5) Labor, materials or services furnished or arranged by you on personal property of others;
- (6) Your use interest as tenant in 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;
- (7) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property Of Others.

c. Personal Property Of Others that is:

- (1) In your care, custody or control; and
- (2) Located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

2. Property Not Covered

Covered Property does not include:

- a. Accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;
- b. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavations, grading, backfilling or filling;
- g. Foundations of buildings, structures, machinery or boilers if their foundations are below:
 - (1) The lowest basement floor; or
 - (2) The surface of the ground, if there is no basement;
- h. Land (including land on which the property is located), water, growing crops or lawns;
- i. Personal property while airborne or waterborne;
- j. Bulkheads, pilings, piers, wharves or docks;
- k. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- l. Retaining walls that are not part of a building;
- m. Underground pipes, flues or drains;

- n. Electronic data, except as provided under the Additional Coverage, Electronic Data. 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. This paragraph, n., does not apply to your "stock" of prepackaged software;
- o. The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data;
- p. Vehicles or self-propelled machines (including aircraft or watercraft) that:
 - (1) Are licensed for use on public roads; or
 - (2) Are operated principally away from the described premises.

This paragraph does not apply to:

- (a) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;
- (b) Vehicles or self-propelled machines, other than autos, you hold for sale;
- (c) Rowboats or canoes out of water at the described premises; or
- (d) Trailers, but only to the extent provided for in the Coverage Extension for Non-owned Detached Trailers;

q. The following property while outside of buildings:

- (1) Grain, hay, straw or other crops;
- (2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, trees, shrubs or plants (other than "stock" of trees, shrubs or plants), all except as provided in the Coverage Extensions.

3. Covered Causes Of Loss

See applicable Causes Of Loss Form as shown in the Declarations.

4. Additional Coverages

a. Debris Removal

- (1) Subject to Paragraphs (3) and (4), we will pay your expense to remove debris of Covered Property 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) Debris Removal does not apply to costs to:
 - (a) Extract "pollutants" from land or water; or
 - (b) Remove, restore or replace polluted land or water.
- (3) Subject to the exceptions in Paragraph (4), the following provisions apply:
 - (a) The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.
 - (b) Subject to (a) above, the amount we will pay for debris removal expense is limited to 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.
- (4) We will pay up to an additional \$10,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

(a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.

(b) The actual debris removal expense exceeds 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.

Therefore, if (4)(a) and/or (4)(b) apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$10,000.

(5) Examples

The following examples assume that there is no Coinsurance penalty.

EXAMPLE #1

Limit of Insurance:	\$ 90,000
Amount of Deductible:	\$ 500
Amount of Loss:	\$ 50,000
Amount of Loss Payable:	\$ 49,500
	(\$50,000 – \$500)
Debris Removal Expense:	\$ 10,000
Debris Removal Expense Payable:	\$ 10,000
	(\$10,000 is 20% of \$50,000.)

The debris removal expense is less than 25% of the sum of the loss payable plus the deductible. The sum of the loss payable and the debris removal expense (\$49,500 + \$10,000 = \$59,500) is less than the Limit of Insurance. Therefore the full amount of debris removal expense is payable in accordance with the terms of Paragraph (3).

EXAMPLE #2

Limit of Insurance:	\$ 90,000
Amount of Deductible:	\$ 500
Amount of Loss:	\$ 80,000
Amount of Loss Payable:	\$ 79,500
	(\$80,000 – \$500)
Debris Removal Expense:	\$ 30,000
Debris Removal Expense Payable	
Basic Amount:	\$ 10,500
Additional Amount:	\$ 10,000

The basic amount payable for debris removal expense under the terms of Paragraph (3) is calculated as follows: $\$80,000 (\$79,500 + \$500) \times .25 = \$20,000$; capped at \$10,500. The cap applies because the sum of the loss payable (\$79,500) and the basic amount payable for debris removal expense (\$10,500) cannot exceed the Limit of Insurance (\$90,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph (4), because the debris removal expense (\$30,000) exceeds 25% of the loss payable plus the deductible (\$30,000 is 37.5% of \$80,000), and because the sum of the loss payable and debris removal expense ($\$79,500 + \$30,000 = \$109,500$) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$10,000, the maximum payable under Paragraph (4). Thus the total payable for debris removal expense in this example is \$20,500; \$9,500 of the debris removal expense is not covered.

b. Preservation Of Property

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 or damage to that property:

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the loss or damage occurs within 30 days after the property is first moved.

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000, unless a higher limit is shown in the Declarations, for your liability for fire department service charges:

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

No Deductible applies to this Additional Coverage.

d. Pollutant Clean-up And Removal

We will pay your expense to extract "pollutants" from land or water 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 on which the Covered Cause of Loss occurs.

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

The most we will pay under this Additional Coverage for each described premises is \$10,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

e. Increased Cost Of Construction

- (1) This Additional Coverage applies only to buildings to which the Replacement Cost Optional Coverage applies.
- (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 enforcement 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 e.(3) through e.(9) of this Additional Coverage.
- (3) The ordinance or law referred to in e.(2) of this 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 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 Additional Coverage, we will not pay for:

- (a) The enforcement of 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 "fungus", wet or dry rot or bacteria; or
- (b) Any costs associated with the enforcement of 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", "fungus", wet or dry rot or bacteria.

(6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is \$10,000 or 5% of the Limit of Insurance applicable to that building, whichever is less. If a damaged building is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for that damaged building, is the lesser of: \$10,000 or 5% times the value of the damaged building as of the time of loss times the applicable Coinsurance percentage.

The amount payable under this Additional Coverage is additional insurance.

(7) With respect to this Additional Coverage:

- (a) We will not pay for the Increased Cost of Construction:
 - (i) 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.

- (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of e.(6) of this Additional Coverage, is the increased cost of construction at the same premises.

- (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of e.(6) of this Additional Coverage, is the increased cost of construction at the new premises.

(8) This 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 Additional Coverage.

(9) The costs addressed in the Loss Payment and Valuation Conditions, and the Replacement Cost Optional Coverage, in this Coverage Form, do not include the increased cost attributable to enforcement of an ordinance or law. The amount payable under this Additional Coverage, as stated in e.(6) of this Additional Coverage, is not subject to such limitation.

f. Electronic Data

(1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered, Electronic Data.

(2) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. 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 Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage, Electronic Data, subject to the following:

(a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage, Electronic Data, is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.

(b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage, Electronic Data, includes Collapse as set forth in that form.

(c) If the Causes Of Loss Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Electronic Data.

(d) The Covered Causes of Loss include a 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.

(4) The most we will pay under this Additional Coverage, Electronic Data, is \$2,500 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 premises, locations or computer systems involved. 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.

5. Coverage Extensions

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

If a Coinsurance percentage of 80% or more, or a Value Reporting period symbol, is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

a. Newly Acquired Or Constructed Property

(1) Buildings

If this policy covers Building, 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 locations, other than the described premises, intended for:

(i) Similar use as the building described in the Declarations; or

(ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$250,000 at each building.

(2) Your Business Personal Property

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

(i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;

(ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or

(iii) Business personal property that you newly acquire, located at the described premises.

The most we will pay for loss or damage under this Extension is \$100,000 at each building.

(b) This Extension does not apply to:

- (i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
- (ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

(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) 30 days expire 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. Personal Effects And Property Of Others

You may extend the insurance that applies to Your Business Personal Property to apply to:

- (1) Personal effects owned by you, your officers, your partners or members, your managers or your employees. This Extension does not apply to loss or damage by theft.
- (2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension is \$2,500 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

c. Valuable Papers And Records (Other Than Electronic Data)

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered, Electronic Data.
- (2) If the Causes Of Loss – Special Form applies, coverage under this Extension is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.
- (3) If the Causes Of Loss – Broad Form applies, coverage under this Extension includes Collapse as set forth in that form.
- (4) Under this Extension, the most we will pay to replace or restore the lost information is \$2,500 at each described premises, unless a higher limit is shown in the Declarations. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.

d. Property Off-premises

- (1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:
 - (a) Temporarily at a location you do not own, lease or operate;
 - (b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
 - (c) At any fair, trade show or exhibition.

(2) This Extension does not apply to property:

- (a) In or on a vehicle; or
- (b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.

(3) The most we will pay for loss or damage under this Extension is \$10,000.

e. Outdoor Property

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), trees, shrubs and plants (other than "stock" of trees, shrubs or plants), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

The most we will pay for loss or damage under this Extension is \$1,000, but not more than \$250 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

f. Non-owned Detached Trailers

(1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:

- (a) The trailer is used in your business;
- (b) The trailer is in your care, custody or control at the premises described in the Declarations; and
- (c) You have a contractual responsibility to pay for loss or damage to the trailer.

(2) We will not pay for any loss or damage that occurs:

- (a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;
 - (b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.
- (3) The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown in the Declarations.
- (4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

Each of these Extensions is additional insurance unless otherwise indicated. The Additional Condition, Coinsurance, does not apply to these Extensions.

B. Exclusions And Limitations

See applicable Causes Of Loss Form as shown in the Declarations.

C. Limits Of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

The most we will pay for loss or damage to outdoor signs, whether or not the sign is attached to a building, is \$2,500 per sign in any one occurrence.

The amounts of insurance stated in the following Additional Coverages apply in accordance with the terms of such coverages and are separate from the Limit(s) of Insurance shown in the Declarations for any other coverage:

- 1. Fire Department Service Charge;
- 2. Pollutant Clean-up And Removal;
- 3. Increased Cost Of Construction; and
- 4. Electronic Data.

Payments under the Preservation Of Property Additional Coverage will not increase the applicable Limit of Insurance.

D. Deductible

In any one occurrence of loss or damage (herein after referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss, and will pay the resulting amount or the Limit of Insurance, whichever is less.

When the occurrence involves loss to more than one item of Covered Property and separate Limits of Insurance apply, the losses will not be combined in determining application of the Deductible. But the Deductible will be applied only once per occurrence.

EXAMPLE #1

(This example assumes there is no Coinsurance penalty.)

Deductible:	\$ 250
Limit of Insurance – Building #1:	\$ 60,000
Limit of Insurance – Building #2:	\$ 80,000
Loss to Building #1:	\$ 60,100
Loss to Building #2:	\$ 90,000

The amount of loss to Building #1 (\$60,100) is less than the sum (\$60,250) of the Limit of Insurance applicable to Building #1 plus the Deductible.

The Deductible will be subtracted from the amount of loss in calculating the loss payable for Building #1:

$$\begin{array}{r} \$ 60,100 \\ - \quad 250 \\ \hline \end{array}$$

\$ 59,850 Loss Payable – Building #1

The Deductible applies once per occurrence and therefore is not subtracted in determining the amount of loss payable for Building #2. Loss payable for Building #2 is the Limit of Insurance of \$80,000.

Total amount of loss payable:

$$\$59,850 + \$80,000 = \$139,850$$

EXAMPLE #2

(This example, too, assumes there is no Coinsurance penalty.)

The Deductible and Limits of Insurance are the same as those in Example #1.

Loss to Building #1:	\$ 70,000
(Exceeds Limit of Insurance plus Deductible)	
Loss to Building #2:	\$ 90,000
(Exceeds Limit of Insurance plus Deductible)	
Loss Payable – Building #1:	\$ 60,000
(Limit of Insurance)	
Loss Payable – Building #2:	\$ 80,000
(Limit of Insurance)	
Total amount of loss payable:	\$ 140,000

E. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Abandonment

There can be no abandonment of any property to us.

2. 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. The two appraisers will select an umpire. If they 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 the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- Pay its chosen appraiser; and
- 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 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, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
 - (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
 - (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
 - (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.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

4. Loss Payment

- a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:
 - (1) Pay the value of lost or damaged property;
 - (2) Pay the cost of repairing or replacing the lost or damaged property, subject to **b.** below;
 - (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.

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this Coverage Form or any applicable provision which amends or supersedes the Valuation Condition.
- b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of 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.
- d. We will not pay you more than your financial interest in the Covered Property.
- e. 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.
- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:
 - (1) We have reached agreement with you on the amount of loss; or
 - (2) An appraisal award has been made.

- h. 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, the Valuation and Coinsurance Conditions 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.

5. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then 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.

6. 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;
- (e) Theft; or
- (f) Attempted theft.
- (2) With respect to Covered Causes of Loss other than those listed in b.(1)(a) through b.(1)(f) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

7. Valuation

We will determine the value of Covered Property in the event of loss or damage as follows:

- a. At actual cash value as of the time of loss or damage, except as provided in b., c., d. and e. below.
- b. If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

However, the following property will be valued at the actual cash value even when attached to the building:

- (1) Awnings or floor coverings;
 - (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
 - (3) Outdoor equipment or furniture.
- c. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.
- d. Glass at the cost of replacement with safety-glazing material if required by law.
- e. Tenants' Improvements and Betterments at:
- (1) Actual cash value of the lost or damaged property if you make repairs promptly.
 - (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
 - (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
 - (b) Divide the amount determined in (a) 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.
 - (3) Nothing if others pay for repairs or replacement.

F. Additional Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies.

- a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

Instead, we will determine the most we will pay using the following steps:

- (1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
- (2) Divide the Limit of Insurance of the property by the figure determined in Step (1);
- (3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step (2); and
- (4) Subtract the deductible from the figure determined in Step (3).

We will pay the amount determined in Step (4) or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

EXAMPLE #1 (UNDERINSURANCE)

When:	The value of the property is:	\$ 250,000
	The Coinsurance percentage for it is:	80%
	The Limit of Insurance for it is:	\$ 100,000
	The Deductible is:	\$ 250
	The amount of loss is:	\$ 40,000

Step (1): $\$250,000 \times 80\% = \$200,000$
(the minimum amount of insurance to meet your Coinsurance requirements)

Step (2): $\$100,000 \div \$200,000 = .50$

Step (3): $\$40,000 \times .50 = \$20,000$

Step (4): $\$20,000 - \$250 = \$19,750$

We will pay no more than \$19,750. The remaining \$20,250 is not covered.

EXAMPLE #2 (ADEQUATE INSURANCE)

When:	The value of the property is:	\$ 250,000
	The Coinsurance percentage for it is:	80%
	The Limit of Insurance for it is:	\$ 200,000
	The Deductible is:	\$ 250
	The amount of loss is:	\$ 40,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 (\$250,000 x 80%). Therefore, the Limit of Insurance in this example is adequate and no penalty applies. We will pay no more than \$39,750 (\$40,000 amount of loss minus the deductible of \$250).

- b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

EXAMPLE #3

When:	The value of the property is:	
	Building at Location #1:	\$ 75,000
	Building at Location #2:	\$ 100,000
	Personal Property at Location #2:	\$ 75,000
		<u>\$ 250,000</u>
	The Coinsurance percentage for it is:	90%
	The Limit of Insurance for Buildings and Personal Property at Locations #1 and #2 is:	\$ 180,000
	The Deductible is:	\$ 1,000
	The amount of loss is:	
	Building at Location #2:	\$ 30,000
	Personal Property at Location #2:	\$ 20,000
		<u>\$ 50,000</u>

Step (1): $\$250,000 \times 90\% = \$225,000$
(the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

Step (2): $\$180,000 \div \$225,000 = .80$

Step (3): $\$50,000 \times .80 = \$40,000$

Step (4): $\$40,000 - \$1,000 = \$39,000$

We will pay no more than \$39,000. The remaining \$11,000 is not covered.

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 Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:

- (1) Pays any premium due under this Coverage Part 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 Coverage Part 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 Coverage Part:
 - (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.

G. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item.

1. Agreed Value

- a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.
- b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.
- c. The terms of this Optional Coverage apply only to loss or damage that occurs:
 - (1) On or after the effective date of this Optional Coverage; and
 - (2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

2. Inflation Guard

- a. The Limit of Insurance for property to which this Optional Coverage applied will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase will be:
 - (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, 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 Limit of Insurance, divided by 365.

EXAMPLE

If: The applicable Limit of Insurance is: \$ 100,000
 The annual percentage increase is: 8%
 The number of days since the beginning of the policy year (or last policy change) is: 146
 The amount of increase is:
 $\$100,000 \times .08 \times 146 \div 365 =$ \$ 3,200

3. Replacement Cost

- a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Valuation Loss Condition of this Coverage Form.
- b. This Optional Coverage does not apply to:
 - (1) Personal property of others;
 - (2) Contents of a residence;
 - (3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or
 - (4) "Stock", unless the Including "Stock" option is shown in the Declarations.

Under the terms of this Replacement Cost Optional Coverage, tenants' improvements and betterments are not considered to be the personal property of others.

- c. 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 for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the loss or damage.
- d. We will not pay on a replacement cost basis for any loss or damage:
 - (1) Until the lost or damaged property is actually repaired or replaced; and
 - (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

With respect to tenants' improvements and betterments, the following also apply:

- (3) If the conditions in **d.(1)** and **d.(2)** above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost, as set forth in the Valuation Loss Condition of this Coverage Form; and
- (4) We will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement.
- e. We will not pay more for loss or damage on a replacement cost basis than the least of **(1)**, **(2)** or **(3)**, subject to **f.** below:
 - (1) The Limit of Insurance applicable to the lost or damaged property;
 - (2) The cost to replace the lost or damaged property with other property:
 - (a) Of comparable material and quality; and
 - (b) Used for the same purpose; or
 - (3) The amount actually spent that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new premises, the cost described in **e.(2)** above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.
- f. The cost of repair or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

4. Extension Of Replacement Cost To Personal Property Of Others

- a. If the Replacement Cost Optional Coverage is shown as applicable in the Declarations, then this Extension may also be shown as applicable. If the Declarations show this Extension as applicable, then Paragraph **3.b.(1)** of the Replacement Cost Optional Coverage is deleted and all other provisions of the Replacement Cost Optional Coverage apply to replacement cost on personal property of others.
- b. With respect to replacement cost on the personal property of others, the following limitation applies:

If an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance.

H. Definitions

- 1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
- 2. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 3. "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.

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

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

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section F., Definitions.

A. Coverage

1. Business Income

Business Income means the:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- b. Continuing normal operating expenses incurred, including payroll.

For manufacturing risks, Net Income includes the net sales value of production.

Coverage is provided as described and limited below for one or more of the following options for which a Limit of Insurance is shown in the Declarations:

- (1) Business Income Including "Rental Value".
- (2) Business Income Other Than "Rental Value".
- (3) "Rental Value".

If option (1) above is selected, the term Business Income will include "Rental Value". If option (3) above is selected, the term Business Income will mean "Rental Value" only.

If Limits of Insurance are shown under more than one of the above options, the provisions of this Coverage Part apply separately to each.

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 premises which are described in the Declarations and for which a Business Income Limit of Insurance is shown in the Declarations. 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 100 feet of the site at which the described premises are located.

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.

2. Extra Expense

a. Extra Expense Coverage is provided at the premises described in the Declarations only if the Declarations show that Business Income Coverage applies at that premises.

b. Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

We will pay Extra Expense (other than the expense to repair or replace property) to:

- (1) Avoid or minimize the "suspension" of business and to continue operations at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.
- (2) Minimize the "suspension" of business if you cannot continue "operations".

We will also pay Extra Expense to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Form.

3. Covered Causes Of Loss, Exclusions And Limitations

See applicable Causes Of Loss Form as shown in the Declarations.

4. Additional Limitation – Interruption Of Computer Operations

- a. 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 the Additional Coverage – Interruption Of Computer Operations.
- b. 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 the Additional Coverage – Interruption Of Computer Operations.
- c. 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.

5. Additional Coverages

a. Civil Authority

In this Additional Coverage – Civil Authority, the described premises are premises to which this Coverage Form applies, as shown in the Declarations.

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 four consecutive weeks from the date on which such coverage began.

Civil Authority Coverage for 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) Four consecutive weeks after the date of that action; or
 - (2) When your Civil Authority Coverage for Business Income ends;
- whichever is later.

b. Alterations And New Buildings

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur due to direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss to:

- (1) New buildings or structures, whether complete or under construction;
- (2) Alterations or additions to existing buildings or structures; and

- (3) Machinery, equipment, supplies or building materials located on or within 100 feet of the described premises and:

- (a) Used in the construction, alterations or additions; or
- (b) Incidental to the occupancy of new buildings.

If such direct physical loss or damage delays the start of "operations", the "period of restoration" for Business Income Coverage will begin on the date "operations" would have begun if the direct physical loss or damage had not occurred.

c. Extended Business Income

(1) Business Income Other Than "Rental Value"

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:

- (a) Begins on the date property (except "finished stock") is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (b) 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) 30 consecutive days after the date determined in (1)(a) above.

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.

Loss of 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.

(2) "Rental Value"

If the necessary "suspension" of your "operations" produces a "Rental Value" loss payable under this policy, we will pay for the actual loss of "Rental Value" you incur during the period that:

- (a) Begins on the date property is actually repaired, rebuilt or replaced and tenantability is restored; and
- (b) Ends on the earlier of:
 - (i) The date you could restore tenant occupancy, with reasonable speed, to the level which would generate the "Rental Value" that would have existed if no direct physical loss or damage had occurred; or
 - (ii) 30 consecutive days after the date determined in (2)(a) above.

However, Extended Business Income does not apply to loss of "Rental Value" 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.

Loss of "Rental Value" must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

d. Interruption Of Computer Operations

- (1) Under this Additional Coverage, electronic data has the meaning described under Additional Limitation – Interruption Of Computer Operations.
- (2) Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Business Income and Extra Expense to apply to a "suspension" of "operations" caused by an interruption in computer operations due to destruction or corruption of electronic data due to a Covered Cause of Loss.

(3) With respect to the coverage provided under this Additional Coverage, the Covered Causes of Loss are subject to the following:

- (a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage – Interruption Of Computer Operations is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.
- (b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage – Interruption Of Computer Operations includes Collapse as set forth in that form.
- (c) If the Causes Of Loss Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage – Interruption Of Computer Operations.
- (d) The Covered Causes of Loss include a 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, maintain, repair or replace that system.

(4) The most we will pay under this Additional Coverage – Interruption of Computer Operations is \$2,500 for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved. 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.

(5) This Additional Coverage – Interruption in Computer Operations 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 (4) above has not been exhausted.

6. Coverage Extension

If a Coinsurance percentage of 50% or more is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

NEWLY ACQUIRED LOCATIONS

- a. You may extend your Business Income and Extra Expense Coverages to apply to property at any location you acquire other than fairs or exhibitions.
- b. The most we will pay under this Extension, for the sum of Business Income loss and Extra Expense incurred, is \$100,000 at each location.

- c. Insurance under this Extension for each newly acquired location will end when any of the following first occurs:

- (1) This policy expires;
- (2) 30 days expire after you acquire or begin to construct the property; or
- (3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property.

The Additional Condition, Coinsurance, does not apply to this Extension.

B. Limits Of Insurance

The most we will pay for loss in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

Payments under the following coverages will not increase the applicable Limit of Insurance:

1. Alterations And New Buildings;
2. Civil Authority;
3. Extra Expense; or
4. Extended Business Income.

The amounts of insurance stated in the Interruption Of Computer Operations Additional Coverage and the Newly Acquired Locations Coverage Extension apply in accordance with the terms of those coverages and are separate from the Limit(s) of Insurance shown in the Declarations for any other coverage.

C. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Appraisal

If we and you disagree on the amount of Net Income and operating expense 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.

The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or 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.

2. Duties In The Event Of Loss

- a. You must see that the following are done in the event of loss:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the direct physical 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 direct physical loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

- (6) 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.
 - (7) Cooperate with us in the investigation or settlement of the claim.
 - (8) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

3. Loss Determination

- a. The amount of Business Income loss will be determined based on:
 - (1) The Net Income of the business before the direct physical loss or damage occurred;
 - (2) The likely Net Income of the business 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;
 - (3) 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
 - (4) Other relevant sources of information, including:
 - (a) Your financial records and accounting procedures;
 - (b) Bills, invoices and other vouchers; and
 - (c) Deeds, liens or contracts.
- b. The amount of Extra Expense will be determined based on:
 - (1) 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 had occurred. We will deduct from the total of such expenses:
 - (a) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
 - (b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
 - (2) Necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

c. Resumption Of Operations

We will reduce the amount of your:

- (1) Business Income loss, 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.
- (2) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.
- d. If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

4. Loss Payment

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:

- a. We have reached agreement with you on the amount of loss; or
- b. An appraisal award has been made.

D. Additional Condition

COINSURANCE

If a Coinsurance percentage is shown in the Declarations, the following condition applies in addition to the Common Policy Conditions and the Commercial Property Conditions.

We will not pay the full amount of any Business Income loss if the Limit of Insurance for Business Income is less than:

- 1. The Coinsurance percentage shown for Business Income in the Declarations; times
- 2. The sum of:
 - a. The Net Income (Net Profit or Loss before income taxes), and
 - b. Operating expenses, including payroll expenses,that would have been earned or incurred (had no loss occurred) by your "operations" at the described premises for the 12 months following the inception, or last previous anniversary date, of this policy (whichever is later).

Instead, we will determine the most we will pay using the following steps:

- Step (1): Multiply the Net Income and operating expense for the 12 months following the inception, or last previous anniversary date, of this policy by the Coinsurance percentage;
- Step (2): Divide the Limit of Insurance for the described premises by the figure determined in Step (1); and
- Step (3): Multiply the total amount of loss by the figure determined in Step (2).

We will pay the amount determined in Step (3) or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

In determining operating expenses for the purpose of applying the Coinsurance condition, the following expenses, if applicable, shall be deducted from the total of all operating expenses:

- (1) Prepaid freight – outgoing;
- (2) Returns and allowances;
- (3) Discounts;
- (4) Bad debts;
- (5) Collection expenses;
- (6) Cost of raw stock and factory supplies consumed (including transportation charges);
- (7) Cost of merchandise sold (including transportation charges);
- (8) Cost of other supplies consumed (including transportation charges);
- (9) Cost of services purchased from outsiders (not employees) to resell, that do not continue under contract;
- (10) Power, heat and refrigeration expenses that do not continue under contract (if Form **CP 15 11** is attached);
- (11) All ordinary payroll expenses or the amount of payroll expense excluded (if Form **CP 15 10** is attached); and
- (12) Special deductions for mining properties (royalties unless specifically included in coverage; actual depletion commonly known as unit or cost depletion – not percentage depletion; welfare and retirement fund charges based on tonnage; hired trucks).

EXAMPLE #1 (UNDERINSURANCE)

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been: \$ 400,000

The Coinsurance percentage is: 50%

The Limit of Insurance is: \$ 150,000

The amount of loss is: \$ 80,000

Step (1): $\$400,000 \times 50\% = \$200,000$
(the minimum amount of insurance to meet your Coinsurance requirements)

Step (2): $\$150,000 \div \$200,000 = .75$

Step (3): $\$80,000 \times .75 = \$60,000$

We will pay no more than \$60,000. The remaining \$20,000 is not covered.

EXAMPLE #2 (ADEQUATE INSURANCE)

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been: \$ 400,000

The Coinsurance percentage is: 50%

The Limit of Insurance is: \$ 200,000

The amount of loss is: \$ 80,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ($\$400,000 \times 50\%$). Therefore, the Limit of Insurance in this example is adequate and no penalty applies. We will pay no more than \$80,000 (amount of loss).

This condition does not apply to Extra Expense Coverage.

E. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item.

1. Maximum Period Of Indemnity

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.

- b. The most we will pay for the total of Business Income loss and Extra Expense is the lesser of:

- (1) The amount of loss sustained and expenses incurred during the 120 days immediately following the beginning of the "period of restoration"; or
- (2) The Limit of Insurance shown in the Declarations.

2. Monthly Limit Of Indemnity

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.
- b. The most we will pay for loss of Business Income in each period of 30 consecutive days after the beginning of the "period of restoration" is:
 - (1) The Limit of Insurance, multiplied by
 - (2) The fraction shown in the Declarations for this Optional Coverage.

EXAMPLE

When:	The Limit of Insurance is:	\$ 120,000
	The fraction shown in the Declarations for this Optional Coverage is:	1/4
	The most we will pay for loss in each period of 30 consecutive days is:	\$ 30,000
	(\$120,000 x 1/4 = \$30,000)	
	If, in this example, the actual amount of loss is:	
	Days 1–30:	\$ 40,000
	Days 31–60:	\$ 20,000
	Days 61–90:	\$ 30,000
		<u>\$ 90,000</u>
	We will pay:	
	Days 1–30:	\$ 30,000
	Days 31–60:	\$ 20,000
	Days 61–90:	\$ 30,000
		<u>\$ 80,000</u>
	The remaining \$10,000 is not covered.	

3. Business Income Agreed Value

- a. To activate this Optional Coverage:
 - (1) A Business Income Report/Work Sheet must be submitted to us and must show financial data for your "operations":
 - (a) During the 12 months prior to the date of the Work Sheet; and
 - (b) Estimated for the 12 months immediately following the inception of this Optional Coverage.
 - (2) The Declarations must indicate that the Business Income Agreed Value Optional Coverage applies, and an Agreed Value must be shown in the Declarations. The Agreed Value should be at least equal to:
 - (a) The Coinsurance percentage shown in the Declarations; multiplied by
 - (b) The amount of Net Income and operating expenses for the following 12 months you report on the Work Sheet.
- b. The Additional Condition, Coinsurance, is suspended until:
 - (1) 12 months after the effective date of this Optional Coverage; or
 - (2) The expiration date of this policy; whichever occurs first.
- c. We will reinstate the Additional Condition, Coinsurance, automatically if you do not submit a new Work Sheet and Agreed Value:
 - (1) Within 12 months of the effective date of this Optional Coverage; or
 - (2) When you request a change in your Business Income Limit of Insurance.
- d. If the Business Income Limit of Insurance is less than the Agreed Value, we will not pay more of any loss than the amount of loss multiplied by:
 - (1) The Business Income Limit of Insurance; divided by
 - (2) The Agreed Value.

EXAMPLE

When: The Limit of Insurance is: \$ 100,000
The Agreed Value is: \$ 200,000
The amount of loss is: \$ 80,000

Step (1): $\$100,000 \div \$200,000 = .50$

Step (2): $.50 \times \$80,000 = \$40,000$

We will pay \$40,000. The remaining \$40,000 is not covered.

4. Extended Period Of Indemnity

Under Paragraph **A.5.c., Extended Business Income**, the number 30 in Subparagraphs (1)(b) and (2)(b) is replaced by the number shown in the Declarations for this Optional Coverage.

F. Definitions

1. "Finished stock" means stock you have manufactured.

"Finished stock" also includes whiskey and alcoholic products being aged, unless there is a Coinsurance percentage shown for Business Income in the Declarations.

"Finished stock" does not include stock you have manufactured that is held for sale on the premises of any retail outlet insured under this Coverage Part.

2. "Operations" means:
 - a. Your business activities occurring at the described premises; and
 - b. The tenantability of the described premises, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.
3. "Period of restoration" means the period of time that:
 - a. Begins:
 - (1) 72 hours after the time of direct physical loss or damage for Business Income Coverage; or
 - (2) Immediately after the time of direct physical loss or damage for Extra Expense Coverage;
caused by or resulting from any Covered Cause of Loss at the described premises; and
 - b. Ends on the earlier of:
 - (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (2) The date when business is resumed at a new permanent location.

"Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

- (1) Regulates the construction, use or repair, or requires the tearing down, of any property; or
- (2) 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".

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

4. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
5. "Rental Value" means Business Income that consists of:
 - a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and
 - b. Continuing normal operating expenses incurred in connection with that premises, including:
 - (1) Payroll; and
 - (2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.
6. "Suspension" means:
 - a. The slowdown or cessation of your business activities; or
 - b. That a part or all of the described premises is rendered untenable, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.

COMMERCIAL PROPERTY CONDITIONS

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

A. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

B. CONTROL OF PROPERTY

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

C. INSURANCE UNDER TWO OR MORE COVERAGES

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

D. LEGAL ACTION AGAINST US

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

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

E. LIBERALIZATION

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

F. NO BENEFIT TO BAILEE

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

G. OTHER INSURANCE

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only 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.

H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

1. We cover loss or damage commencing:
 - a. During the policy period shown in the Declarations; and
 - b. Within the coverage territory.
2. The coverage territory is:
 - a. The United States of America (including its territories and possessions);
 - b. Puerto Rico; and
 - c. Canada.

I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

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

This will not restrict your insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART STANDARD PROPERTY POLICY

- A.** The exclusion set forth in Paragraph **B.** applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
- B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.
However, this exclusion does not apply to loss or damage caused by or resulting from "fungus", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Coverage Part or Policy.
- C.** With respect to any loss or damage subject to the exclusion in Paragraph **B.**, such exclusion supersedes any exclusion relating to "pollutants".
- D.** The following provisions in this Coverage Part or Policy are hereby amended to remove reference to bacteria:
 - 1.** Exclusion of "Fungus", Wet Rot, Dry Rot And Bacteria; and
 - 2.** Additional Coverage – Limited Coverage for "Fungus", Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.
- E.** The terms of the exclusion in Paragraph **B.**, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.

CAUSES OF LOSS – SPECIAL FORM

Words and phrases that appear in quotation marks have special meaning. Refer to Section **G.**, Definitions.

A. Covered Causes Of Loss

When Special is shown in the Declarations, Covered Causes of Loss means Risks Of Direct Physical Loss unless the loss is:

1. Excluded in Section **B.**, Exclusions; or
2. Limited in Section **C.**, Limitations; that follow.

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.

a. Ordinance Or Law

The enforcement of any ordinance or law:

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

This exclusion, Ordinance Or Law, applies whether the loss results from:

- (a) An ordinance or law that is enforced even if the property has not been damaged; or
- (b) 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 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 **b.(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.

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 or damage to the described property.

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 Coverage Part.

d. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, 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:

- (1) Originates away from the described premises; or
- (2) Originates at the described premises, but only if such failure involves equipment used to supply the utility service to the described premises from a source 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.

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, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows from a sewer, drain or sump; or
- (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.

But if Water, as described in **g.(1)** through **g.(4)** above, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

h. "Fungus", Wet Rot, Dry Rot And Bacteria

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

But if "fungus", wet or dry rot or bacteria results 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 "fungus", wet or dry rot or bacteria results from fire or lightning; or
2. To the extent that coverage is provided in the Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria with respect to loss or damage by a cause of loss other than fire or lightning.

Exclusions **B.1.a.** through **B.1.h.** apply whether or not the loss event results in widespread damage or affects a substantial area.

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

- (a) Electrical current, including arcing;
- (b) Electrical charge produced or conducted by a magnetic or electromagnetic field;
- (c) Pulse of electromagnetic energy; or
- (d) Electromagnetic waves or microwaves.

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

- b. Delay, loss of use or loss of market.
- c. Smoke, vapor or gas from agricultural smudging or industrial operations.
- d. (1) Wear and tear;
- (2) Rust or other corrosion, decay, deterioration, hidden or latent defect 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. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.
- (7) The following causes of loss to personal property:
 - (a) Dampness or dryness of atmosphere;
 - (b) Changes in or extremes of temperature; or
 - (c) Marring or scratching.

But if an excluded cause of loss that is listed in **2.d.(1)** through **(7)** results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.

- e. 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.
- f. Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.
- g. 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.
- h. Dishonest or criminal act by you, any of your partners, members, officers, managers, employees (including leased employees), directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:
 - (1) Acting alone or in collusion with others; or
 - (2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees (including leased employees); but theft by employees (including leased employees) is not covered.
- i. 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.
- j. Rain, snow, ice or sleet to personal property in the open.

- k. Collapse, including any of the following conditions of property or any part of the property:

- (1) An abrupt falling down or caving in;
- (2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
- (3) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to (1) or (2) above.

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.

This exclusion, k., does not apply:

- (a) To the extent that coverage is provided under the Additional Coverage – Collapse; 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.

- l. 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".

This exclusion, l., does not apply to damage to glass caused by chemicals applied to the glass.

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

3. We will not pay for loss or damage caused by or resulting from any of the following, 3.a. through 3.c. But if an excluded cause of loss that is listed in 3.a. through 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. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. above to produce the loss or damage.

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

- c. Faulty, inadequate or defective:

- (1) Planning, zoning, development, surveying, siting;
- (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- (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. Special Exclusions

The following provisions apply only to the specified Coverage Forms.

a. Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Or Extra Expense Coverage Form

We will not pay for:

- (1) Any loss caused by or resulting from:
 - (a) Damage or destruction of "finished stock"; or
 - (b) The time required to reproduce "finished stock".

This exclusion does not apply to Extra Expense.

- (2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.
- (3) Any increase of 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 and the Extended Period Of Indemnity Optional Coverage or any variation of these.

(4) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".

(5) Any other consequential loss.

b. Leasehold Interest Coverage Form

(1) Paragraph **B.1.a.**, Ordinance Or Law, does not apply to insurance under this Coverage Form.

(2) We will not pay for any loss caused by:

- (a) Your cancelling the lease;
- (b) The suspension, lapse or cancellation of any license; or
- (c) Any other consequential loss.

c. Legal Liability Coverage Form

(1) The following exclusions do not apply to insurance under this Coverage Form:

- (a) Paragraph **B.1.a.**, Ordinance Or Law;
- (b) Paragraph **B.1.c.**, Governmental Action;
- (c) Paragraph **B.1.d.**, Nuclear Hazard;
- (d) Paragraph **B.1.e.**, Utility Services; and
- (e) Paragraph **B.1.f.**, War And Military Action.

(2) The following additional exclusions apply to insurance under this Coverage Form:

(a) Contractual Liability

We will not defend any claim or "suit", or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement. But this exclusion does not apply to a written lease agreement in which you have assumed liability for building damage resulting from an actual or attempted burglary or robbery, provided that:

(i) Your assumption of liability was executed prior to the accident; and

(ii) The building is Covered Property under this Coverage Form.

(b) Nuclear Hazard

We will not defend any claim or "suit", or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

5. Additional Exclusion

The following provisions apply only to the specified property.

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.

C. Limitations

The following limitations apply to all policy forms and endorsements, unless otherwise stated.

1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.
 - a. 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 which the gases of combustion pass.
 - b. 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.
 - c. 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:
 - (1) 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
 - (2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.
 - d. Building materials and supplies not attached as part of the building or structure, caused by or resulting from theft.

However, this limitation does not apply to:

 - (1) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or
 - (2) Business Income Coverage or Extra Expense Coverage.
 - e. 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.
 - f. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
2. 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:
 - a. Animals, and then only if they are killed or their destruction is made necessary.
 - b. Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:
 - (1) Glass; or
 - (2) Containers of property held for sale.
 - c. Builders' machinery, tools and equipment owned by you or entrusted to you, provided such property is Covered Property.

However, this limitation does not apply:

 - (1) If the property is located on or within 100 feet of the described premises, unless the premises is insured under the Builders Risk Coverage Form; or
 - (2) To Business Income Coverage or to Extra Expense Coverage.
3. The special limit shown for each category, **a.** through **d.**, is the total limit for loss of or damage to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are:
 - a. \$2,500 for furs, fur garments and garments trimmed with fur.
 - b. \$2,500 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 \$100 or less per item.
 - c. \$2,500 for patterns, dies, molds and forms.
 - d. \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.

This limitation, **C.3.**, does not apply to Business Income Coverage or to Extra Expense Coverage.

4. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. 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.

However, this limitation does not apply to Business Income Coverage or to Extra Expense Coverage.

D. Additional Coverage – Collapse

The coverage provided under this Additional Coverage – Collapse applies only to an abrupt collapse as described and limited in **D.1.** through **D.7.**

- 1. For the purpose of this Additional Coverage – Collapse, 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 or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, 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 decay is known to an insured prior to collapse;
 - b. Insect or vermin damage that is hidden from view, unless the presence of such damage 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 material 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:
 - (1) A cause of loss listed in **2.a.** or **2.b.**;
 - (2) One or more of the "specified causes of loss";
 - (3) Breakage of building glass;
 - (4) Weight of people or personal property; or
 - (5) Weight of rain that collects on a roof.

3. This **Additional Coverage – Collapse** 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, masts or towers;
 - b. Awnings, gutters and downspouts;
 - c. Yard fixtures;
 - d. Outdoor swimming pools;
 - e. Fences;
 - f. 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.**, we will pay for loss or damage to that property only if:

- (1) Such loss or damage is a direct result of the abrupt collapse of a building insured under this Coverage Form; and
- (2) The property is Covered Property under this Coverage Form.

5. If personal property abruptly falls down or caves in and such collapse is **not** the result of abrupt collapse of a building, we will pay for loss 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.**;
- b. The personal property which collapses is inside a building; and
- c. The property which collapses is not of a kind listed in **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 the collapse.

6. This Additional Coverage – Collapse 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 Additional Coverage – Collapse will not increase the Limits of Insurance provided in this Coverage Part.
8. The term Covered Cause of Loss includes the Additional Coverage – Collapse as described and limited in **D.1.** through **D.7.**

E. Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria

1. The coverage described in **E.2.** and **E.6.** only applies when the "fungus", wet or dry rot or bacteria is the result of one or more of the following causes 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.
 - a. A "specified cause of loss" other than fire or lightning; or
 - b. Flood, if the Flood Coverage Endorsement applies to the affected premises.
2. We will pay for loss or damage by "fungus", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:
 - a. Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;
 - b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; 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 "fungus", wet or dry rot or bacteria are present.

3. The coverage described under **E.2.** of 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) and Flood 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 "fungus", wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the "fungus", wet or dry rot or bacteria 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 "fungus", wet or dry rot or bacteria, 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 "fungus", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus", wet or dry rot or bacteria 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 Paragraph **F.2.** (Water Damage, Other Liquids, Powder Or Molten Material Damage) of this Causes Of Loss Form or under the Additional Coverage – Collapse.
6. The following, **6.a.** or **6.b.**, applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense Coverage Form.

- a. If the loss which resulted in "fungus", wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to loss or damage to property caused by "fungus", wet or dry rot or bacteria, then our payment under 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 "fungus", wet or dry rot or bacteria but remediation of "fungus", wet or dry rot or bacteria 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.

F. Additional Coverage Extensions

1. Property In Transit

This Extension applies only to your personal property to which this form applies.

- a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.
- b. Loss or damage must be caused by or result from one of the following causes of loss:
 - (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
 - (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the roadbed.
 - (3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.
- c. The most we will pay for loss or damage under this Extension is \$5,000.

This Coverage Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

2. Water Damage, Other Liquids, Powder Or Molten Material Damage

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, 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. This Coverage Extension does not increase the Limit of Insurance.

3. Glass

- a. We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.
- b. We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

This Coverage Extension, **F.3.**, does not increase the Limit of Insurance.

G. Definitions

- 1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
- 2. "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 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 accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WATER EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

A. The exclusion in Paragraph **B.** replaces the **Water** Exclusion in this Coverage Part or Policy.

B. 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, sump, sump pump or related equipment;
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.

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 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.

But if any of the above, in Paragraphs **1.** through **5.**, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage (if sprinkler leakage is a Covered Cause of Loss).

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DISCRETIONARY PAYROLL EXPENSE

This endorsement modifies insurance provided under the following:

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM

SCHEDULE

Job Classifications Or Employees	Maximum Number Of Days For Discretionary Payroll Expense
All Employees You Continue To Pay During The "Period Of Restoration"	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Payroll expenses for the Job Classifications and/or Employees identified in the Schedule will be included as continuing normal operating expenses in determining the amount of Business Income loss, provided that you pay such expenses and regardless of whether such expenses are necessary to resume "operations".

Payroll expenses include:

1. Payroll;
2. Employee benefits, if directly related to payroll;
3. FICA payments you pay;
4. Union dues you pay; and
5. Workers' compensation premiums.

B. With respect to Job Classifications and/or Employees identified in the Schedule, payroll expenses are included in the Business Income loss for the entire "period of restoration" and any extension of the "period of restoration" if an extension is provided under this policy, unless the Schedule indicates otherwise. With respect to a Job Classification(s) or Employee(s) for which the Schedule shows a maximum number of days, Business Income loss includes payroll expenses for not more than the stated number of days. The number of days need not be consecutive but must fall within the "period of restoration" or extension (if any) of the "period of restoration".

C. This endorsement does not affect coverage of payroll expenses for job classifications and employees not identified in the Schedule.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESS INCOME CHANGES – BEGINNING OF THE PERIOD OF RESTORATION

This endorsement modifies insurance provided under the following:

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM

SCHEDULE

Select Either A. Or B.

A. ☐ **72-Hour Time Period Is Replaced By 24 Hours**

B. ☒ **72-Hour Time Period Is Eliminated**

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

A. If the Schedule indicates that the 72-hour time period is replaced by 24 hours, then:

1. The 72-hour time period in the definition of "period of restoration" is replaced by 24 hours. Therefore, the period of restoration for Business Income Coverage begins 24 hours after the time of direct physical loss or damage, subject to all other provisions of the definition of "period of restoration"; and
2. The 72-hour time period in the Civil Authority Additional Coverage is replaced by 24 hours. Therefore, coverage under the Additional Coverage – Civil Authority begins 24 hours after the time of action of civil authority, subject to all other provisions of that Additional Coverage.

B. If the Schedule indicates that the 72-hour time period is eliminated, then:

1. The 72-hour time period in the definition of "period of restoration" is deleted. Therefore, the period of restoration for Business Income Coverage begins at the time of direct physical loss or damage, subject to all other provisions of the definition of "period of restoration"; and
2. The 72-hour time period in the Civil Authority Additional Coverage is deleted. Therefore, coverage under the Additional Coverage – Civil Authority begins at the time of action of civil authority, subject to all other provisions of that Additional Coverage.

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

COMPUTER AMENDATORY

This coverage form applies only to those premises described in the Declarations where the CAUSES OF LOSS – SPECIAL FORM applies.

This Endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

CONDOMINIUM ASSOCIATION COVERAGE FORM

CAUSES OF LOSS – SPECIAL FORM

When added to the policy:

BUSINESS INCOME AND EXTRA EXPENSE COVERAGE FORM

With respect to coverage provided by this Endorsement, the provisions of the Coverage Form apply unless modified by this Endorsement.

SCHEDULE

COVERAGE	LIMIT	DEDUCTIBLE
I.A. Computers	Included in Business Personal Property Limit	As shown on Covered Property
I.B. Electronic Data (Not Cyber Incident) Virus, Harmful Code Or Similar Instruction	\$25,000 Excluded – CPE 1075 Exclusion Cyber Incidents Property applies.	\$500 Excluded
I.C. Electronic Data -- Integrated Building Controls Virus, Harmful Code Or Similar Instruction Sublimit	Covered Property \$ 2,500	As shown on Covered Property \$ 1,000
I.D. Off-Premises Computer (includes Transit)	Included in Off-Premises Property Extension Limit	As shown on Covered Property
II.A. Interruption of Computer Operations (Not Cyber Incident) Virus, Harmful Code Or Similar Instruction	\$25,000 Excluded – CPE 1075 Exclusion Cyber Incidents Property applies.	24 hour waiting period Excluded
II.B. Interruption of Computer Operations – Integrated Building Controls Virus, Harmful Code Or Similar Instruction Sublimit	Limit Of Insurance shown in the Declarations when Business Income Coverage applies \$2500	Waiting Period as shown in the Declarations when Business Income Coverage applies 8 hour waiting period
III.A. False Pretense Computer	\$1,000	\$500

(If no entry appears above, information required to complete this Endorsement will be shown in the Endorsement Schedule of Coverages as applicable to this Endorsement.)

The most we will pay under any of the extensions provided by this form is the limit shown in the SCHEDULE. Each of these extensions is additional insurance unless otherwise indicated.

COORDINATION OF LIMITS– The following Condition applies in addition to the Common Policy Conditions and the Commercial Property Conditions.

If other specific Computer Coverage insurance is written by us covering the same loss or damage provided by this form, then the broadest coverage is primary. Each coverage form written by us, whether primary or excess, is subject to its own terms and conditions including deductibles. We will not pay more than the actual loss, or applicable combined limits of insurance, whichever is less.

I. BUILDING AND PERSONAL PROPERTY FORM Revisions

References throughout this form to the BUILDING AND PERSONAL PROPERTY COVERAGE FORM also include reference to the CONDOMINIUM ASSOCIATION COVERAGE FORM, unless a more specific reference is provided.

A. Computer

1. Item A. Coverage; 1. Covered Property; b. Your Business Personal Property is amended to add:

Computer

As used in Covered Property – Your Business Personal Property 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 does not include those used to operate production type machinery or equipment.

2. Item A. Coverage; 2. Property Not Covered is amended to add:

Covered Property does not include:

Computer(s) which are permanently installed or designed to be permanently installed in any aircraft, watercraft, motor truck or other vehicle subject to motor vehicle registration. This paragraph does not apply to computer(s) while held as "stock".

3. Item C. Limits of Insurance is amended to add:

Computer is included within the Limit of Insurance shown in the Declarations as applicable to the covered business personal property. Computer does not increase the Limit of Insurance.

B. Electronic Data (Not Cyber Incident)

1. Causes of Loss

a. Item A. Coverage; 4. Additional Coverages; f. Electronic Data (3)(a) is deleted and replaced by:

- (a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage, I.B. Electronic Data (Not Cyber Incident), includes Collapse as set forth in that form, and includes the III. Causes of Loss - Special Form Revisions provided in this form.

b. Item A. Coverage; 4. Additional Coverages; f. Electronic Data (3)(d) is deleted from CP 00 10 by Exclusion – Cyber Incident Property form CPE 1075. Virus, harmful code or similar instruction causes of loss do not apply.

2. Increased Limit

- a. The most we will pay in any one policy year under Item A. Coverage; 4. Additional Coverages; f. Electronic Data (4) is increased to the limit shown in the Computer Amendatory Schedule for this coverage I.B. Electronic Data (Not Cyber Incident).
- b. Any applicable CPT9099 Universal WRAP Coverage Form or CPT7999 Elite Universal WRAP Coverage Form showing limit changes for Additional Coverage Electronic Data within Flex Coverage Limit of Insurance provisions will also apply to I.B. Electronic Data (Not Cyber Incident).

3. Deductible

Regardless of the amount of the Deductible for Covered Property the most we will deduct in any one occurrence is the amount shown in the Computer Amendatory Schedule for this coverage I.B. Electronic Data (Not Cyber Incident).

C. Electronic Data -- Integrated Building Controls

1. Throughout this form integrated building controls mean systems which are integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system.

2. Item A. Coverage; 2. Property Not Covered; n. Electronic Data is modified by adding:

This paragraph n., does not apply to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system.

3. Item A. Coverage; 4. Additional Coverages; f. Electronic Data (1) is replaced by:

(1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered, Electronic Data. This Additional Coverage 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, lighting, heating, ventilation, air conditioning or security system.

4. Virus, Harmful Code Or Similar Instruction Sublimit

Exclusion – Cyber Incident Property form CPE 1075 applies; except with respect to I.C. Electronic Data – Integrated Building Controls Virus, Harmful Code Or Similar Instruction Sublimit as follows:

- a. The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on integrated building control electronic data, designed to damage or destroy any part of the integrated building control or disrupt its normal operation.
- b. The most we will pay under this Additional Coverage, I.C. Electronic Data -- Integrated Building Controls for Virus, Harmful Code Or Similar Instruction is the limit shown in the Computer Amendatory Schedule 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 premises, locations or integrated building controls involved. 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.
- c. Any applicable CPT9099 Universal WRAP Coverage Form or CPT7999 Elite Universal WRAP Coverage Form showing limit changes for Additional Coverage Electronic Data within Flex Coverage Limit of Insurance provisions does not apply to this I.C. Electronic Data -- Integrated Building Controls Virus, Harmful Code Or Similar Instruction Sublimit
- d. Regardless of the amount of the Deductible for Covered Property the most we will deduct in any one occurrence is the amount shown in the Computer Amendatory Schedule for this additional coverage I.C. Electronic Data -- Integrated Building Controls for Virus, Harmful Code Or Similar Instruction.

D. Off-Premises Computer

1. Item A. Coverage; 5. Coverage Extensions; d. Property Off-Premises (1) is amended to add:

This extension will also apply to your computer(s) off-premise while at your residence; or the residence of your officers, your partners or members, your managers or your employees; and while in transit between a residence, temporary premises or the described premises.

2. Any coverage for Property In Transit (Any Vehicle) provided in this Coverage Part will apply to this I.D. Off-Premises Computer extension.
3. Item A. Coverage; 5. Coverage Extensions; d. Property Off-premises (2) limitations (a) in transit and (b) custody of salesperson are deleted with respect to this I.D. Off-Premises Computer extension.
4. I.D. Off-Premises Property Computer is included within the Limit of Insurance applicable to the off-premise property extension provided in this coverage part. I.D. Off-Premises Property Computer does not increase the applicable Off-Premises Property Extension Limit.

II. BUSINESS INCOME AND EXTRA EXPENSE COVERAGE FORM Revisions

The following changes apply when the BUSINESS INCOME AND EXTRA EXPENSE COVERAGE FORM is added to this policy:

A. Interruption of Computer Operations (Not Cyber Incidents)

1. **Causes of Loss**

- a. Item A. Coverage; 5. Additional Coverages; d. Interruption of Computer Operations (3)(a) is deleted and replaced by:

(a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage, Electronic Data, includes Collapse as set forth in that form, and includes the III. Causes of Loss – Special Form Revisions provided in this form.

- b. Additional Coverages, d. Interruption of Computer Operations, sub-paragraph (3)(d) Covered Cause of Loss include virus, harmful code or similar instruction is deleted from CP 00 30 by Exclusion – Cyber Incident Property form CPE 1075. Virus, harmful code or similar instruction causes of loss do not apply.

2. Increased Limit

The most we will pay in any one policy year under Item A. Coverage; 5. Additional Coverages; d. Interruption of Computer Operations (4) is increased to the limit shown in the Computer Amendatory Schedule for this coverage II.A. Interruption of Computer Operations (Not Cyber Incident).

3. Waiting Period

The following is added to Item A. Coverage; 5. Additional Coverages; d. Interruption of Computer Operations:

The “period of restoration” for II.A. Interruption Of Computer Operations (Not Cyber Incidents) coverage begins 24 hours after the time of such loss, as shown in the Computer Amendatory Schedule for this coverage II.A. Interruption of Computer Operations (Not Cyber Incident). Any provision in any form or endorsement in this Coverage Part relating to or modifying business income coverage waiting period does not apply to this 24-hour waiting period.

B. Interruption of Computer Operations – Integrated Building Controls

1. Item A. Coverages; 4. Additional Limitation – Interruption of Computer Operations is amended by adding:

This Additional Limitation 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.

2. Item A. Coverage; 5. Additional Coverages; d. Interruption of Computer Operations (2) is amended by adding:

However, we will not provide coverage under this Additional Coverage when the Additional Limitation - Interruption Of Computer Operations does not apply based on paragraph II.B.1. herein. The most we will pay is the applicable BUSINESS INCOME AND EXTRA EXPENSE Limits Of Insurance shown in the Declarations to the extent a loss is not otherwise excluded.

3. Virus, Harmful Code Or Similar Instruction Sublimit

- a. Exclusion – Cyber Incident Property form CPE 1075 applies; except with respect to this II.B. Electronic Data – Integrated Building Controls Virus, Harmful Code Or Similar Instruction Sublimit as follows:

- (1) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on integrated building control electronic data, designed to damage or destroy any part of the integrated building control or disrupt its normal operation; however we will not pay for “suspension” of your “operations” caused by or resulting from complete or substantial failure, disablement or shut-down of the entire Internet, regardless of the cause.
- (2) The most we will pay under this Additional Coverage, II.B. Interruption of Computer Operations – Integrated Building Controls for Virus, Harmful Code Or Similar Instruction is the limit shown in the Computer Amendatory Schedule for all loss or expense sustained or incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or integrated building controls involved. 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) Waiting period

The following is added to Item A. Coverage; 5. Additional Coverages; d. Interruption of Computer Operations:

The "period of restoration" for II.B. Interruption Of Computer Operations – Integrated Building ControlsVirus, Harmful Code Or Similar Instruction Sublimit coverage begins 8 hours after the time of such loss, as shown in the Computer Amendatory Schedule for this coverage II.B. Interruption of Computer Operations – Integrated Building ControlsVirus, Harmful Code Or Similar Instruction Sublimit. Any provision in any form or endorsement in this Coverage Part relating to or modifying business income coverage waiting period does not apply to this 8 hour waiting period.

III. CAUSES OF LOSS – SPECIAL FORMCP 10 30 Revisions

The provisions of this endorsement do not supersede or in any way affect the application of the Exclusion Of Certain ComputerRelated Losses if such exclusion is endorsed to or otherwise made part of the Commercial Property Coverage Part. The exclusion addresses the inability of a computer system to correctly recognize, process, distinguish, interpret or accept one or more dates or times.

A. Additional Coverage – False Pretense Computer

We will pay for loss or damage to computer caused by or resulting from voluntarily parting with any computer by you or anyone else to whom you have entrusted the computer if induced to do so by any fraudulent scheme, trick, device or false pretense.

Item B. Exclusions; 2. i. Voluntary Parting; does not apply to the extent coverage is provided by this additional coverage.

The most we will pay for III.A. False Pretense Computer is the limit of insurance shown in the Computer Amendatory Schedule for this coverage in any one occurrence. Regardless of the amount of the Deductible for Covered Property the most we will deduct in any one occurrence is the amount shown in the Computer Amendatory Schedule for this coverage.

B. Exclusion Revisions – Computers, Electronic Data and Interruption of Computer Operations

1. The following is added to Item B. Exclusions; e. Utility Services

This exclusion does not apply to loss or damage to I.A. Computers;I.B.Electronic Data (Not Cyber Incident); I.C. - Electronic Data – Integrated Building Controls;II.A. Interruption of Computer Operations (Not Cyber Incident);and II.B. Interruption Of Computer Operations – Integrated Building Controls.

2. The following is added to Item B. Exclusions 2; a. Electrical Apparatus related exclusion:

We will pay for loss or damage to I.A. –Computers;I.B.Electronic Data (Not Cyber Incident); I.C. - Electronic Data – Integrated Building Controls;II.A.Interruption of Computer Operations (Not Cyber Incident); and II.B. Interruption Of Computer Operations – Integrated Building Controls,due toartificially generated electrical, magnetic orelectromagnetic energy including electrical arcing if such loss or damage is caused by or results from:

- a. An occurrence that took place within 500 feet of the described premises; or
- b. Interruption of electric power supply, power surge, blackout or brownout if the cause of such occurrence took place within 500 feet of the described premises. This 500 foot limitation does not apply when HSB 5000 Equipment Breakdown Wrap applies.

3. The following is added to Item B. Exclusions; 2. c. (6) Mechanical Breakdown:

This exclusion does not apply with respect to the breakdown ofI.A. –Computers;I.B.Electronic Data (Not Cyber Incident); I.C. - Electronic Data – Integrated Building Controls;II.A. Interruption of Computer Operations (Not Cyber Incident); and II.B. Interruption Of Computer Operations – Integrated Building Controls.

C. Additional Computer Related Exclusions

The following are added to Item B. Exclusions; 5. Additional Exclusions:

We will not pay for loss, damage to computers, or interruption of computer operations caused by or resulting from any of the following:

1. Errors Or Omissions

Errors Or Omissions in programming, processing or storing data, as described under electronic data or in any computer operations. 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 part.

2. 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 part.

3. Electrical Disturbance

Electrical or magnetic injury, disturbance or erasure of electronic data, except as provided for under III.B.2. Electrical Apparatus in this form. However, we will pay for direct loss or damage caused by lightning.

All other terms and conditions of this policy not in conflict with the terms and conditions of this Endorsement shall continue to apply.

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

Water Back-up And Sump Overflow (Not Flood-Related)

This coverage form applies only to those premises described in the Declarations where the CAUSES OF LOSS – SPECIAL FORM applies.

This Endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
BUSINESS INCOME AND EXTRA EXPENSE COVERAGE FORM
CAUSES OF LOSS - SPECIAL FORM
WATER EXCLUSION ENDORSEMENT

With respect to coverage provided by this Endorsement, the provisions of the Coverage Form apply unless modified by the Endorsement.

SCHEDULE

Property Damage Limit: \$ 5,000
Business Interruption Limit: \$
Premises / Limit Type: ☒ All Locations Combined – Policy Aggregate
☐ Each Location – Per Occurrence

(If no entry appears above, information required to complete this Endorsement will be shown in the Endorsement Schedule of the Declarations as applicable to this Endorsement.)

A. Property Damage

If a limit of insurance is shown for Property Damage in the schedule, we will pay for direct physical loss of or damage to Covered Property caused by or resulting from:

1. Water or waterborne material which backs up through, overflows, or is otherwise discharged from an interior sewer, septic system, drain on the described premises; or
2. Water or waterborne material which backs up through, overflows, or is otherwise discharged from a sump, sump pump, or related equipment, even if the back up or overflow results from mechanical breakdown of a sump pump or its related equipment on the described premises.

However, with respect to paragraph 2. above, this coverage does not apply to the cost of repairing or replacing a sump pump or its related equipment in the event of mechanical breakdown.

B. Business Interruption

If a limit of insurance is shown for Business Interruption in the Schedule and CP 0030 BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM is attached to your policy, we will pay for business income loss and/or extra expense in accordance with the terms of the CP 0030 BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM applicable to such premises under your policy, when such loss or expense arises out of the direct physical loss or damage described in A. above.

C. Exclusions Modified

With respect to this Extension only:

1. Item B. Exclusions; 1.g. Water; paragraph (3) water that backs up or overflows from a sewer, drain or pump on the CAUSES OF LOSS – SPECIAL FORM is deleted.
2. Paragraph B.3. of CP 1032 WATER EXCLUSION ENDORSEMENT is deleted.
3. Item B. Exclusions; 1.e. Utility Services on the CAUSES OF LOSS – SPECIAL FORM is deleted.
4. The following additional Exclusions apply:

- (a) The coverage described in paragraph A. Property Damage of this Extension does not apply to loss or damage resulting from an insured's failure to:
- (1) Keep a sump pump or its related equipment in proper working condition; or
 - (2) Perform the routine maintenance or repair necessary to keep a sewer or drain free from obstructions.
- (b) This coverage does not apply for any loss or damage whereby the proximate cause of the loss is a flood or flood-related conditions no matter what distance the flood is from the Covered Property. Flood includes surface water, waves (including tidal wave and tsunami), tides, tidal water, and overflow from any body of water, including storm surge.

D. Limits Of Insurance

1. If the Premises/ Limit Type is shown in the Schedule as All Locations Combined – Policy Aggregate, the most we will pay for the total of all covered losses and expenses caused in a 12-month policy period (starting with the beginning of the present annual policy period), regardless of the number of locations, or number of occurrences during that time period, are the amounts shown in the Schedule for Property Damage or Business Interruption.
2. If the Premises/ Limit Type is shown in the Schedule as Each Location – Per Occurrence, the most we will pay for each location, in any one occurrence of physical loss or damage are the amounts shown in the schedule for Property Damage or Business Interruption.

This coverage is part of, not in addition to, the Limit of Insurance applicable to the covered property, business income or extra expense.

All other terms and conditions of this policy not in conflict with the terms and conditions of this Endorsement shall continue to apply.

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

LIMITATIONS ON COVERAGE FOR ROOF SURFACING

This Endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM
CAUSES OF LOSS-SPECIAL FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

With respect to coverage provided by this Endorsement, the provisions of the Coverage Form apply unless modified by this Endorsement.

SCHEDULE

Premises Number	Building Number	Applicable Limitation(s)	
		Paragraph A	Paragraph B
1	1		X

(If no entry appears above, information required to complete this Endorsement will be shown in the Endorsement Schedule of Coverages as applicable to this Endorsement.)

A. Roof Surfacing – Actual Cash Value

The following applies with respect to loss or damage caused by wind and/or hail to a building or structure identified in the Schedule as being subject to this Paragraph A:

Replacement Cost coverage does not apply to “roof surfacing” when loss or damage is caused by wind and/or hail. Instead, we will determine the value of “roof surfacing” at actual cash value as of the time of loss or damage.

B. Roof Surfacing – Cosmetic Loss Exclusion

The following applies with respect to loss or damage by wind and/or hail to a building or structure identified in the Schedule as being subject to this Paragraph B.:

We will not pay for cosmetic damage to “roof surfacing” caused by wind and/or hail. For the purpose of this endorsement, cosmetic damage means that the wind and/or hail caused marring, pitting or other superficial damage that altered the appearance of the “roof surfacing”, but such damage does not prevent the roof from continuing to function as a barrier to entrance of the elements to the same extent as it did before the cosmetic damage occurred.

C. Definitions

For the purpose of this Endorsement; the following definition is added:

“Roof surfacing” means shingles, tiles, cladding, metal or synthetic sheeting or similar materials covering the roof and includes all materials used in securing the roof surface and all materials applied to or under the roof surface for moisture protection, as well as roof flashing.

All other terms and conditions of this policy not in conflict with the terms and conditions of this Endorsement shall continue to apply.

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – CYBER INCIDENTS PROPERTY

This Endorsement modifies insurance provided under the following:
COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

With respect to coverage provided by this Endorsement, the provisions of the Coverage PART apply unless modified by this Endorsement. This endorsement supersedes and, replaces any other wording in this PART or any endorsement thereto having a bearing on Cyber Incidents. The exclusion set forth in this form applies to all coverage under all forms and endorsements that comprise this Coverage PART, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.

A. Additional Exclusion

The following exclusion is added to Exclusions:

We will not pay for loss or damage caused directly or indirectly by 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.

1. Cyber Incident

- a. Unauthorized access to or use of any computer system (including electronic data).
- b. Malicious code, virus, harmful code or any other similar instruction that is directed at, enacted upon or introduced into any computer system (including electronic data) and is designed to access, alter, corrupt, damage, delete, destroy, disrupt, encrypt, exploit, use or prevent or restrict access to or the use of any part of any computer system (including electronic data) or otherwise disrupt its normal functioning or operation.
- c. Denial of service attack which disrupts, prevents or restricts access to or use of any computer system, or otherwise disrupts its normal functioning or operation.

B. Exceptions And Limitations

1. Fire Or Explosion

If a cyber incident as described in Paragraphs **A.1.** of this exclusion results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

2. Additional Coverage

The following optional coverage are modified when added to this Coverage Part:

- a. The exclusion in Paragraph **A.1.** does not apply to the extent that Power Outage coverage is provided in:
 - (1) Spoilage Coverage endorsement CP0440; or
 - (2) Spoilage Coverage in the Expanded Coverage part of HSB5000 Equipment Breakdown WRAP; or
 - (3) Spoilage Coverage in the Trade Coverage part of any Property Wrap including but not limited to CPT3500 Human Services Property WRAP.
- b. The exclusion in Paragraph **A.1.a.** unauthorized access does not apply to fraudulent entry related to any Computer And Funds Transfer Fraud coverage part of CPT9099 Universal WRAP Coverage Form and CPT7999 Elite Universal WRAP Coverage Form.

3. Modified Additional Coverages

The following are modified:

a. Additional Coverage - Electronic Data

The Building And Personal Property Coverage Form CP 00 10, and Condominium Association Coverage Form CP 00 17, are modified as follows:

Additional Coverages, f. Electronic Data, sub-paragraph (3)(d) Covered Causes of Loss include a virus, harmful code or similar instruction is deleted and does not apply; except to the extent I.C. Electronic Data – Integrated Building Controls Virus, Harmful Code Or Similar Instruction sublimit additional coverage is provided in CPE0100 Computer Amendatory.

b. Additional Coverage - Interruption Of Computer Operations

The Business Income (And Extra Expense) Coverage Form CP 00 30, Business Income (Without Extra Expense) Coverage Form CP 00 32 and Extra Expense Coverage Form CP 00 50 are modified as follows:

Additional Coverages, d. Interruption of Computer Operations , sub-paragraph (3)(d) Covered Cause of Loss include a virus, harmful code or similar instruction is deleted and does not apply;except to the extent II.B. Interruption of Computer Operations – Integrated Building Controls Virus, Harmful Code Or Similar Instruction sublimit additional coverage is provided in CPE0100 Computer Amendatory.

C. Vandalism

The following is added to Vandalism, if Vandalism coverage is not otherwise excluded under the Standard Property Policy or the Causes Of Loss - Basic, Broad or Special Forms and if applicable to the premises described in the Declarations:

Vandalism does not include a cyber incident as described in Paragraph **A.1**.

All other terms and conditions of this policy not in conflict with the terms and conditions of this Endorsement shall continue to apply.

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

BUSINESS INCOME – ACTUAL LOSS SUSTAINED

This Endorsement modifies insurance provided under the following:

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM

With respect to coverage provided by this Endorsement, the provisions of the Coverage Form apply unless modified by this Endorsement.

SCHEDULE

Limit of Insurance

Number of Consecutive Months: 12 Months

(If no entry appears above, information required to complete this Endorsement will be shown in the Endorsement Schedule of the Declarations as applicable to this Endorsement.)

Limits Of Insurance

Section B. Limits Of Insurance is replaced by the following:

1. Subject to the "Period of Restoration" We will pay for the actual loss of Business Income that occurs within 12 consecutive months, or the number of consecutive months shown in the Schedule, following the date of covered direct physical loss or physical damage. The expiration date of the policy will not cut short the applicable consecutive month time period.
2. A. Coverage, 6, Coverage Extension, Newly Acquired Locations in the Business Income and Extra Expense Coverage Form shall apply without regard to the coinsurance percentage indicated in the Declarations.
3. The amounts of insurance stated in the Interruption Of Computer Operations Additional Coverage and the Newly Acquired Locations Coverage Extension apply in accordance with the terms of those coverages and are separate from the Limit(s) of Insurance shown in the Declarations for any other coverage.
4. When optional coverage Earthquake – Volcanic Eruption is provided on a Blanket basis, that Blanket Limit of Insurance applies to business income. Coverage provided by this Business Income – Actual Loss Sustained endorsement does not apply to loss covered by the Earthquake – Volcanic Eruption Blanket Limit.
5. The provisions of this endorsement do not apply to any income related Additional Coverages or income related Coverage Extensions of:
 - a. the applicable Business Income coverage form; or
 - b. any endorsement in this Coverage Part,which remain subject to its own terms and conditions including the specific limits and deductibles described for each.

Additional Condition

Section D. Additional Condition is amended to as follows:

Section D. Additional Condition; COINSURANCE does not apply to the extent of the coverage provided by this endorsement.

All other terms and conditions of this policy not in conflict with the terms and conditions of this Endorsement shall continue to apply.

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

UNIVERSAL WRAP SCHEDULE

The following is a summary of the coverage provided in the CPT 9099 UNIVERSAL WRAP COVERAGE FORM. This coverage form applies only to those premises described in the Declarations where the CAUSES OF LOSS – SPECIAL FORM applies.

Coverage Extension Provision	SCHEDULE	Page	Limit
COORDINATION OF LIMITS		1	
I. FLEX COVERAGE EXTENSIONS			
A. Flex Coverage Limit Of Insurance Applies To The Following Coverage Options:		1	\$125,000
1. Debris Removal	5. Personal Property Of Others		
2. Electronic Data	(excluding employee tools)		
3. Fine Arts At Described Premises	6. Public Safety Service Charges		
4. Fire Extinguisher Recharge			
II. COVERAGE FEATURES			
A. Accounts Receivable (Other Than Electronic Data):	On Premise	2	\$25,000
	Off Premise		\$5,000
B. Additional Covered Property		3	
1. Additional Covered Property			\$50,000
2. Business Personal Property On Structures Or In Portable Storage Units			Included in BPP Limit
C. Broadened Business Income (Including Civil Authority, Lost Lease Protection, and Dependent/Secondary Property Income)		3	\$25,000
Extended Period Of Indemnity			60 days
D. Broadened Premises		6	1,000 feet
E. Business Personal Property – Seasonal Increase		6	25% or \$100,000
			Whichever is Less
F. Computer And Funds Transfer Fraud		6	\$5,000
G. Employee Theft		8	\$10,000
H. Forgery Or Alteration		9	\$25,000
I. Landlord Furnishings		10	Included in Building Limit
J. Lock Replacement Due To Theft Of Keys Or Transmitters		10	\$1,000
K. Money And Securities: Inside		10	\$10,000
Outside			\$10,000
L. Money Orders And Counterfeit Money		11	\$5,000
M. Newly Acquired Or Constructed Property		11	\$1,500,000
(Building, Your Business Personal Property, Broadened Business Income, and Flex Coverage Extensions combined)			
N. Ordinance Or Law		12	
Undamaged Portion: Building			Included in Building Limit
Tenant Improvements and Betterments			Included in BPP Limit
Demolition Cost Coverage and Increased Cost Of Construction Combined			\$100,000
Increased Period of Restoration			Included in Broadened Business Income
O. Outdoor Property		13	
1. Trees, Shrubs, and Plants (Limited to \$1,000 per tree, shrub, or plant)			\$10,000
2. Fences And Antennas			\$10,000
P. Outdoor Signs		13	\$10,000 Per Sign
Q. Personal Effects (Excluding Employee Tools)		14	\$10,000
R. Personal Property Away From Premises		14	
1. Property Off Premises			
a. Property at any Fair, Trade Show or Exhibition			\$15,000
b. Property in a Non-Owned Location			\$15,000
c. Property in the Care, Custody, or Control of a Salesperson			\$10,000

Coverage Extension Provision	Page	Limit
2. Property In Transit (Any Vehicle)	14	\$15,000
S. Photographic Or Scientific Instrument Lenses	15	Included in BPP Limit
T. Pollutant Clean-up And Removal	15	\$25,000
U. Tenant Building – Required By Lease	15	\$10,000
V. Tenant Glass Breakage	16	\$50,000
W. Theft Of Building Materials	16	\$50,000
X. Unscheduled Structures	16	Building Limit or \$25,000 Whichever is Less
Y. Valuable Papers And Records (Other Than Electronic Data):	16	\$25,000
On Premises		\$5,000
Off Premises		

III. CLAIM FRIENDLY SUPPORT

A. Coinsurance Waiver On Losses Under \$10,000	16	Included
B. Covered Crime Reward	17	\$5,000
C. Removal Of Property To Prevent A Loss	17	\$1,000
D. Deductible Provisions	17	

1. Selected Coverage Deductible - \$500

Regardless of the amount of the Deductible for Covered Property the most we will deduct in any one occurrence is \$500 for the following selected coverages provided by this policy:

I.A.2. Electronic Data	II.L. Money Orders And Counterfeit Money
I.A.3. Fine Arts At Described Premises	II.O. Outdoor Property
I.A.5. Personal Property Of Others	II.P. Outdoor Signs
II.A. Accounts Receivable (Other Than Electronic Data)	II.Q. Personal Effects (Excluding Employee Tools)
II.F. Computer Fraud Coverage	II.V. Tenant Glass Breakage
II.G. Employee Theft	II.Y. Valuable Papers And Records (Other Than Electronic Data)
II.H. Forgery Or Alteration	
II.K. Money And Securities	

2. No Deductible

No deductible applies to the following additional coverages provided by this policy:

I.A.4. Fire Extinguisher Recharge	II.J. Lock Replacement Due To Theft Of Keys Or Transmitters
I.A.6. Public Safety Service Charges	
II.C. Broadened Business Income	III.B. Covered Crime Reward

3. Covered Property Deductible

The deductibles as shown in the policy apply to all remaining coverages.

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

UNIVERSAL WRAP COVERAGE FORM

This coverage form applies only to those premises described in the Declarations where the CAUSES OF LOSS – SPECIAL FORM applies.

This Endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CAUSES OF LOSS - SPECIAL FORM
WATER EXCLUSION ENDORSEMENT

References throughout this form to the BUILDING AND PERSONAL PROPERTY COVERAGE FORM also include reference to the CONDOMINIUM ASSOCIATION COVERAGE FORM, unless a more specific reference is provided.

The provisions of the Coverage Forms above apply unless modified by this form. Coverage provided by this form is also subject to any mandatory state change endorsement in this coverage part; and the WRAP SCHEDULE. With respect to this coverage form, WRAP SCHEDULE means any applicable WRAP SCHEDULE which references this coverage form.

The most we will pay under any of the extensions provided by this form is the limit shown on the WRAP SCHEDULE which references this coverage form. Each of these extensions is additional insurance unless otherwise indicated. The Coinsurance Condition does not apply to these extensions.

COORDINATION OF LIMITS – The following Condition applies in addition to the Common Policy Conditions and the Commercial Property Conditions.

If other specific insurance is written by us covering the same loss or damage provided by this form, then the broadest coverage is primary. Each coverage form written by us, whether primary or excess, is subject to its own terms and conditions including deductibles. We will not pay more than the actual loss, or applicable combined limits of insurance, whichever is less.

I. FLEX COVERAGE EXTENSIONS

A. Flex Coverage Limit Of Insurance

We will pay up to the amount shown on the WRAP SCHEDULE at each location described in the Declarations to apply to the sum of all covered losses under the coverages listed in items 1. through 6. below. You may apply the Flex Coverage Limit Of Insurance to one or more of these coverages at your discretion; however, the total amount paid for any one occurrence will not exceed the Flex Coverage Limit Of Insurance shown on the WRAP SCHEDULE. The Flex Coverage Limit Of Insurance is in addition to any other applicable coverage limit purchased separately from this Endorsement.

1. Debris Removal

Item A. Coverage; 4. Additional Coverages; a. Debris Removal on the BUILDING AND PERSONAL PROPERTY COVERAGE FORM is included within the Flex Coverage Limit Of Insurance on the WRAP SCHEDULE.

2. Electronic Data

Item A. Coverage; 4. Additional Coverages; f. Electronic Data on the BUILDING AND PERSONAL PROPERTY COVERAGE FORM is amended as follows:

This Extension is included within the Flex Coverage Limit Of Insurance on the WRAP SCHEDULE for all loss or damage in any one occurrence. There is not a policy year aggregate limit with regards to the electronic data additional coverage.

3. Fine Arts At Described Premises

Item A. Coverage; 1. Covered Property; b. Your Business Personal Property on the BUILDING AND PERSONAL PROPERTY COVERAGE FORM is amended to add:

Fine Arts, meaning paintings, etchings, pictures, sculptures, tapestries, valuable rugs, bric-a-brac,

rare or art glass, art glass windows, antique jewelry and similar property of rarity, historical value or artistic merit.

Item C. Limitations; 2.b. of the CAUSES OF LOSS – SPECIAL FORM is amended to add:

Fragile articles such as statuary, marbles, chinaware and porcelains are covered for loss or damage by a Covered Cause of Loss, but only up to the Flex Coverage Limit Of Insurance on the WRAP SCHEDULE at each described premises. Loss caused by “specified causes of loss” or building glass breakage is not subject to this limitation.

4. Fire Extinguisher Recharge

The cost of recharging or replacing, whichever is less, your fire extinguishers and fire extinguishing systems (including hydrostatic testing if needed); if they are discharged as intended to control a loss, or if discharged accidentally.

The most we will pay for Fire Extinguisher Recharge is included within the Flex Coverage Limit Of Insurance on the WRAP SCHEDULE for any one occurrence.

No coverage will apply if the fire extinguishing system is discharged during installation or testing.

5. Personal Property Of Others

Item A. Coverage; 5. Coverage Extensions; b. Personal Effects And Property Of Others on the BUILDING AND PERSONAL PROPERTY COVERAGE FORM is amended as follows:

The most we will pay for loss under paragraph (2) Personal property of others in your care, custody or control is included within the Flex Coverage Limit Of Insurance on the WRAP SCHEDULE at each described premises.

Item G. Optional Coverages; 3. Replacement Cost; b.(1) Personal property of others on the BUILDING AND PERSONAL PROPERTY COVERAGE FORM is deleted subject to the limits of this Extension.

We will not pay for tools owned by you, your officers, your partners or members, your managers or your employees under this Extension.

6. Public Safety Service Charges

Item A. Coverage; 4. Additional Coverages; c. Fire Department Service Charge on the BUILDING AND PERSONAL PROPERTY COVERAGE FORM is deleted and replaced with the following:

c. Public Safety Service Charges

When the fire department or any other municipal public safety service is called to protect Covered Property from a Covered Cause of Loss, you may be assessed a service charge. We will pay all service charges up to the Flex Coverage Limit Of Insurance on the WRAP SCHEDULE that you have assumed by contract or agreement prior to loss or required by local ordinance.

II. COVERAGE FEATURES

A. Accounts Receivable (Other Than Electronic Data)

You may extend the insurance that applies to Covered Property to cover the following loss and expenses, which are the direct result of loss or damage by a Covered Cause of Loss to accounts receivable records including credit card invoices:

1. All sums due you from customers, provided you are unable to affect collection;
2. Interest charges on any loan to offset impaired collections pending repayment of such sums made uncollectible by loss or damage;
3. Collection expenses in excess of normal collection cost made necessary because of loss or damage; and
4. Other reasonable expenses incurred by you in reestablishing records of accounts receivable following such loss or damage.
5. 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.

The following Exclusions do not apply to this Extension:

- (i) Item B. Exclusions; 1.b. Earth Movement on the CAUSES OF LOSS – SPECIAL FORM;
- (ii) Item B. Exclusions; 1.g. Water on the CAUSES OF LOSS – SPECIAL FORM;
- (iii) Item B. Exclusions; 2.h. Dishonest or Criminal Act but only as it relates to carriers for hire; and
- (iv) CP 1032 WATER EXCLUSION ENDORSEMENT.

This Extension does not apply to accounts receivable records that exist as electronic data. Electronic data has the meaning described under Property Not Covered, Electronic Data.

The most we will pay for loss or damage under this Extension on or away from the described premises is shown on the WRAP SCHEDULE.

B. Additional Covered Property

The BUILDING AND PERSONAL PROPERTY COVERAGE FORM is amended to add:

1. Additional Covered Property

The following is withdrawn from Property Not Covered and added to Covered Property:

- a. Bridges, roadways, walks, patios or other paved surfaces;
- b. The cost of excavations, grading, backfilling or filling;
- c. Foundations of buildings, structures, machinery or boilers if their foundations are below:
 - (1) The lowest basement floor, or
 - (2) The surface of the ground if there is no basement;
- d. Personal property while airborne or waterborne;
- e. Bulkheads, pilings, piers, wharves or docks;
- f. Retaining walls that are not part of a building; and
- g. Underground pipes, flues or drains;

The most we will pay for loss or damage under this Extension for all types of Additional Covered Property above combined is shown on the WRAP SCHEDULE.

2. Business Personal Property On Structures Or In Portable Storage Units

Item A. Coverage; 1. Covered Property; b. Your Business Personal Property includes Business Personal Property in or on structures at the described premises; or while stored in a portable storage unit (including a detached trailer) located within 1,000 feet of the building or structure described in the Declarations.

C. Broadened Business Income

1. “Business Income” And “Extra Expense”

- a. You may extend the insurance provided for direct loss of, or damage to, property to apply to:
 - (1) The actual loss of “business income” you sustain due to the necessary suspension of your operations at the described premises as a result of such covered direct loss or damage; and
 - (2) Necessary “extra expense” you incur that you would not have incurred if there had been no

such covered direct loss or damage.

- b. Coverage applies only to the amount of loss incurred beginning the date of direct physical loss or damage by a Covered Cause of Loss to:
 - (1) Property at premises described in the Declarations;
 - (2) Personal property in the open; or
 - (3) Personal property in a vehiclewithin 1,000 feet of the described premises.
- c. Coverage ends 60 consecutive days after the date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality, even if this is after the expiration date of this policy.
- d. We will reduce the amount of your "business income" loss to the extent you can resume operations in whole, or in part, by using any other available facilities, sources, or products.
- e. Coverage for "business income" or "extra expense" 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. Electronic data has the meaning described under Property Not Covered, Electronic Data.

2. Civil Authority

This Extension will cover actual loss of "business income" as a result of the described premises being closed by order of governmental authority due to an occurrence of a public health hazard. The order to close must follow damage caused by a Covered Cause of Loss to property within one mile of the described premises. We will pay only for loss you sustain after the first 24 hours following the order to close.

3. Lost Lease Protection

"Business Income" And "Extra Expense" coverage provided in paragraph 1. above is extended by adding:

- a. We will pay for costs you incur for "lost lease interest" when due to the cancellation of lease contracts by your tenants. Such cancellation must result from a direct physical loss by a Covered Cause of Loss to covered real property during the policy period.
- b. "Lost lease interest" means the difference between the rent payments you were collecting prior to a covered loss and the total anticipated rental income including any tenant obligations you may be responsible for after loss or damage has been repaired or rebuilt.
- c. "Lost lease interest" does not include refunds or rebates for prepaid rent payments made on your behalf by tenants, or deposits of any kind made by tenants to a landlord or lessor of other premises.
- d. Coverage under this Extension begins on the date of a covered loss and ends on the date when the property should be repaired, rebuilt or replaced with reasonable speed and similar quality.

4. Dependent Property Income

We will pay if the necessary suspension of your operations at the described premises is the result of loss or damage at the premises of a dependent property or secondary dependent property, caused by or resulting from a Covered Cause of Loss.

Dependent property means a property operated by others whom you depend on to:

- a. Deliver materials or services to you (Contributing Locations), but services does not mean water supply services, wastewater removal services, communication supply services or power supply services;
- b. Accept your products or services (Recipient Locations);
- c. Manufacture products of your customers under contract of sale (Manufacturing Locations), or
- d. Attract customers to your business (Leader Locations).

Secondary dependent property means an entity which is not owned or operated by a dependent

property and which:

- (1) Delivers materials or services to a dependent property, which in turn are used by the dependent property in providing materials or services to you, but services does not mean water supply services, wastewater removal services, communication supply services or power supply services; or
- (2) 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.

The dependent property or secondary dependent property must be located in the coverage territory as shown in this coverage part.

This Extension only applies to the amount of loss incurred beginning on the date of direct physical loss or damage caused by or resulting from a Covered Cause of Loss at the premises of a dependent property or secondary dependent property, and ends on the date when the property at the premises of the dependent property or secondary dependent property should be repaired, rebuilt or replaced with reasonable speed and similar quality.

This Extension does not apply when the only loss to dependent property or secondary dependent property is loss or damage to electronic data, including destruction or corruption of electronic data. Electronic data has the meaning described under Property Not Covered, Electronic Data. If the dependent property or secondary dependent property sustains loss or damage to electronic data and other property, coverage under this Extension will not continue once the other property is repaired, rebuilt or replaced.

5. Additional Exclusions

The following Exclusions apply to the Broadened Business Income Extension:

- a. This Extension does not include any increased time needed due to enforcement of any ordinance or law regulating:
 - (1) Building or land usage, demolition, or construction, or
 - (2) Environmental damage or restoration.

This exclusion does not apply to the extent coverage is provided in II. COVERAGE FEATURES; J. Ordinance or Law; 1. d. Increased Period of Restoration.
- b. If lost or damaged Covered Property is not repaired or replaced, no coverage is provided under this Extension.
- c. Item B. Exclusions; 4. Special Exclusions; paragraphs a.(1) through (5) on the CAUSES OF LOSS – SPECIAL FORM apply to this Extension.

6. Limits And Waiting Period

- a. The most we will pay under the Broadened Business Income Extension for all coverages combined is the amount shown on the WRAP SCHEDULE. This is additional insurance and does not reduce the coverage or limits on Covered Property.
- b. No deductible or waiting period applies, except as shown above in paragraph 2. Civil Authority.

7. Additional Definitions

“Business income” means:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- b. Continuing normal operating expenses necessarily incurred, including payroll.

“Extra Expense” means expense incurred:

- a. To avoid or minimize the suspension of business and to continue your operations at any location;
- b. To minimize the suspension of business if you cannot continue your operations; or

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- c. To repair or replace any property; to research, replace, or restore the information on damaged valuable papers and records, but only if those expenses reduce the amounts otherwise payable in this Endorsement.

D. Broadened Premises

Throughout the BUILDING AND PERSONAL PROPERTY COVERAGE FORM and the CAUSES OF LOSS – SPECIAL FORM the phrase “within 100 feet” is amended to “within 1,000 feet”.

E. Business Personal Property – Seasonal Increase

The Limit of Insurance for Business Personal Property will automatically increase by the amount shown on the WRAP SCHEDULE to provide for peak season periods. Our limit of liability will be no greater than the percentage shown on the WRAP SCHEDULE of the Business Personal Property limit; or the dollar limit shown on the WRAP SCHEDULE, whichever is less. The peak season period is determined when the average monthly values during any 60 day period exceeds the average monthly values of the 12 months immediately preceding the date loss or damage occurs. We will pay for no more than two peak season periods in any policy period.

F. Computer And Funds Transfer Fraud

1. We will pay for:
 - a. loss of and loss from damage to money, securities and property other than money and securities resulting directly from a fraudulent:
 - (1) Entry of electronic data or computer program into; or
 - (2) Change of electronic data or computer program within;
any "computer system" owned, leased or operated by you, provided the fraudulent entry or fraudulent change causes, with regard to F.1.a.(1) and (2) above:
 - (a) Money, securities or property other than money and securities to be transferred, paid or delivered; or
 - (b) Your account at a "financial institution" to be debited or deleted.
 - b. loss resulting directly from a "fraudulent instruction" directing a "financial institution" to debit your "transfer account" and transfer, pay or deliver money or securities from that account.
2. As used in paragraph F.1.a. above, fraudulent entry or fraudulent change of electronic data or computer program shall include such entry or change made by an employee acting, in good faith, upon a "fraudulent instruction" received from a computer software contractor who has a written agreement with you to design, implement or service computer programs for a "computer system" covered under this extension.
3. The most we will pay for loss in any one “occurrence” is shown on the WRAP SCHEDULE.
4. Additional Exclusions, Conditions and Definitions
 - a. Additional Exclusions – We will not pay for loss as specified below:
 - (1) Acts of Employees, Directors, Trustees or Representatives - Loss resulting from any dishonest or criminal act committed by any of your employees, directors, trustees or authorized representatives:
 - (a) Acting alone or in collusion with other persons; or
 - (b) While performing services for you or otherwise.
 - (2) Authorized Access -- Loss resulting from a fraudulent:
 - (a) Entry of electronic data or computer program into; or
 - (b) Change of electronic data or computer program within;
any "computer system" owned, leased or operated by you by a person or organization with authorized access to that "computer system", except when covered under paragraph F.2.
 - (3) Credit Card Transactions -- Loss 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.

- (4) Exchanges Or Purchases -- Loss resulting from the giving or surrendering of property in any exchange or purchase.
- (5) Fraudulent Instructions -- Loss resulting from an employee or "financial institution" acting upon any instruction to:
 - (a) Transfer, pay or deliver money, securities or property other than money and securities; or
 - (b) Debit or delete your account;which instruction proves to be fraudulent, except when covered under Insuring Agreement F.1.b. or F.2.
- (6) Inventory Shortages - Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:
 - (a) An inventory computation; or
 - (b) A profit and loss computation.

b. Additional Definitions

"Computer system" means:

- (1) Computers, including Personal Digital Assistants (PDAs) and other transportable or handheld devices, electronic storage devices and related peripheral components;
- (2) Systems and applications software; and
- (3) Related communications networks;

by which electronic data is collected, transmitted, processed, stored or retrieved.

"Financial institution" means:

- (1) A bank, savings bank, savings and loan association, trust company, credit union or similar depository institution;
- (2) An insurance company; or
- (3) A stock brokerage firm or investment company.

"Fraudulent instruction" means a computer, telegraphic, cable, teletype, telefacsimile, telephone or other electronic, written or voice instruction directing an employee to enter or change electronic data or computer programs within a "computer system" covered under the Insuring Agreement, which instruction in fact was fraudulently issued by your computer software contractor.

"Occurrence" means an:

- (1) Act or series of related acts involving one or more persons; or
- (2) Act or event, or a series of related acts or events not involving any person.

"Transfer account" means an account maintained by you at a "financial institution" from which you can initiate the transfer, payment or delivery of money or securities:

- (1) By means of computer, telegraphic, cable, teletype, telefacsimile, telephone or other electronic instructions; or
- (2) By means of written instructions (other than those covered under H. Forgery Or Alteration) establishing the conditions under which such transfers are to be initiated by such "financial institution" through an electronic funds transfer system.

This coverage is in addition to similar coverage in the Crime Section of this policy, if provided. This additional coverage does not nullify any similar coverage in the Crime Section of this policy.

G. Employee Theft

- 1. We will pay for direct loss of or damage to money and securities and property other than money and securities resulting from dishonest acts committed by any of your employees acting alone or in collusion with other persons (except you or your partner) with the manifest intent to:

- a. Cause you to sustain loss or damage; and also
- b. 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:

- (1) Any employee; or

- (2) Any other person or organization.

We will pay for loss caused by any employee while temporarily outside the coverage territory for a period not more than 90 days.

- 2. We will not pay for loss or damage:
 - a. Resulting from any dishonest or criminal act that you or any of your partners or members commit whether acting alone or in collusion with other persons.
 - b. Resulting from any dishonest act committed by any of your employees (except as provided in G.1. above, managers or directors:
 - (1) Whether acting alone or in collusion with other persons; or
 - (2) While performing services for you or otherwise.
 - c. The only proof of which as to its existence or amount is:
 - (1) An inventory computation; or
 - (2) A profit and loss computation.

- 3. The most we will pay for loss or damage in any one occurrence is the Limit of Insurance for Employee Theft shown on the WRAP SCHEDULE.

- 4. All loss or damage:
 - a. Caused by one or more persons; or
 - b. Involving a single act or series of acts;

is considered one occurrence.

- 5. If any loss is covered:
 - a. Partly by this insurance; and
 - b. 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, no Limit of Insurance cumulates from year to year or period to period.

- 6. This coverage is cancelled as to any employee immediately upon discovery by:
 - a. You; or
 - b. 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.

- 7. 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.
- 8. If you (or any predecessor in interest) sustained loss or damage during the policy 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 coverage, provided:

- a. This coverage became effective at the time of cancellation or termination of the prior insurance; and
 - b. The loss or damage would have been covered by this coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.
- 9. The insurance under paragraph 8. above is part of, not in addition to, the Limit of Insurance applying to this coverage and is limited to the lesser of the amount recoverable under:
 - a. This coverage as of its effective date; or
 - b. The prior insurance had it remained in effect.
- 10. With respect to the Employee Theft Coverage, employee means:
 - a. Any natural person:
 - (1) While in your service and for the first 30 days immediately after termination of service, unless such termination is due to theft or any dishonest act committed by the employee;
 - (2) Who you compensate directly by salary, wages or commissions; and
 - (3) Who you have the right to direct and control while performing services for you;
 - b. Any natural person who is furnished temporarily to you:
 - (1) To substitute for a permanent employee as defined in paragraph a. above, who is on leave; or
 - (2) To meet seasonal or short-term workload conditions;
 - c. 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 b. above;
 - d. 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
 - e. 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:

- a. Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
 - b. Any manager, director or trustee except while performing acts coming within the usual duties of an employee.
- 11. When any terms or conditions of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM, or CAUSES OF LOSS SPECIAL FORM are in conflict with this additional coverage, the provisions of this additional coverage shall supersede.

This coverage is in addition to similar coverage in the Crime Section of this policy, if provided. This additional coverage does not nullify any similar coverage in the Crime Section of this policy.

H. Forgery Or 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 21st 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, is the Limit of Insurance for Forgery Or Alteration shown on the WRAP SCHEDULE.

This coverage is in addition to similar coverage in the Crime Section of this policy, if provided. This additional coverage does not nullify any similar coverage in the Crime Section of this policy.

I. Landlord Furnishings

Item A. Coverage; 1. Covered Property; a. Building on the BUILDING AND PERSONAL PROPERTY COVERAGE FORM is amended to add:

Your personal property in apartments, rooms or common areas furnished by you as landlord;

If your Covered Property is provided on a Blanket Summary basis, the most we will pay under this Extension is 25% above the building value at the location of the loss as shown in the latest Statement of Values reported to us.

Coverage for Landlord Furnishings does not increase the Limit of Insurance for Building Coverage.

J. Lock Replacement Due To Theft Of Keys Or Transmitters

We will pay up to the limit shown on the WRAP SCHEDULE in any one occurrence for the cost to repair or replace the door locks or tumblers or overhead door transmitters of your described premises due to theft of your door keys, including electronic magnetic keys, or overhead door transmitters.

K. 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 having use and custody of the property, at the described premises, or in transit between any of these places, resulting 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:
 - a. Resulting from accounting or arithmetical errors or omissions;
 - b. Due to the giving or surrendering of property in any exchange or purchase; or
 - 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.
3. The most we will pay for loss in any one occurrence is:
 - a. The Inside Limit shown on the WRAP SCHEDULE for money and securities while:
 - (1) In or on the described premises; or
 - (2) Within a bank or savings institution; and
 - b. The Outside Limit shown on the WRAP SCHEDULE for money and securities while anywhere else.
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. In the event of loss or damage, we will determine the value as follows:
 - a. Money at its face value; and
 - b. Securities at their value at the close of business on the day the loss is discovered.

This coverage is in addition to similar coverage in the Crime Section of this policy, if provided. This additional coverage does not nullify any similar coverage in the Crime Section of this policy.

L. Money Orders And Counterfeit Money

We will pay for loss resulting directly from your having accepted in good faith, in exchange for merchandise, money or services:

1. Money orders issued by any post office, express company or bank that are not paid upon presentation; or
2. Counterfeit money that is acquired during the regular course of business. Counterfeit money means an imitation of money that is intended to deceive and to be taken as genuine.

The most we will pay for loss under this Extension is shown on the WRAP SCHEDULE.

This coverage is in addition to similar coverage in the Crime Section of this policy, if provided. This additional coverage does not nullify any similar coverage in the Crime Section of this policy.

M. Newly Acquired Or Constructed Property

Item A. Coverage; 5. Coverage Extensions; a. Newly Acquired Or Constructed Property on the BUILDING AND PERSONAL PROPERTY COVERAGE FORM is deleted and replaced as follows:

a. Newly Acquired Or Constructed Property

(1) Coverage

You may extend Building, Business Personal Property, Broadened Business Income and Flex Coverage Extensions to apply to the following Covered Property:

- (a) Your new buildings during and after construction on the described premises;
- (b) Buildings you acquire at locations, other than the described premises, intended for:
 - (i) Similar use as the building described in the Declarations; or
 - (ii) Use as a warehouse;
- (c) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;
- (d) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; and
- (e) Business personal property that you newly acquire, located at the described premises.

This Extension does not apply to:

- (i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property;
- (ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities; or
- (iii) Broadened Business Income at fairs, trade shows or exhibitions.

(2) Limit Of Insurance

The most we will pay for loss under Newly Acquired Or Constructed Property for combined coverages that would qualify as Covered Property in paragraph (1) above for any one occurrence is shown on the WRAP SCHEDULE

Subject to this Newly Acquired or Constructed Property combined limit, the most we will pay for

- (a) Section I. FLEX COVERAGE EXTENSIONS; and
- (b) Section II. COVERAGE FEATURES; C. Broadened Business Income

of this Endorsement are their respective limits shown on the WRAP SCHEDULE.

(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 expire 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.

N. Ordinance Or Law

This Extension applies only to buildings to which the Replacement Cost Optional Coverage applies.

1. If a Covered Cause of Loss occurs to covered Building property, we will pay:

a. Coverage A – Coverage for Loss to the Undamaged Portion of the Building

With respect to the building that has sustained covered direct physical damage, we will pay under Coverage A for the loss in value of the undamaged portion of the building as a consequence of the enforcement of an ordinance or law that requires demolition of undamaged parts of the same building. Coverage A is included in the Building Limit. If your Covered Property is provided on a Blanket Summary basis, the most we will pay under this Extension is 25% above the value of the damaged building as shown in the latest Statement of Values reported to us.

If you are a tenant, we will pay for the loss in value of your improvements and betterments as a consequence of the enforcement of an ordinance or law that requires demolition of undamaged parts of the same building. Coverage A is included in the Business Personal Property Limit. If your Covered Property is provided on a Blanket Summary basis, the most we will pay under this Extension is 25% above the value of the business personal property at the location of the loss as shown in the latest Statement of Values reported to us.

Coverage A does not increase the Limit of Insurance for Building or Business Personal Property Coverage.

b. Coverage B – Demolition Cost Coverage

With respect to the building or business personal property for your use interest as tenant in improvements and betterments only that has sustained covered direct physical damage, we will pay the cost to demolish and clear the site of undamaged parts of the same covered property, as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged property.

The most we will pay for loss under Coverage B is the amount you actually spend to demolish and clear the site of the described premises, subject to the limit shown in paragraph c. below.

c. Coverage C – Increased Cost Of Construction

Item A. Coverages; 4. Additional Coverages; e. Increased Cost Of Construction; paragraph (6) on the BUILDING AND PERSONAL PROPERTY COVERAGE FORM is deleted and replaced with the following:

- (6) The most we will pay under Coverages B and C combined, for loss or damage to any building or business personal property for your use interest as tenant in improvements and betterments only, is shown on the WRAP SCHEDULE. This limit is in addition to the Limit of Insurance for Building Coverage.

d. Increased Period of Restoration

If a Covered Cause of Loss occurs to property at the premises described in the Declarations, Broadened Business Income coverage is extended to also include the amount of actual and necessary loss you sustain during the increased period of suspension of operations caused by or resulting from the enforcement of any ordinance or law that:

- (1) Regulates the construction or repair of any property;

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- (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 endorsement to include loss caused by or resulting from the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

Coverage for increased period of restoration does not increase the Limit of Insurance for Broadened Business Income Coverage.

O. Outdoor Property

Item A. Coverage; 5. Coverage Extensions; e. Outdoor Property on the BUILDING AND PERSONAL PROPERTY COVERAGE FORM is deleted and replaced with the following:

e. Outdoor Property

You may extend the insurance provided by this Endorsement to apply to:

- (1) Outdoor trees, shrubs and plants (other than "stock" of trees, shrubs or plants) including Debris Removal expenses.

The most we will pay for loss or damage by a Covered Cause of Loss is shown on the WRAP SCHEDULE. We will not pay for loss or damage to outdoor trees, shrubs, and plants (other than "stock" of trees, shrubs or plants) resulting from the following causes of loss: windstorm or hail; vehicles; vandalism or disease.

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.

- (2) Fences and Antennas

We will pay for a loss to fences, radio and television antennas (including lead-in wiring, masts, towers or satellite dishes) for any Covered Cause of Loss.

The following Exclusions do not apply to the Fences and Antennas Extension:

- (i) Item B. Exclusions; 1.b. Earth Movement on the CAUSES OF LOSS – SPECIAL FORM;
- (ii) Item B. Exclusions; 1.g. Water on the CAUSES OF LOSS – SPECIAL FORM; and
- (iii) CP 1032 WATER EXCLUSION ENDORSEMENT.

The most we will pay for loss under this Extension is shown on the WRAP SCHEDULE.

P. Outdoor Signs

Item C. Limits Of Insurance; the second paragraph starting with "The most we will pay for loss or damage to outdoor signs" on the BUILDING AND PERSONAL PROPERTY COVERAGE FORM is deleted and replaced with the following:

The most we will pay for loss or damage to outdoor signs, whether or not the sign is attached to a building, is shown on the WRAP SCHEDULE. This limit applies per sign in any one occurrence.

The following Exclusions do not apply to outdoor signs not attached to your covered building:

- (i) Item B. Exclusions; 1.b. Earth Movement on the CAUSES OF LOSS – SPECIAL FORM;
- (ii) Item B. Exclusions; 1.g. Water on the CAUSES OF LOSS – SPECIAL FORM; and
- (iii) CP 1032 WATER EXCLUSION ENDORSEMENT.

Q. Personal Effects (Excluding Employee Tools)

Item A. Coverages; 5. Coverage Extensions; b. Personal Effects And Property Of Others; paragraph (1) on the BUILDING AND PERSONAL PROPERTY COVERAGE FORM is amended as follows:

The most we will pay at each described premises for loss under paragraph (1), Personal effects owned by you, your officers, your partners or members, your managers or your employees, is shown on the WRAP SCHEDULE. The theft limitation is deleted.

We will not pay for tools owned by you, your officers, your partners or members, your managers or your employees under this Extension.

This Personal Effects extension will also apply away from the described premises while performing duties in the course of your business operations. We will not pay for loss or damage to household or personal effects while at your residence or the residence of your officers, directors, partners, members, managers or your employees.

R. Personal Property Away From Premises

1. Property Off-Premises

Item A. Coverage; 5. Coverage Extensions; d. Property Off-Premises on the BUILDING AND PERSONAL PROPERTY COVERAGE FORM is amended as follows:

Paragraph (1)(a) is deleted and replaced with the following:

- (1)(a)** At a location you do not own, lease or operate, including but not limited to property while at your residence; or the residence of your officers, your partners or members, your managers or your employees;

Paragraph (2)(b) property in the care, custody or control of your salespersons is deleted.

Paragraph (3) is deleted and replaced with the following:

- (3)** The most we will pay for loss or damage under this Extension for:

- (a)** Property at any fair, trade show or exhibition;
 - (b)** Property in a non-owned location; and
 - (c)** Property in the care, custody or control of a salesperson;
- is shown on the WRAP SCHEDULE.

2. Property In Transit (Any Vehicle)

Item F. Additional Coverage Extensions; 1. Property In Transit on the CAUSES OF LOSS – SPECIAL FORM is deleted and replaced with the following:

1. Property In Transit (Any Vehicle)

This Extension applies only to your personal property to which this Endorsement applies.

- a.** You may extend the insurance provided by this Coverage Part to apply to your personal property (including property in the care custody or control of your salespersons) in transit in or on any vehicle more than 1,000 feet from the described premises. Property must be between points in the coverage territory.
- b.** Coverage for property in the possession of a carrier for hire is excess of any other applicable insurance, whether collectible or not.
- c.** Loss or damage must be caused by or result from a Covered Cause of Loss or one of the following additional causes of loss:
 - (1)** Collapse of bridges, culverts, docks, or wharves.
 - (2)** Earth Movement. Item B. Exclusions; 1.b. Earth Movement on the CAUSES OF LOSS – SPECIAL FORM does not apply to the Property In Transit Extension.
 - (3)** Item A. Coverage; 1. Covered Property; 2.i. Property Not Covered Airborne/Waterborne Personal Property on the BUILDING AND PERSONAL PROPERTY COVERAGE FORM does not apply to the Property In Transit Extension.
 - (4)** Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the roadbed.

(5) Water. Item B. Exclusions; 1.g. Water on the CAUSES OF LOSS – SPECIAL FORM and CP 1032 WATER EXCLUSION ENDORSEMENT do not apply to the Property In Transit Extension.

- d. The most we will pay in any one occurrence for loss or damage under this Extension is shown on the WRAP SCHEDULE.

This Extension is additional insurance. Item F. Additional Conditions; 1. Coinsurance on the BUILDING AND PERSONAL PROPERTY COVERAGE FORM does not apply to this Extension.

3. Builders Definition

With respect to Personal Property Away From Premises, Items 1. Property Off-Premises and 2. Property In Transit (Any Vehicle) above; the limitation 2.c. Builders' machinery, tools and equipment on the CAUSES OF LOSS – SPECIAL FORM; builders means the following:

1. Builders include general contractors and any specialized subcontractor in the building construction trade. Specialized subcontractors include, but are not limited to electricians, carpenters, plumbers, heating system installers, landscape or land grading or other similar construction operations requiring specific expertise. A builder does not include construction operations that are incidental to the insured's primary non-construction operations. Examples include but are not limited to:
 - a. Installation work related to manufacturing or distribution operations;
 - b. Services arising out of building maintenance or upkeep, such as janitorial operations with secondary fix-it services; or
 - c. Any similar secondary operations which could be considered within this meaning of builders if such operation were principle to the insured's operation.

S. Photographic Or Scientific Instrument Lenses

Item C. Limitations; paragraph 2.b. on the CAUSES OF LOSS – SPECIAL FORM is amended to add:

This restriction does not apply to photographic or scientific instrument lenses.

Coverage for photographic or scientific instrument lenses does not increase the Limit of Insurance for Business Personal Property Coverage.

T. Pollutant Clean-up And Removal

The most we will pay under item A. Coverages; 4. Additional Coverages; d. Pollutant Clean-up And Removal on the BUILDING AND PERSONAL PROPERTY COVERAGE FORM is increased to the limit shown on the WRAP SCHEDULE during each separate 12 month period of this policy.

U. Tenant Building – Required By Lease

We will pay for direct physical loss of or damage to the building at the locations scheduled on the Declarations resulting from a Covered Cause of Loss provided that:

- a. You are a tenant of the building shown in the Schedule; and
- b. You have a contractual responsibility in your lease to insure the building, or a contractual responsibility in your lease to pay for loss or damage to that property.

Building includes building fixtures, including outdoor fixtures, and permanently installed machinery and equipment.

The most we will pay for loss under this Extension is shown on the WRAP SCHEDULE.

V. Tenant Glass Breakage

1. We will pay for direct physical loss of or damage to building glass at the locations scheduled on the Declarations resulting from a Covered Cause of Loss provided that:
 - a. You are a tenant of the building shown in the Schedule; and
 - b. You have a contractual responsibility to insure the building glass, or a contractual responsibility to pay for loss or damage to that property.

2. The value of property covered under this Endorsement will be determined in accordance with item E. Loss Conditions; 7. Valuation on the BUILDING AND PERSONAL PROPERTY COVERAGE FORM, or at the amount for which you are liable under contract, whichever is less. If required by law, glass is covered at the cost of replacement with safety glazing material. The most we will pay under this Extension is shown on the WRAP SCHEDULE.

W. Theft Of Building Materials

Item C. Limitations; paragraph 1.d. on the CAUSES OF LOSS – SPECIAL FORM is amended to add:

The most we will pay for loss or damage by theft or attempted theft of building materials and supplies not attached as part of the building or structure located either on or off premises owned by you is shown on the WRAP SCHEDULE.

X. Unscheduled Structures

If this policy covers Building at the described premises, you may extend that insurance to apply to garages, storage buildings and structures that pertain to your business at the premises described in the declarations.

The most we will pay for all unscheduled structures under this Extension is the Limit of Insurance for Building Coverage or the limit shown on the WRAP SCHEDULE; whichever is less.

Y. Valuable Papers And Records (Other Than Electronic Data)

Items 1. and 2. of A. Coverage; 5. Coverage Extensions; c. Valuable Papers And Records (Other Than Electronic Data) on the BUILDING AND PERSONAL PROPERTY COVERAGE FORM are deleted and replaced with the following:

1. You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on your valuable papers and records; or property of others in your care, custody, or control for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered, Electronic Data.
2. If the Causes Of Loss – Special Form applies, coverage under this Extension includes all Covered Causes of Loss within that coverage form.

The following Exclusions do not apply to this Extension:

- (i) Item B. Exclusions; 1.b. Earth Movement on the CAUSES OF LOSS – SPECIAL FORM;
- (ii) Item B. Exclusions; 1.g. Water on the CAUSES OF LOSS – SPECIAL FORM;
- (iii) Item B. Exclusions; 2.h. Dishonest or Criminal Acts but only as it relates to carriers for hire; and
- (iv) CP 1032 WATER EXCLUSION ENDORSEMENT.

The most we will pay for item A. Coverage; 5. Coverage Extensions; c. Valuable Papers And Records (Other Than Electronic Data) on the BUILDING AND PERSONAL PROPERTY COVERAGE FORM on or away from the described premises is shown on the WRAP SCHEDULE.

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.

III. CLAIM FRIENDLY SUPPORT

A. Coinsurance Waiver On Losses Under \$10,000

Item F. Additional Conditions; 1. Coinsurance on the BUILDING AND PERSONAL PROPERTY COVERAGE FORM does not apply if:

1. The covered loss is less than \$10,000; or
2. Agreed Value Optional Coverage applies.

This provision will not apply to subsequent losses if we have notified you that a penalty would have applied and proper limits of insurance were not obtained within 30 days of such notice.

B. Covered Crime Reward

We will pay up to the Covered Crime Reward limit shown on the WRAP SCHEDULE for information that leads to a conviction in connection with a covered loss under this policy. Regardless of the number of persons involved in providing information, our liability under this Extension will not be increased. The amount of reward to be paid will be determined by us and must be disclosed prior to the information leading to conviction provided by informant is disclosed, but shall in no event be more than the Covered Crime Reward limit described above.

C. Removal Of Property To Prevent A Loss

Item A. Coverage; 4. Additional Coverages; b. Preservation Of Property on the BUILDING AND PERSONAL PROPERTY COVERAGE FORM is amended to add:

We will also pay costs or expenses to remove or protect Covered Property at locations endangered by a Covered Cause of Loss that would have caused direct physical loss of or damage to such Covered Property.

The limit shown on the WRAP SCHEDULE is an additional amount we will pay for these costs or expenses.

D. Deductible Provisions

Item D. Deductible on the BUILDING AND PERSONAL PROPERTY COVERAGE FORM is amended by adding:

When an occurrence involves loss to more than one item of Covered Property and separate Limits of Insurance apply, the losses will not be combined in determining application of the Deductible; however, the Deductible will be applied only once per occurrence.

Refer to Section III.D. Deductible Provisions on the WRAP SCHEDULE for applicable deductibles.

All other terms and conditions of this policy not in conflict with the terms and conditions of this Endorsement shall continue to apply.

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

EQUIPMENT BREAKDOWN WRAP CAUSES OF LOSS - BREAKDOWN

Equipment Breakdown Coverages Plus Expanded Coverages

This Endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

COMPUTER AMENDATORY

CAUSES OF LOSS - SPECIAL FORM

WATER EXCLUSION ENDORSEMENT

When added to the policy:

BUSINESS INCOME (AND EXTRA EXPENSE)

BUSINESS INCOME (WITHOUT EXTRA EXPENSE)

This Coverage Form applies only to the premises in the Declarations where the CAUSES OF LOSS-SPECIAL FORM is shown.

SCHEDULE

Coverages	Limit
I. Additional Covered Causes of Loss Section	
A. Equipment Breakdown	Included
B. Limited Additional Breakdown Coverages	
1. Expediting Expenses	\$25,000 *
2. Hazardous Substances	\$25,000 *
3. CFC Refrigerants	Included
4. Business Income and Extra Expense	Included **
Deductible: \$500, or as shown on the Covered Property and Income Coverages; whichever is greatest. *	
II. Expanded Coverage Section	
The most we will pay for any of the expanded coverages is the limit of insurance shown in this Schedule.	
A. SPOILAGE COVERAGE (includes temperature and humidity change)	
1. "Perishable Stock"	\$25,000
2. Deductible	\$500 *
3. Breakdown or Contamination	Included
4. Power Outage	Included
5. Selling Price	Included
B. UTILITY SERVICES – DIRECT DAMAGE and TIME ELEMENT COVERAGE **	
1. Building, Business Personal Property, and if applicable Business Income and Extra Expense combined	\$25,000
2. Water Supply Property	Included
3. Wastewater Removal Property	Included
4. Communication Supply Property (including overhead transmission lines)	Included
5. Power Supply Property (including overhead transmission lines)	Included
6. Covered Causes of Loss applicable	Special, and Equipment Breakdown
7. Time Element	24 Hour Waiting Period

* Unless otherwise shown on a Breakdown Coverage Modification Endorsement

** When Business Income Forms are added to the policy.

(If no entry appears above, information required to complete this endorsement will be shown in the Endorsement Schedule of the Declarations as applicable to this endorsement.)

I. Additional Covered Causes Of Loss

The following is added as an Additional Coverage on the CAUSES OF LOSS—SPECIAL FORM:

A. Additional Coverage – Equipment Breakdown

The term Covered Cause of Loss includes the Additional Coverage Equipment Breakdown as described and limited below.

1. We will pay for direct physical damage to Covered Property that is the direct result of an “accident”. As used in this Additional Coverage, “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 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.

B. Limited Additional Breakdown Coverages

Unless otherwise shown in a Breakdown Coverage Modification Endorsement or Schedule, the following coverages also apply to the direct result of an “accident”. These coverages do not provide additional amounts of insurance.

1. Expediting Expenses

With respect to your damaged Covered Property, we will pay the reasonable extra cost to:

- a. Make temporary repairs; and
- b. Expedite permanent repairs or permanent replacement.

The most we will pay for loss or expense under this coverage is \$25,000 unless otherwise shown in a Breakdown Coverage Modification Endorsement or Schedule.

2. 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 costs to clean up or dispose of such property.

As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown coverage 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, if shown as covered, is \$25,000 unless otherwise shown in a Breakdown Coverage Modification Endorsement or Schedule.

5. CFC Refrigerants

We will pay for the additional cost to repair or replace Covered Property because of the use or presence of a refrigerant containing CFC (chlorofluorocarbon) substances. This means the additional cost to do the least expensive of the following:

- a. Repair the damaged property and replace any lost CFC refrigerant;
- b. Repair the damaged property, retrofit the system to accept a non-CFC refrigerant and charge the system with a non-CFC refrigerant; or
- c. Replace the system with one using a non-CFC refrigerant.

Additional costs mean those beyond what would have been required had no CFC refrigerant been involved.

The most we will pay under this coverage is the applicable Limit of Insurance for Covered Property.

6. Business Income and Extra Expense

Any insurance provided under this coverage part for Business Income or Extra Expense is extended to the coverage provided by this Endorsement. However, if a deductible is shown in a Breakdown Coverage Modification Endorsement, then as respects Equipment Breakdown coverage, the "period of restoration" will begin immediately after the "accident", and the deductible shown in the Breakdown Coverage Modification Endorsement will apply.

The most we will pay for loss or expense under this coverage is the applicable limit for Business Income and Extra Expense, unless otherwise shown in a Breakdown Coverage Modification Endorsement.

C. Conditions

The following Conditions are added to item F. Additional Conditions on the BUILDING AND PERSONAL PROPERTY COVERAGE FORM, the Commercial Property Conditions and the Common Policy Conditions.

1. 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:

- a. Your last known address; or
- b. The address where the "covered equipment" is located.

Once suspended in this way, your insurance can be reinstated only by an Endorsement for that "covered equipment". If we suspend your insurance, you will get a pro rata refund of premium for that "covered equipment". But the suspension will be effective even if we have not yet made or offered a refund.

2. Jurisdictional Inspections

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

3. Environmental, Safety and Efficiency Improvements

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

However, we will not pay more than 125% of what the cost would have been to repair or replace with like kind and quality. This condition does not increase any of the applicable limits. This condition does not apply to any property to which Actual Cash Value applies.

4. Coinsurance

If a coinsurance percentage is shown in a Breakdown Coverage Modification Endorsement for specified coverages, the following condition applies.

We will not pay for the full amount of your loss if the applicable limit is less than the product of the specified coinsurance percentage times the value of the property subject to the coverage at the time of the loss. Instead, we will determine what percentage this calculated product is compared to the applicable limit and apply that percentage to the gross amount of loss. We will then subtract the applicable deductible. The resulting amount, or the applicable limit, is the most we will pay. We will not pay for the remainder of the loss. Coinsurance applies separately to each insured location.

D. Deductible

The deductible in the Schedule applies to this Equipment Breakdown, unless modified on a Breakdown Coverage Modification Endorsement. If a separate Equipment Breakdown deductible is shown, the following applies.

Only as regards Equipment Breakdown Coverage, item D. Deductible on the BUILDING AND PERSONAL PROPERTY COVERAGE FORM is deleted and replaced with the following:

1. Deductibles for Each Coverage

- a. Unless a Breakdown Coverage Modification Endorsement or Schedule indicates that your deductible is combined for all coverage, multiple deductibles may apply to any "one accident".
- b. We will not pay for loss, damage or expense under any coverage until the amount of the covered loss, damage or expense exceeds the deductible amount indicated for that coverage in a Breakdown Coverage Modification Endorsement or Schedule. We will then pay the amount of loss, damage or expense in excess of the applicable deductible amount, subject to the applicable limit.
- c. If deductibles vary by type of "covered equipment" and more than one type of "covered equipment" is involved in any "one accident", only the highest deductible for each coverage will apply.

2. Direct and Indirect Coverages

- a. Direct Coverages Deductibles and Indirect Coverages Deductibles may be indicated in a Breakdown Coverage Modification Endorsement.
- b. Unless more specifically indicated in a Breakdown Coverage Modification Endorsement:
 - (1) Indirect Coverages Deductibles apply to Business Income and Extra Expense loss; and.
 - (2) Direct Coverages Deductibles apply to all remaining loss, damage or expense covered by this Endorsement.

3. Application of Deductibles

a. Dollar Deductibles

We will not pay for loss, damage or expense resulting from any "one accident" until the amount of loss, damage or expense exceeds the applicable Deductible shown in a Breakdown Coverage Modification endorsement or Schedule. We will then pay the amount of loss or damage in excess of the applicable Deductible or Deductibles, up to the applicable Limit of Insurance.

b. Time Deductible

If a time deductible is shown in a Breakdown Coverage Modification Endorsement or Schedule, we will not be liable for any loss occurring during the specified number of hours or days immediately following the "accident". If a time deductible is expressed in days, each day shall mean 24 consecutive hours.

c. Multiple of Average Daily Value (ADV)

If a deductible is expressed as a number times Average Daily Value (ADV), that amount will be calculated as follows:

The ADV will be the Business Income (as defined in any Business Income coverage that is part of this policy) that would have been earned during the period of interruption of business had no "accident" occurred, divided by the number of working days in that period. No reduction shall be made for the Business Income not being earned, or in the number of working days, because of the "accident" or any other scheduled or unscheduled shutdowns during the period of interruption. The ADV applies to the Business Income value of the entire location, whether or not the loss affects the entire location. If more than one location is included in the valuation of the loss, the ADV will be the combined value of all affected locations. For purposes of this calculation, the period of interruption may not extend beyond the "period of restoration".

The number indicated in a Breakdown Coverage Modification Endorsement shall be multiplied by the ADV as determined above. The result shall be used as the applicable deductible.

d. Percentage of Loss Deductibles

If a deductible is expressed as a percentage of loss, we will not be liable for the indicated percentage of the gross amount of loss, damage or expense (prior to any applicable deductible or coinsurance) insured under the applicable coverage. If the dollar amount of such percentage is

less than the indicated minimum deductible, the minimum deductible will be the applicable deductible.

All Exclusions in the CAUSES OF LOSS – SPECIAL FORM apply except as modified below and to the extent that coverage is specifically provided by this Endorsement.

1. Modified Exclusions

The Exclusions are modified as follows:

- a. Item B. Exclusions; 1.g. on the CAUSES OF LOSS – SPECIAL FORM and item B. Water; paragraph 1. on CP 1032 WATER EXCLUSION ENDORSEMENT are amended to add:

However, if electrical “covered equipment” requires drying out because of Water as described in g.(1) through g.(3) on the CAUSES OF LOSS – SPECIAL FORM or 1. through 3. on CP 1032 WATER EXCLUSION ENDORSEMENT, 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.
- b. As respects this Endorsement only, the last paragraph of item B. Exclusions; 2.d. on the CAUSES OF LOSS – SPECIAL FORM is deleted and replaced with the following:

But if an excluded cause of loss that is listed in 2.d.(1) through (7) results in an “accident”, we will pay for the loss or damage caused by that “accident”.

2. Additional Exclusions

The following Exclusions are added:

- a. We will not pay under this Endorsement for loss, damage or expense caused by or resulting from:
 - (1) A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel or an electrical insulation breakdown test of any type of electrical equipment; or
 - (2) Any of the following:
 - (a) Defect, programming error, programming limitation, computer virus, malicious code, loss of “data”, loss of access, loss of use, loss of functionality or any other condition within or involving “data” or “media” of any kind; or
 - (b) Misalignment, miscalibration, tripping off-line, or any condition which can be corrected by resetting, tightening, adjusting or cleaning, or by the performance of maintenance.

However, if an “accident” results, we will pay for the resulting loss, damage or expense caused by that “accident”.
- b. With respect to Service Interruption coverage, we will also not pay for an “accident” caused by or resulting from: fire; lightning; windstorm or hail; explosion (except as specifically provided in 1.c. under Additional Coverage Equipment Breakdown above); 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. With respect to this Equipment Breakdown coverage only, we will not pay for penalty costs resulting from the suspension, lapse or cancellation of a contract that is directly caused by an “accident” to “covered equipment”.
- d. We will not pay under Section I., Additional Covered Causes of Loss of this Endorsement, for Spoilage loss or damage caused by or resulting from an “accident” when Breakdown or Contamination coverage is provided in Section II., Expanded Coverage of this Endorsement.

All provisions in the BUSINESS AND PERSONAL PROPERTY COVERAGE FORM apply except as modified below and to the extent that coverage is specifically provided by this Endorsement.

1. Limit

The most we will pay for loss, damage or expense arising from any “one accident” is the applicable Limit of Insurance shown in the Declarations unless otherwise shown in a Breakdown Coverage Modification Endorsement. Coverage provided under this Endorsement does not provide an additional amount of insurance.

2. Additional Definitions

a. "Boilers and Vessels" means:

- (1) Any boiler, including attached steam, condensate and feedwater piping; and
- (2) Any fired or unfired pressure vessel subject to vacuum or internal pressure other than the static pressure of its contents.

This term does not appear elsewhere in this Equipment Breakdown coverage, but may appear in a Breakdown Coverage Modification Endorsement.

b. "Covered equipment"

- (1) "Covered equipment" means, unless otherwise specified in a Breakdown Coverage Modification Endorsement, 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.

- (2) 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, buried vessels or piping, or piping forming a part of a sprinkler or fire suppression system;
- (d) Water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
- (e) "Vehicle", or any equipment mounted on a "vehicle";
- (f) Satellite, spacecraft or any equipment mounted on a satellite or spacecraft;
- (g) Dragline, excavation or construction equipment;
- (h) Equipment manufactured by you for sale; or
- (i) Patterns, dies, molds and forms.

c. "Data" means information or instructions stored in digital code capable of being processed by machinery.

d. "Hazardous substance" means any substance that is hazardous to health or has been declared to be hazardous to health by a governmental agency.

e. "Media" means material on which "data" is recorded, such as magnetic tapes, hard disks, optical disks or floppy disks.

f. "One accident" means: If an initial "accident" causes other "accidents", all will be considered "one accident". All "accidents" that are the result of the same event will be considered "one accident".

g. "Production Machinery" means any machine or apparatus that processes or produces a product intended for eventual sale. However, "production machinery" does not mean any fired or unfired pressure vessel other than a cylinder containing a movable plunger or piston.

This term does not appear elsewhere in this Equipment Breakdown coverage, but may appear in a Breakdown Coverage Modification Endorsement.

h. "Vehicle" means, as respects this Endorsement only, any machine or apparatus that is used for transportation or moves under its own power. "Vehicle" includes, but is not limited to, car, truck, bus, trailer, train, aircraft, watercraft, forklift, bulldozer, tractor or harvester.

However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power source will not be considered a "vehicle".

II. Expanded Coverages

COORDINATION OF LIMITS – The following Condition applies in addition to the Common Policy Conditions and the Commercial Property Conditions.

If other specific insurance is written by us covering the same loss or damage provided by this form, then the broadest coverage is primary. Each coverage form written by us, whether primary or excess, is subject to its own terms and conditions including deductibles. We will not pay more than the actual loss, or applicable combined limits of insurance, whichever is less.

A. Spoilage Coverage (includes temperature and humidity change)

The BUILDING AND PERSONAL PROPERTY COVERGE FORM is extended to insure against direct physical loss or damage by the Covered Causes of Loss, but only with respect to this Spoilage Coverage.

1. Paragraph A.1., Covered Property, is replaced by the following:

1. Covered Property

Covered Property means "perishable stock" at the described premises owned by you or by others that is in your care, custody or control.

2. With respect to the coverage provided by this endorsement, property located on buildings or in the open or in vehicles is considered to be Property Not Covered.

3. Paragraph A.3., Covered Causes Of Loss, is replaced by the following:

3. Covered Causes Of Loss

Covered Causes of Loss means the following:

- a. Breakdown or Contamination, meaning:

- (1) Change in temperature or humidity resulting from mechanical breakdown or mechanical failure of refrigerating, cooling or humidity control apparatus or equipment, only while such equipment or apparatus is at the described premises; and

- (2) Contamination by the refrigerant.

- b. Power Outage, meaning change in temperature or humidity resulting from complete or partial interruption of electrical power, either on or off the described premises, due to conditions beyond your control.

4. Selling Price

The following is added to the Valuation Loss Condition:

We will determine the value of finished "perishable stock" in the event of loss or damage at:

- a. The selling price, as if no loss or damage had occurred;
- b. Less discounts and expenses you otherwise would have had.

5. Paragraph A.5., Coverage Extensions, does not apply.

6. Paragraph B., Exclusions, is replaced by the following:

B. Exclusions

1. Only the following Exclusions contained in Paragraph B.1. of the Causes of Loss Form applicable to this Coverage Part apply to Spoilage Coverage:

- a. Earth Movement;
- b. Governmental Action;
- c. Nuclear Hazard;
- d. War And Military Action; and
- e. Water.

2. The following Exclusions are added:

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:
 - (1) Lack of fuel; or
 - (2) 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. Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit.

7. Paragraph D., Deductible, is replaced by the following:

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 for this Spoilage Coverage. We will then pay the amount of loss or damage in excess of that Deductible, up to the applicable Limit of Insurance. No other deductible in this policy applies to the coverage provided by this endorsement.

8. Paragraph G., Optional Coverages, does not apply.

9. The following is added to the Definitions:

"Perishable stock" means personal property:

- a. Maintained under controlled conditions for its preservation; and
- b. Susceptible to loss or damage if the controlled conditions change.

B. Utility Services

1. Direct Damage and Time Element Coverage

We will pay for loss of or damage to Covered Property described in the Schedule, caused by an interruption in utility service to the described premises. Your coverage for Business Income and/or Extra Expense, as provided and limited in the applicable Coverage Form, is also extended to apply to a "suspension" of "operations" at the described premises caused by an interruption in utility service to that premises.

The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss (as indicated in the Schedule) to the property described in Paragraph 3.

2. Exception

Coverage under this Utility Services Coverage for loss or damage to Covered Property does not apply to loss or damage to electronic data, including destruction or corruption of electronic data. The term electronic data has the meaning set forth in the Coverage Form to which this endorsement applies.

3. Utility Services

- a. Water Supply Property, meaning the following types of property supplying water to the described premises:
 - (1) Pumping stations; and
 - (2) Water mains.
- b. Wastewater Removal Property, meaning a utility system for removing wastewater and sewage from the described premises, other than a system designed primarily for draining storm water. The utility property includes sewer mains, pumping stations and similar equipment for moving the effluent to a holding, treatment or disposal facility, and includes such facilities.

Coverage under this endorsement does not apply to interruption in service caused by or resulting from a discharge of water or sewage due to heavy rainfall or flooding.

- c. Communication Supply Property, meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:
 - (1) Communication transmission lines, including optic fiber transmission lines;
 - (2) Coaxial cables; and
 - (3) Microwave radio relays except satellites.
- d. Power Supply Property, meaning the following types of property supplying electricity, steam or gas to the described premises:
 - (1) Utility generating plants;
 - (2) Switching stations;
 - (3) Substations;
 - (4) Transformers; and
 - (5) Transmission lines.

4. Definition

As used in this endorsement, the term transmission lines includes all lines which serve to transmit communication service or power, including lines which may be identified as distribution lines.

5. Coinsurance Waiver

The Coinsurance Additional Condition does not apply to this endorsement.

6. Limit Of Insurance

The limit of insurance shown in the schedule is the most we will pay for Building, Business Personal Property, and Business Income and Extra Expense combined.

7. Deductible

Unless otherwise shown in a Breakdown Coverage Modification Endorsement, this Utility Services-Time Element coverage will not apply unless the failure or disruption of service exceeds 24 hours immediately following the "accident". Once this waiting period is met, coverage will commence at the initial time of the interruption and will be subject to all applicable deductibles.

All other terms and conditions of this policy not in conflict with the terms and conditions of this Endorsement shall continue to apply.

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

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

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

SECTION I – COVERAGES

COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
- (2) The "bodily injury" or "property damage" occurs during the policy period; and
- (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. Exclusions

This insurance does not apply to:

a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable 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 only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollution

- (1)** "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
 - (a)** At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
 - (i)** "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
 - (ii)** "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
 - (iii)** "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
 - (b)** At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
 - (c)** Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
 - (i)** Any insured; or
 - (ii)** Any person or organization for whom you may be legally responsible; or
 - (d)** At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
 - (i)** "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
 - (ii)** "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
 - (iii)** "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
 - (e)** At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

(2) Any loss, cost or expense arising out of any:

- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

g. Aircraft, Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) Less than 26 feet long; and
 - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

(5) "Bodily injury" or "property damage" arising out of:

- (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged; or
- (b) the operation of any of the machinery or equipment listed in Paragraph **f.(2)** or **f.(3)** of the definition of "mobile equipment".

h. Mobile Equipment

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

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

i. War

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

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

j. Damage To Property

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;

- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III – Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

k. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

l. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

m. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

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

n. Recall Of Products, Work Or Impaired Property

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

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

o. Personal And Advertising Injury

"Bodily injury" arising out of "personal and advertising injury".

p. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

q. Distribution Of Material In Violation Of Statutes

"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; or
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- (3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

Exclusions **c.** through **n.** do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section **III – Limits Of Insurance**.

COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

- a.** We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

- (1)** The amount we will pay for damages is limited as described in Section **III – Limits Of Insurance**; and
- (2)** Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages **A** or **B** or medical expenses under Coverage **C**.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages **A** and **B**.

- b.** This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

2. Exclusions

This insurance does not apply to:

a. Knowing Violation Of Rights Of Another

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

b. Material Published With Knowledge Of Falsity

"Personal and advertising injury" arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity.

c. Material Published Prior To Policy Period

"Personal and advertising injury" arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.

d. Criminal Acts

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

e. Contractual Liability

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

f. Breach Of Contract

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

g. Quality Or Performance Of Goods – Failure To Conform To Statements

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

h. Wrong Description Of Prices

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

i. Infringement Of Copyright, Patent, Trademark Or Trade Secret

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

j. Insureds In Media And Internet Type Businesses

"Personal and advertising injury" committed by an insured whose business is:

- (1)** Advertising, broadcasting, publishing or telecasting;
- (2)** Designing or determining content of websites for others; or

- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs 14.a., b. and c. of "personal and advertising injury" under the Definitions Section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

k. Electronic Chatrooms Or Bulletin Boards

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

l. Unauthorized Use Of Another's Name Or Product

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

m. Pollution

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

n. Pollution-Related

Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

o. War

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

p. Distribution Of Material In Violation Of Statutes

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- (3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

COVERAGE C MEDICAL PAYMENTS

1. Insuring Agreement

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:
 - (1) On premises you own or rent;
 - (2) On ways next to premises you own or rent; or
 - (3) Because of your operations;provided that:
 - (a) The accident takes place in the "coverage territory" and during the policy period;
 - (b) The expenses are incurred and reported to us within one year of the date of the accident; and
 - (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.
- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:
 - (1) First aid administered at the time of an accident;
 - (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
 - (3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions

We will not pay expenses for "bodily injury":

a. Any Insured

To any insured, except "volunteer workers".

b. Hired Person

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

c. Injury On Normally Occupied Premises

To a person injured on that part of premises you own or rent that the person normally occupies.

d. Workers Compensation And Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

e. Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

f. Products-Completed Operations Hazard

Included within the "products-completed operations hazard".

g. Coverage A Exclusions

Excluded under Coverage A.

SUPPLEMENTARY PAYMENTS – COVERAGES A AND B

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

- a. All expenses we incur.
- b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
- c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
- e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.

f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.

g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

- a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
- b. This insurance applies to such liability assumed by the insured;
- c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
- d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
- e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- f. The indemnitee:
 - (1) Agrees in writing to:
 - (a) Cooperate with us in the investigation, settlement or defense of the "suit";
 - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
 - (c) Notify any other insurer whose coverage is available to the indemnitee; and
 - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
 - (2) Provides us with written authorization to:
 - (a) Obtain records and other information related to the "suit"; and

- (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph **2.b.(2)** of Section **I – Coverage A – Bodily Injury And Property Damage Liability**, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in Paragraph **f.** above, are no longer met.

SECTION II – WHO IS AN INSURED

1. If you are designated in the Declarations as:

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
- e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

- a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

(1) "Bodily injury" or "personal and advertising injury":

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
- (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph **(1)(a)** above;
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in 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,
- (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

- b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.
 - c. Any person or organization having proper temporary custody of your property if you die, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) Until your legal representative has been appointed.
 - d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
 - b. Coverage **A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
 - c. Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

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

SECTION III – LIMITS OF INSURANCE

- 1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".
- 2. The General Aggregate Limit is the most we will pay for the sum of:
 - a. Medical expenses under Coverage **C**;
 - b. Damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
 - c. Damages under Coverage **B**.

- 3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage **A** for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
- 4. Subject to Paragraph 2. above, the Personal and Advertising Injury Limit is the most we will pay under Coverage **B** for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
- 5. Subject to Paragraph 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
 - a. Damages under Coverage **A**; and
 - b. Medical expenses under Coverage **C**
 because of all "bodily injury" and "property damage" arising out of any one "occurrence".
- 6. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage **A** for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
- 7. Subject to Paragraph 5. above, the Medical Expense Limit is the most we will pay under Coverage **C** for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy

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

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

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the "occurrence" or offense took place;
 - (2) The names and addresses of any injured persons and witnesses; and

- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

c. You and any other involved insured must:

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

d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

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

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages **A** or **B** of this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when Paragraph **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **c.** below.

b. Excess Insurance

(1) This insurance is excess over:

- (a) Any of the other insurance, whether primary, excess, contingent or on any other basis:
 - (i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
 - (ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
 - (iii) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or
 - (iv) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion **g.** of Section **I** – Coverage **A** – Bodily Injury And Property Damage Liability.
- (b) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured by attachment of an endorsement.

(2) When this insurance is excess, we will have no duty under Coverages **A** or **B** to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

(3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

(a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

(b) The total of all deductible and self-insured amounts under all that other insurance.

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

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Premium Audit

a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.

b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.

c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. Representations

By accepting this policy, you agree:

a. The statements in the Declarations are accurate and complete;

b. Those statements are based upon representations you made to us; and

c. We have issued this policy in reliance upon your representations.

7. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

a. As if each Named Insured were the only Named Insured; and

b. Separately to each insured against whom claim is made or "suit" is brought.

8. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION V – DEFINITIONS

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:

a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and

b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

2. "Auto" means:

a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or

b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

4. "Coverage territory" means:

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
- b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph a. above; or
- c. All other parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you in the territory described in Paragraph a. above;
 - (2) The activities of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business; or
 - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication

provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in Paragraph a. above or in a settlement we agree to.

5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.

7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.

8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:

- a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
- b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.

9. "Insured contract" means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b. A sidetrack agreement;
- c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

11. "Loading or unloading" means the handling of property:

- a.** After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b.** While it is in or on an aircraft, watercraft or "auto"; or
- c.** While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a.** Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b.** Vehicles maintained for use solely on or next to premises you own or rent;
- c.** Vehicles that travel on crawler treads;
- d.** Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:

- (1)** Power cranes, shovels, loaders, diggers or drills; or
- (2)** Road construction or resurfacing equipment such as graders, scrapers or rollers;

- e.** Vehicles not described in Paragraph **a.**, **b.**, **c.** or **d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

- (1)** Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
- (2)** Cherry pickers and similar devices used to raise or lower workers;

- f.** Vehicles not described in Paragraph **a.**, **b.**, **c.** or **d.** above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

(1) Equipment designed primarily for:

- (a)** Snow removal;
- (b)** Road maintenance, but not construction or resurfacing; or
- (c)** Street cleaning;

(2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

(3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

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

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

14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- a.** False arrest, detention or imprisonment;
- b.** Malicious prosecution;
- c.** The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- d.** Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e.** Oral or written publication, in any manner, of material that violates a person's right of privacy;
- f.** The use of another's advertising idea in your "advertisement"; or
- g.** Infringing upon another's copyright, trade dress or slogan in your "advertisement".

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

16. "Products-completed operations hazard":

a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

(1) Products that are still in your physical possession; or

(2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:

(a) When all of the work called for in your contract has been completed.

(b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.

(c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

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

b. Does not include "bodily injury" or "property damage" arising out of:

(1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;

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

(3) Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Aggregate Limit.

17. "Property damage" means:

a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or

b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

20. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

21. "Your product":

a. Means:

(1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

(a) You;

(b) Others trading under your name; or

(c) A person or organization whose business or assets you have acquired; and

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

b. Includes:

(1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and

(2) The providing of or failure to provide warnings or instructions.

c. Does not include vending machines or other property rented to or located for the use of others but not sold.

22. "Your work":

a. Means:

(1) Work or operations performed by you or on your behalf; and

(2) Materials, parts or equipment furnished in connection with such work or operations.

b. Includes:

(1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work", and

(2) The providing of or failure to provide warnings or instructions.

RECORDING AND DISTRIBUTION OF MATERIAL OR INFORMATION IN VIOLATION OF LAW EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. Exclusion q. of Paragraph 2. **Exclusions** of Section I – **Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

2. Exclusions

This insurance does not apply to:

q. **Recording And Distribution Of Material Or Information In Violation Of Law**

"Bodily injury" or "property damage" 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.

- B. Exclusion p. of Paragraph 2. **Exclusions** of Section I – **Coverage B – Personal And Advertising Injury Liability** is replaced by the following:

2. Exclusions

This insurance does not apply to:

p. **Recording And Distribution Of Material Or Information In Violation Of Law**

"Personal and advertising injury" 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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMUNICABLE DISEASE EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. The following exclusion is added to Paragraph 2. Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**

2. Exclusions

This insurance does not apply to:

Communicable Disease

"Bodily injury" or "property damage" 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. The following exclusion is added to Paragraph 2. Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

2. Exclusions

This insurance does not apply to:

Communicable Disease

"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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITATION OF COVERAGE TO DESIGNATED PREMISES, PROJECT OR OPERATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Premises:

120 Midland Ave, Ste 150, Glenwood Springs, CO 81601

Project Or Operation:

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

A. If this endorsement is attached to Commercial General Liability Coverage Form **CG 00 01**, the provisions under this Paragraph **A.** apply:

1. Paragraph **1.b.** under **Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

b. This insurance applies to "bodily injury" and "property damage" caused by an "occurrence" that takes place in the "coverage territory" only if:

(1) The "bodily injury" or "property damage":

(a) Occurs on the premises shown in the Schedule or the grounds and structures appurtenant to those premises; or

(b) Arises out of the project or operation shown in the Schedule;

(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.

2. Paragraph **1.b.** under **Section I – Coverage B – Personal And Advertising Injury Liability** is replaced by the following:

b. This insurance applies to "personal and advertising injury" caused by an offense committed in the "coverage territory" but only if:

(1) The offense arises out of your business:

(a) Performed on the premises shown in the Schedule; or

(b) In connection with the project or operation shown in the Schedule; and

(2) The offense was committed during the policy period.

However, with respect to Paragraph **1.b.(1)(a)** of this Insuring Agreement, if the "personal and advertising injury" is caused by:

(1) False arrest, detention or imprisonment; or

(2) 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;

then such offense must arise out of your business performed on the premises shown in the Schedule and the offense must have been committed on the premises shown in the Schedule or the grounds and structures appurtenant to those premises.

3. Paragraph **1.a.** under **Section I – Coverage C – Medical Payments** is replaced by the following:

a. We will pay medical expenses as described below for "bodily injury" caused by an accident that takes place in the "coverage territory" if the "bodily injury":

(1) Occurs on the premises shown in the Schedule or the grounds and structures appurtenant to those premises; or

(2) Arises out of the project or operation shown in the Schedule;

provided that:

(a) The accident takes place during the policy period;

(b) The expenses are incurred and reported to us within one year of the date of the accident; and

(c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

B. If this endorsement is attached to Commercial General Liability Coverage Form **CG 00 02**, the provisions under this Paragraph **B.** apply:

1. Paragraph **1.b.** under **Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

b. This insurance applies to "bodily injury" and "property damage" caused by an "occurrence" that takes place in the "coverage territory" only if:

(1) The "bodily injury" or "property damage":

(a) Occurs on the premises shown in the Schedule or the grounds and structures appurtenant to those premises; or

(b) Arises out of the project or operation shown in the Schedule;

(2) The "bodily injury" or "property damage" did not occur before the Retroactive Date, if any, shown in the Declarations or after the end of the policy period; and

(3) A claim for damages because of the "bodily injury" or "property damage" is first made against any insured, in accordance with Paragraph **1.c.** of this Insuring Agreement, during the policy period or any Extended Reporting Period we provide under Section **V** – Extended Reporting Periods.

2. Paragraph **1.b.** under **Section I – Coverage B – Personal And Advertising Injury Liability** is replaced by the following:

b. This insurance applies to "personal and advertising injury" caused by an offense committed in the "coverage territory" but only if:

(1) The offense arises out of your business:

(a) Performed on the premises shown in the Schedule; or

(b) In connection with the project or operation shown in the Schedule;

(2) The offense was not committed before the Retroactive Date, if any, shown in the Declarations or after the end of the policy period; and

- (3) A claim for damages because of the "personal and advertising injury" is first made against any insured, in accordance with Paragraph 1.c. of this Insuring Agreement, during the policy period or any Extended Reporting Period we provide under Section V – Extended Reporting Periods.

However, with respect to Paragraph 1.b.(1)(a) of this Insuring Agreement, if the "personal and advertising injury" is caused by:

- (1) False arrest, detention or imprisonment; or
- (2) 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;

then such offense must arise out of your business performed on the premises shown in the Schedule and the offense must have been committed on the premises shown in the Schedule or the grounds and structures appurtenant to those premises.

3. Paragraph 1.a. under **Section I – Coverage C – Medical Payments** is replaced by the following:

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident that takes place in the "coverage territory" if the "bodily injury":

- (1) Occurs on the premises shown in the Schedule or the grounds and structures appurtenant to those premises; or
- (2) Arises out of the project or operation shown in the Schedule;

provided that:

- (a) The accident takes place during the policy period;
- (b) The expenses are incurred and reported to us within one year of the date of the accident; and
- (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYMENT-RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:

This insurance does not apply to:

"Bodily injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

B. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:

This insurance does not apply to:

"Personal and advertising injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – DESIGNATED ONGOING OPERATIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Description of Designated Ongoing Operation(s):

Any and all tenant operations

Specified Location (If Applicable):

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

The following exclusion is added to paragraph 2., Exclusions of COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I – Coverages):

This insurance does not apply to "bodily injury" or "property damage" arising out of the ongoing operations described in the Schedule of this endorsement, regardless of whether such operations are conducted by you or on your behalf or whether the operations are conducted for yourself or for others.

Unless a "location" is specified in the Schedule, this exclusion applies regardless of where such operations are conducted by you or on your behalf. If a specific "location" is designated in the Schedule of this endorsement, this exclusion applies only to the described ongoing operations conducted at that "location".

For the purpose of this endorsement, "location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – YEAR 2000 COMPUTER-RELATED AND OTHER ELECTRONIC PROBLEMS – WITH EXCEPTION FOR BODILY INJURY ON YOUR PREMISES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to Paragraph 2., **Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability** and Paragraph 2., **Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability**:

2. Exclusions

This insurance does not apply to "bodily injury", "property damage", "personal injury" or "advertising injury" (or "personal and advertising injury" if defined as such in your policy) arising directly or indirectly out of:

a. Any actual or alleged failure, malfunction or inadequacy of:

(1) Any of the following, whether belonging to any insured or to others:

- (a)** Computer hardware, including microprocessors;
- (b)** Computer application software;
- (c)** Computer operating systems and related software;
- (d)** Computer networks;
- (e)** Microprocessors (computer chips) not part of any computer system; or
- (f)** Any other computerized or electronic equipment or components; or

(2) Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph **2.a.(1)** of this endorsement

due to the inability to correctly recognize, process, distinguish, interpret or accept the year 2000 and beyond.

b. Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph **2.a.** of this endorsement.

This exclusion does not apply to "bodily injury" occurring on any premises owned by or rented to you.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FUNGI OR BACTERIA EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. The following exclusion is added to Paragraph 2. Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**

2. Exclusions

This insurance does not apply to:

Fungi Or Bacteria

- a. "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for 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, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
- b. Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

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 consumption.

- B. The following exclusion is added to Paragraph 2. Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

2. Exclusions

This insurance does not apply to:

Fungi Or Bacteria

- a. "Personal and advertising injury" which would not have taken place, in whole or in part, but for 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, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury.
- b. Any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

- C. The following definition is added to the Definitions Section:**

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF INSURED CONTRACT DEFINITION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Paragraph **9.** of the **Definitions** Section is replaced by the following:

9. "Insured contract" means:

- a.** A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b.** A sidetrack agreement;
- c.** Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d.** An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e.** An elevator maintenance agreement;
- f.** That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization, provided the "bodily injury" or "property damage" is caused, in whole or in part, by you or by those acting on your behalf. 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, road-beds, tunnel, underpass or crossing;
- (2)** That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a)** Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b)** Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3)** Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in **(2)** above and supervisory, inspection, architectural or engineering activities.

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

GENERAL LIABILITY AMENDATORY

This endorsement modifies insurance provided under the following:
COMMERCIAL GENERAL LIABILITY COVERAGE PART

With respect to coverage provided by this endorsement, the provisions of the Coverage Part apply unless modified by this endorsement.

A. COMMERCIAL GENERAL LIABILITY COVERAGE FORM is amended as follows:

1. Coverages

a. COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY Changes

(1) Modified Exclusions

SECTION I – COVERAGES; COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY; 2. Exclusions is modified as follows:

(a) Item j. Damage To Property is amended to remove the limitation that the property be rented to you for a period of 7 or fewer days. Coverage applies when the premises is rented to you or temporarily occupied by you with the permission of the owner

(b) Item p. Electronic Data is amended to add:

This exclusion does not apply to liability for damages because of “bodily injury”.

(c) Item q. Distribution Of Material In Violation Of Statutes is amended to add:

The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA).

(2) Additional Exclusions

SECTION I – COVERAGES; COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY; 2. Exclusions is amended to add:

Access Or Disclosure Of Confidential Or Personal Material Or Information

“Bodily injury” or “property damage” arising out of any access to or disclosure of any person’s or organization’s confidential or personal material or information, including, but not limited to:

(a) Patents, trade secrets, processing methods, customer lists;

(b) Financial information, credit card information;

(c) Health information including but not limited to:

i. Health insurance information, policy information, or other similar identifiers, characteristics, or descriptors;

ii. Health conditions, identifiable health information, health care operations, treatment, prescriptions, services, or other similar identifiers, characteristics, or descriptors; or

iii. other similar health or health information identifiers;

(d) Biometric data or information, or identifiers such as an individual’s physiological, biological, or behavioral characteristics, including but not limited to:

i. Deoxyribonucleic acid (DNA) that can be used, singly or in combination with each other or with other identifying data, to establish identity;

ii. Fingerprint, footprint, voice print or records, retina or iris image, scan or image of the hand, palm, or vein patterns, or face geometry;

iii. Keystroke patterns or rhythms, gait patterns or rhythms, sleep health, or exercise characteristics; or

iv. Other unique physical representation or digital representation of biometric data; or

(e) Any other type of nonpublic material or information.

This exclusion applies even if damages are claimed for notification costs, credit or identity monitoring expenses, forensic expenses, public relations expenses, data restoration expenses, extortion 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 material or information.

b. **COVERAGE B - PERSONAL AND ADVERTISING INJURY LIABILITY EXCLUSION Changes**

(1) **Modified Exclusions**

SECTION 1 – COVERAGES; COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY; 2. Exclusions is amended as follows:

(a) Item i. Infringement Of Copyright, Patent, Trademark Or Trade Secret exclusion is deleted and replaced with the following:

i. Infringement Of Copyright, Patent, Trademark Or Trade Secret

“Personal and advertising injury” arising out of the infringement of copyright, patent, trademark, trade secret, trade name, service mark, any designation of origin or authenticity, 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.

(b) Item p. Distribution Of Material In Violation Of Statutes exclusion is amended to add:

The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA).

(2) **Additional Exclusions**

SECTION 1 – COVERAGES; COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY; 2. Exclusions is amended to add:

Access Or Disclosure Of Confidential Or Personal Material Or Information

“Personal and advertising injury” arising out of any access to or disclosure of any person's or organization's confidential or personal material or information, including, but not limited to:

(a) Patents, trade secrets, processing methods, customer lists;

(b) Financial information, credit card information;

(c) Health information including but not limited to:

i. Health insurance information, policy information, or other similar identifiers, characteristics, or descriptors;

ii. Health conditions, identifiable health information, health care operations, treatment, prescriptions, services, or other similar identifiers, characteristics, or descriptors; or

iii. Other similar health or health information identifiers;

(d) Biometric data or information, or identifiers such as an individual's physiological, biological, or behavioral characteristics, including but not limited to:

i. Deoxyribonucleic acid (DNA) that can be used, singly or in combination with each other or with other identifying data, to establish identity;

ii. Fingerprint, footprint, voice print or records, retina or iris image, scan or image of the hand, palm, or vein patterns, or face geometry;

iii. Keystroke patterns or rhythms, gait patterns or rhythms, sleep health, or exercise characteristics; or

iv. Other unique physical representation or digital representation of biometric data; or

(e) Any other type of nonpublic material or information.

This exclusion applies even if damages are claimed for notification costs, credit or identity monitoring expenses, forensic expenses, public relations expenses, data restoration expenses, extortion 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 material or information.

2. Who Is An Insured is amended as follows:

Paragraph 3.a. is modified by providing coverage until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier.

3. Commercial General Liability Conditions is amended as follows:

Paragraph 6. Representations is deleted and replaced by:

6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

You must notify us in writing, as soon as practicable, if any information to issue this policy has a material change. This policy may be adjusted to reflect these changes in accordance with our forms, rules and rates in effect at the time of the change.

B. The following provisions apply to all Liquor Liability exclusions found within the COMMERCIAL GENERAL LIABILITY COVERAGE PART:

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in:

1. The supervision, hiring, employment, training or monitoring of others by that insured; or
2. 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) of the Liquor Liability Exclusion found in SECTION I COVERAGES; COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY; 2. EXCLUSIONS; c. Liquor Liability.

For the purposes of the Liquor Liability 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.

C. The following provisions apply to all Additional Insured extensions attached to the COMMERCIAL GENERAL LIABILITY COVERAGE PART:

1. The insurance afforded to such additional insured only applies to the extent permitted by law and will not be broader than the most restrictive of the following:
 - a. Terms required to be provided to such additional insured through a written agreement with such additional insured; or
 - b. Terms and conditions included within the forms which make up the Commercial General Liability Coverage Part.
2. The Limits of Insurance applicable to the additional insured are those specified in the written agreement or in the Declarations for this policy, whichever is less. These Limits of Insurance are inclusive and not in addition to the Limits of Insurance shown in the Declarations. If other insurance available to you and written by us is applicable to this additional insured, the maximum recovery under all coverage forms or policies combined may equal but not exceed the highest applicable limit under any one coverage form or policy providing coverage on either a primary or excess basis.

D. The definition of "insured contract" as used in the COMMERCIAL GENERAL LIABILITY COVERAGE PART is amended to add:

However, such part of a contract or agreement shall only be considered an "insured contract" to the extent your assumption of the tort liability is permitted by law.

- E. The following provision is added to any Professional Services Exclusion or Errors and Omissions Exclusion found within the COMMERCIAL GENERAL LIABILITY COVERAGE PART:

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved:

1. The rendering of or the failure to render any professional services by or for you; or
2. Any act, error or omission with respect to any professional services by or for you.

All other terms and conditions of this policy not in conflict with the terms and conditions of this Amendatory endorsement shall continue to apply.

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

GENERAL LIABILITY WRAP

This Endorsement modifies insurance provided under the following:
COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following is a summary of the coverages provided in this Endorsement. This Endorsement is applicable only to those premises described in the Declarations.

SCHEDULE

Coverage	Page
A. NON-OWNED WATERCRAFT	1
B. NON-OWNED AIRCRAFT HIRED WITH CREW	1
C. PERSONAL AND ADVERTISING INJURY - BROAD FORM	2
D. BROADENED MEDICAL PAYMENTS	2
E. SUPPLEMENTARY PAYMENTS INCREASED LIMITS	2
F. ADDITIONAL INSURED - BUILDING OWNER	2
G. ADDITIONAL INSURED – LESSOR OF LEASED EQUIPMENT	2
H. ADDITIONAL INSURED BY WRITTEN AGREEMENT	3
I. DUTIES AFTER LOSS REDEFINED	3
J. BODILY INJURY REDEFINED	4
K. UNINTENTIONAL FAILURE TO DISCLOSE	4

With respect to coverage provided by this Endorsement, the provisions of the Coverage Part apply unless modified by this Endorsement.

A. NON-OWNED WATERCRAFT

1. SECTION I - COVERAGES; COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY; 2. Exclusions; g. Aircraft, Auto or Watercraft; Paragraph (2) on the COMMERCIAL GENERAL LIABILITY COVERAGE FORM is deleted and replaced by the following:
 - (2) A watercraft you do not own that is:
 - (a) Less than 51 feet long; and
 - (b) Not being used to carry persons or property for a charge;
2. This coverage applies to any person who, with your expressed or implied consent, either uses or is responsible for the use of a watercraft.
3. This coverage does not apply if there is any other insurance for "bodily injury" or "property damage" liability that would also apply to loss covered under this coverage, whether the other insurance is primary, excess, contingent or on any other basis. A policy issued by us to apply specifically in excess of this policy is not considered other insurance.

B. NON-OWNED AIRCRAFT HIRED WITH CREW

1. SECTION I - COVERAGES; COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY; 2. Exclusions; g. Aircraft, Auto or Watercraft on the COMMERCIAL GENERAL LIABILITY COVERAGE FORM does not apply to an aircraft that is:
 - a. Not owned by any insured; and
 - b. Hired or chartered by, or loaned to you, with a paid crew for the sole use of transporting your "employees."
2. This coverage does not apply if there is any other insurance for "bodily injury" or "property damage" liability that would also apply to loss covered under this coverage, whether the other insurance is primary, excess, contingent, or on any other basis. A policy issued by us to apply specifically in excess of this policy is not considered other insurance.

C. PERSONAL AND ADVERTISING INJURY - BROAD FORM

1. SECTION I - COVERAGES; COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY; 2. Exclusions; e. Contractual Liability on the COMMERCIAL GENERAL LIABILITY COVERAGE FORM is deleted.

2. The following is added as item h. to SECTION V - DEFINITIONS; 14. "Personal and Advertising Injury" on the COMMERCIAL GENERAL LIABILITY COVERAGE FORM:

h. Discrimination or humiliation (unless insurance thereof is prohibited by law) that results in injury to the reputation of a natural person, but only if such discrimination or humiliation is:

(1) Not done intentionally by or at the direction of:

(a) You; or

(b) Any of your officers, directors, stockholders, partners, managers, or members.

(2) Not directly or indirectly related to the employment, prospective employment or termination of employment of any person or persons by any insured.

D. BROADENED MEDICAL PAYMENTS

If Medical Expense Payments coverage applies:

1. SECTION I - COVERAGES; COVERAGE C MEDICAL PAYMENTS on the COMMERCIAL GENERAL LIABILITY COVERAGE FORM is amended as follows:

The reporting period as shown in paragraph 1.a.(b) of the Insuring Agreement, is amended to be reported within three years of the date of accident, in lieu of one year.

2. The Medical Expense Limit is amended to the amount shown on the Declarations.

E. SUPPLEMENTARY PAYMENTS INCREASED LIMITS

SECTION I - COVERAGES; SUPPLEMENTARY PAYMENTS - COVERAGES A AND B on the COMMERCIAL GENERAL LIABILITY COVERAGE FORM is amended as follows:

1. Item 1.b., the cost of bail bonds is changed to \$2,500; and

2. Item 1.d., actual loss of earnings is changed to \$500 a day.

F. ADDITIONAL INSURED - BUILDING OWNER

SECTION II - WHO IS AN INSURED on the COMMERCIAL GENERAL LIABILITY COVERAGE FORM is amended to include as an additional insured the owner, manager, or lessor of premises but only with respect to liability arising out of the ownership, maintenance, or use of that part of the premises leased to you subject to the following additional exclusions:

This insurance does not apply to:

1. Any "occurrence" which takes place after you cease to be a tenant in that premises.

2. Structural alterations, new construction, or demolition operations performed by or on behalf of the person or organization shown in the Schedule.

G. ADDITIONAL INSURED – LESSOR OF LEASED EQUIPMENT

1. SECTION II - WHO IS AN INSURED on the COMMERCIAL GENERAL LIABILITY COVERAGE FORM is amended to include as an additional insured any person or organization from whom you lease equipment when you and such person or organization have agreed in writing that such person or organization be added as an additional insured on your policy. Such person or organization is an insured 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 equipment leased to you by such person or organization.

A person's or organization's status as an additional insured under this Endorsement ends when their agreement with you for such leased equipment ends.

2. With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after the equipment lease expires.

H. ADDITIONAL INSURED BY WRITTEN AGREEMENT

1. SECTION II - WHO IS AN INSURED on the COMMERCIAL GENERAL LIABILITY COVERAGE FORM is

amended to include as an additional insured any person or organization for whom you are performing operations when you and such person or organization have agreed in writing that such person or organization be added as an additional insured on your policy. Such person or organization is an additional insured only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

- a. Your acts or omissions; or
- b. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured.

A person's or organization's status as an additional insured under this Endorsement ends when your operations for that additional insured are completed.

2. With respect to the insurance afforded these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

- a. "Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:
 - (1) The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (2) Supervisory, inspection, architectural or engineering activities.
 - b. Any of your Subcontractors, or any partner, officer, agent or employee of such Subcontractor.
 - c. "Bodily injury" or "property damage" occurring after:
 - (1) All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
 - (2) That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.
- 3. The limits of insurance applicable to such insurance shall be the lesser of the limits required by the written agreement between the parties or the limits provided by this policy.**

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

1. Notice of Occurrence or an Offense

- a. The requirement in SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS; 2. Duties In The Event Of Occurrence, Offense, Claim Or Suit; paragraph a. on the COMMERCIAL GENERAL LIABILITY COVERAGE FORM that you must see to it that we are notified of an "occurrence" or an offense only applies when the "occurrence" or offense is known to:
 - (1) You, if you are an individual;
 - (2) A partner, if you are a partnership;
 - (3) An officer of the corporation or insurance manager, if you are a corporation; or
 - (4) A member or manager, if you are a limited liability company.

2. Notice of claim or suit

- a. The requirement in SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS; 2. Duties In The Event Of Occurrence, Offense, Claim Or Suit; paragraph b. on the COMMERCIAL GENERAL LIABILITY COVERAGE FORM that you must see to it that we receive notice of a claim or "suit" applies only when the claim or "suit" is known to:
 - (1) You, if you are an individual;
 - (2) A partner, if you are a partnership;
 - (3) An officer of the corporation or insurance manager, if you are a corporation; or

(4) A member or manager, if you are a limited liability company.

J. BODILY INJURY REDEFINED

SECTION V - DEFINITIONS; 3. "Bodily injury" on the COMMERCIAL GENERAL LIABILITY COVERAGE FORM is deleted and replaced with the following:

3. "Bodily injury" means bodily injury, sickness, or disease sustained by a person, including mental anguish, mental injury, shock, fright or death resulting from any of these at any time.

K. UNINTENTIONAL FAILURE TO DISCLOSE

Any unintentional error or omission in the description of, or failure to completely describe, any premises or operations intended to be covered by the COMMERCIAL GENERAL LIABILITY COVERAGE FORM will not invalidate or affect coverage for those premises or operations. However, you must report such error or omissions to us as soon as practicable after its discovery.

All other terms and conditions of this policy not in conflict with the terms and conditions of this Endorsement shall continue to apply.

PLEASE READ THE ENTIRE FORM CAREFULLY.

EMPLOYMENT PRACTICES LIABILITY INSURANCE

**This insurance provides Claims Made and Reported Coverage.
Defense Costs apply against the limits of insurance and are subject to the deductible.**

PLEASE READ THIS POLICY CAREFULLY TO DETERMINE RIGHTS, DUTIES, COVERAGE AND COVERAGE RESTRICTIONS. WE HAVE ISSUED THIS POLICY BASED UPON YOUR APPLICATION FOR THIS INSURANCE WHICH IS INCORPORATED BY REFERENCE, AND IS ON FILE WITH US OR OUR AGENT AND IS CONSIDERED A PART OF THIS POLICY. THAT APPLICATION IS A REPRESENTATION OF THE CORRECTNESS OF THE INFORMATION BASED UPON WHICH WE HAVE ISSUED THIS POLICY.

WE HAVE NO DUTY TO PROVIDE COVERAGE UNLESS THERE HAS BEEN FULL COMPLIANCE WITH ALL THE CONDITIONS - SECTION VII -OF THIS POLICY.

Throughout this coverage 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 III – WHO IS AN INSURED.

All words and phrases in quotation marks have special meaning. Refer to SECTION I – DEFINITIONS.

SECTION I – DEFINITIONS

1. "Bodily injury" means physical injury to the body, sickness or disease sustained by a person as the result of direct physical injury to the body, including death resulting from any of these at any time. "bodily injury" does not include mental anguish that results from an "employment practice".
2. "Claim" means written or oral notice presented by:
 - a. Any "employee", "leased worker", "temporary worker", former "employee" or applicant for employment by you; or
 - b. The EEOC or any other Federal, state or local administrative or regulatory agency on behalf of a person described in item 2 a. immediately preceding, alleging that the insured is responsible for "damages" as a result of injury arising out of any "employment practices".

"Claim" includes any civil proceeding in which either "damages" are alleged or fact finding will take place, when either is the actual or alleged result of any "employment practice" to which this insurance applies. This includes:

 - (i) An arbitration proceeding in which such "damages" are claimed and to which the insured submits with our consent;
 - (ii) Any other alternative dispute resolution proceeding in which such "damages" are claimed and to which the insured submits with our consent; or
 - (iii) Any administrative proceedings established under applicable federal, state or local laws as may be applicable to "employment practices" covered under this insurance.
3. "Coverage territory" means:
 - a. The United States of America (including its territories and possessions) and Puerto Rico; or
 - b. Anywhere in the world with respect to the activities of a person whose place of employment is in the territory described in 3 a. above, while he or she is away for a short time on your business, provided that the insured's responsibility to pay "damages" is determined in a suit (or in any other type of civil proceeding as described under the definition of "claim") on the merits in, and under the substantive law of, the United States of America (including its territories and possessions) or Puerto Rico.
4. "Damages" means monetary amounts to which this insurance applies and which the insured is legally obligated to pay as judgements or awards, or as settlements to which we have agreed in writing.

"Damages" include

 - (i) "pre-judgment interest" awarded against the insured on that part of the judgement we pay,

(ii) to the extent allowed by law, any portion of a judgement or award that represents a multiple of the compensatory amounts or punitive or exemplary damages, and

(iii) statutory attorney fees.

"Damages" do not include:

- a. Civil, criminal, administrative or other fines or penalties;
- b. Equitable relief, injunctive relief, declarative relief or any other relief or recovery other than monetary amounts; or
- c. Judgments or awards because of acts deemed uninsurable by law.

5. "Defense expense" means payments allocated to a specific "claim" for its investigation, settlement, or defense, including:

- a. Attorney fees and all other litigation expenses.
- b. The cost of bonds to appeal a judgement or award in any "claim" we defend. We do not have to furnish these bonds.
- c. The cost of bonds to release attachments, but only for bond amounts within the Amount of Insurance available. We do not have to furnish these bonds.
- d. Reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of any "claim", including actual loss of earnings up to \$250 a day because of time off from work.
- e. Costs taxed against the insured in the "claim".

"Defense expense" does not include:

- i. Salaries and expenses of our employees or your "employees", other than:
 - (a) where permitted by law, that portion of our employed attorneys' fees, salaries and expenses allocated to a specific "claim" for the defense of the insured; and
 - (b) The expenses described in d. above; and
- ii. Interest on the full amount of any judgement that accrues after entry of the judgement and before we have paid, offered to pay, or deposited in court the amount available for the judgement under the provisions of SECTION IV – LIMITS OF INSURANCE.

6. "Employee" means a person (i) employed by you for wages or salary; (ii) who is a current or former member of your board of directors, or (iii) A "temporary worker". But "employee" does not include any independent contractor, any employees of any independent contractor while acting within the scope of their employment, any "leased worker" or any "temporary worker".

7. "Employment practices" means any of the following actual or alleged practices (i) which are directed against any of your "employees", "leased workers", "temporary workers", former "employees" or any applicant for employment by you, and (ii) for which remedy is sought under any federal, state or local statutory or common civil employment law:

- a. Wrongful refusal to employ a qualified applicant for employment;
- b. Wrongful failure to promote, or wrongful deprivation of career opportunity;
- c. Wrongful demotion, negligent evaluation, negligent reassignment or wrongful discipline;
- d. Wrongful termination of employment, including retaliatory or constructive discharge;
- e. Employment related misrepresentation;
- f. Harassment, coercion, discrimination or humiliation as a consequence of race, color, creed, national origin, marital status, medical condition, gender, age, physical appearance, physical and/or mental impairments, pregnancy, sexual orientation or sexual preference or any other protected class or characteristic established by any applicable federal, state, or local statute; or
- g. Oral or written publication of material that slanders, defames or libels or violates or invades a right of privacy.

8. "Interrelated" means having as a common connection, any fact, circumstance, situation, event, transaction, cause or series of related facts, circumstances, situations, events, transactions or causes.
9. "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".
10. "Pre-judgment interest" means interest added to a settlement, verdict, award or judgement based on the amount of time prior to the settlement, verdict, award or judgement, whether or not made part of the settlement, verdict, award or judgement.
11. "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.

SECTION II – COVERAGE: EMPLOYMENT PRACTICES LIABILITY

In consideration of the payment of premium and in reliance upon representations you made to us in applying for this insurance and subject to the Limits of Insurance shown on the Declarations, and all the exclusions, terms and conditions of this policy, we agree with you as follows:

1. INSURING AGREEMENT

- a. We will pay on behalf of the insured for "damages" in excess of the Deductible arising out of any "employment practices" to which this insurance applies.

We have no obligation under this insurance to make payments or perform acts or services except as provided for in this paragraph, in Item 2. Defense of Claims, Administrative Hearings & Settlement Authority below or in paragraph 3 of SECTION IV – LIMITS OF INSURANCE.

- b. This insurance applies to such "damages" only if:

- (1) The "damages" result from "claims" made by "employees", "leased workers", "temporary workers", former "employees" or applicants for employment with you;
- (2) The "employment practices" take place in the "coverage territory";
- (3) Such "employment practices" occurred after the Retroactive Date, if any, shown in the Declarations and before the end of the policy period; and
- (4) A "claim" is both:

- (a) First made against any insured, in accordance with paragraph c. below, during the policy period or any Extended Reporting Period we provide under SECTION VIII – EXTENDED REPORTING PERIODS; and
- (b) Reported to us either (i) during the policy period or within thirty (30) days thereafter, or (ii) with respect to any "claim" first made during any Extended Reporting Period we provide under SECTION VIII – EXTENDED REPORTING PERIODS, during such Extended Reporting Period.

- c. A "claim" will be deemed to have been made at the earlier of the following times:

- (1) When notice of such "claim" is received and recorded by you or by us, whichever comes first; or
- (2) When we make settlement in accordance with paragraph 2.a. (2) below.

- d. All "claims" for "damages" based on or arising out of:

- (1) One "employment practice"; or
- (2) An "interrelated" series of "employment practices";

by one or more insureds shall be deemed to be one "claim" and to have been made at the time the first of those "claims" is made against any insured(s).

- e. Each payment we make for "damages" or "defense expenses" reduces the Amount of Insurance available, as provided under SECTION IV – LIMITS OF INSURANCE.

2. DEFENSE OF CLAIMS, ADMINISTRATIVE HEARINGS & SETTLEMENT AUTHORITY

Subject to the limits of insurance, deductible, conditions, exclusions, definitions, and other terms of this coverage:

- a. We have the right and duty to defend “claims” against the insured seeking “damages” to which this insurance applies and to pay for related “defense expense”. However, we have no duty to (i) defend “claims” against the insured seeking “damages”, or (ii) pay for related “defense expense”, when this insurance does not apply. We may, at our sole discretion:

- (1) Investigate any “employment practice” that may result in “damages”; and
- (2) Settle any “claim” which may result, provided:
 - (a) We have your written consent to settle; and
 - (b) The settlement is within the applicable Limit of Insurance available.
- (3) Our liability will be limited as described below if:
 - (i) The insured refuses to consent to any settlement we recommend, and
 - (ii) such recommended settlement is also acceptable to the claimant.

When this happens, our liability under this coverage for such “claim” shall not exceed the amount we would have paid for “damages” and “defense expense” if you had consented at the time of our recommendation. The insured shall thereafter negotiate and defend that “claim” at their own cost and without our involvement.

- b. Our right and duty to defend such “claims” end when we have used up the Limit of Insurance available, as provided under SECTION IV – LIMITS OF INSURANCE. This applies both to “claims” pending at that time and those filed thereafter.
- c. (1) When we control defense of a “claim”, we will pay associated “defense expense” and choose a counsel of our choice from the panel of attorneys we have selected to deal with “employment practices” “claims”. If you give us a specific written request at the time a “claim” is first made:
- (a) You may select one of our panel of employment law attorneys; or
 - (b) You may ask us to consider the approval of a defense attorney of your choice that is not on our panel.

We will use the panel attorney you selected in (a) above, or consider your request in (b) above, when we deem it appropriate to engage counsel for such “claim”.

- (2) If by mutual agreement or court order the insured assumes control of such defense before the applicable Limit of Insurance is used up, we will reimburse the insured for reasonable “defense expense”, subject to item (3) immediately below. You and any involved insured must continue to comply with SECTION VII – CONDITIONS, 4. Duties in Event of “Employment Practices” or “Claims”. Additionally, you or such insured must direct defense counsel to:
- (a) Furnish us with the additional information we request to evaluate the “employment practices” or “claim”; and
 - (b) Cooperate with any counsel we may select to monitor or associate in the defense of the “employment practices” or “claim”.

If we defend you under a reservation of rights, both your and our counsel(s) will be required to maintain records pertinent to your “defense expenses”. These records will be used to determine the allocation of any “defense expenses” for which you or any insured may be solely responsible, including defense of an allegation not covered by this insurance.

In any case, however, we only pay amounts in excess of the Deductible and such payments will reduce the Limit of Insurance available, as provided under SECTION IV – LIMITS OF INSURANCE.

We will notify you in writing when the applicable limit of insurance has been used-up by the payment of judgments, settlements, or “defense expense”.

- d. Upon prior notice to us and our approval, the first Named Insured is authorized to act on behalf of all insureds with respect to the payment of “damages” in settlement of any Administrative Hearing or other non-judicial proceeding before the Federal Equal Employment Opportunity Commission, or any similar Federal, state or local body or commission. This authorization is limited to (i) “damages” covered by this Coverage, together with (ii) “defense expenses” under part d. of the Definition of “defense expenses” in a total amount not in excess of two times the amount of the Deductible stated in the Declarations.

3. EXCLUSIONS

This insurance does not apply to “claims” arising directly or indirectly from any:

- a. (1) “Employment practices” which were the subject of any demand, suit or other proceeding which was initiated against any insured; or
- (2) Facts and circumstances which would cause a reasonable person to believe a “claim” would be made and which were known to any insured, prior to the effective date of the earlier of (i) the first coverage of this type that we issued to you of which this coverage was an uninterrupted renewal of this type of coverage, or (ii) this coverage.
- b. Breach of any express contract of employment or any express obligation to make payments in the event of termination of employment.
- c. Obligation to pay “damages” by reason of the assumption of liability in any contract or agreement. This exclusion does not apply to liability for “damages” that the insured would have in the absence of the contract or agreement.
- d. Of the following laws:
 - (1) Any workers compensation, disability benefits or unemployment compensation law, or any similar law, provided however, this exclusion shall not apply; and therefore coverage is provided, to any “claim” based upon, arising from, or in consequence of any actual or alleged retaliatory treatment of the claimant by the insured on account of the claimant’s exercise of rights pursuant to any such law;
 - (2) Employees’ Retirement Income Security Act of 1974, Public Law 93-406, (E.R.I.S.A.) As now or hereafter amended, or any similar state or other governmental law. This includes fiduciary liability, liability arising out of the administration of any employee benefit plan and any other liability under any such laws;
 - (3) The Fair Labor Standards Act, or any state or common law wage or hour law, including, but not limited to laws governing minimum wages, hours worked, overtime compensation, and including any recordkeeping and reporting related thereto. This exclusion includes actions or claims brought by or on behalf of individuals or agencies seeking wages, fines, penalties, taxes, disgorgement, or other affirmative relief or compensation, but does not include claims based on the Equal Pay Act or retaliation related to Equal Pay Act claims; or
 - (4) The National Labor Relations Act of 1938, the Worker Adjustment and Retraining Notification Act (Public Law 100-37991988), the Consolidated Omnibus Budget Reconciliation Act of 1985, or the Occupational Safety and Health Act.

This exclusion d. (1) – (4) also applies to:

- (i) any rules or regulations promulgated under any of the foregoing and amendments thereto;
 - (ii) any similar provisions of any federal, state or local law;
 - (iii) that part of any “damages” awarded for the cost or replacement of any insurance benefits due or alleged to be due to any current or former “employee”; and
 - (iv) any “claim” based upon, arising from or in consequence of any actual or alleged retaliatory treatment of the claimant by the insured on account of the claimant’s exercise of rights pursuant to any such law described in this item d. This provision d.(iv) does not apply to the specific retaliation exceptions shown in items d.(1) and d.(3) above.
- e. Oral or written publication of material, if such material:
 - (1) Was published by or at the direction of the insured with knowledge of the material’s falsity; or
 - (2) Was first published before the Retroactive Date, if any, shown in the Declarations.
 - f. Dishonest, criminal or fraudulent acts of the insured or the willful failure by the insured or with the insured’s consent to comply with any law or any governmental or administrative order or regulation relating to employment practices. Willful means acting with intentional or reckless disregard for such employment related laws, orders or regulations. Willful, as used in this exclusion f., means acting with intentional or reckless disregard for such employment related laws, orders or regulations.

The enforcement of this exclusion against any insured under this policy shall not be imputed to any other

insured.

g. "Bodily Injury".

h. "Employment practices" which occur when or after:

(1) You file for or are placed in any bankruptcy, receivership, liquidation or reorganization proceeding; or

(2) Any other business entity acquires an ownership interest in you which is greater than fifty percent.

i. Costs of complying with physical modifications to your premises or any changes to your usual business operations as mandated by the Americans with Disabilities Act of 1990 including any amendment thereto, or any similar federal, state or local law.

This exclusion also applies to any "claim" based upon, arising from or in consequence of any actual or alleged retaliatory treatment of the claimant by the insured on account of the claimant's exercise of rights pursuant to any such law described in this item i.

j. Lockout, strike, picket line, related worker replacement(s) or other similar actions resulting from labor disputes or labor negotiations.

This exclusion also applies to any "claim" based upon, arising from or in consequence of any actual or alleged retaliatory treatment of the claimant by the insured on account of the claimant's exercise of rights pursuant to labor disputes or labor negotiations.

SECTION III – WHO IS AN INSURED

1. If you are designated in the Declarations as:

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your current or former 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 current or former members are also insureds, but only with respect to the conduct of your business. Your current or former managers are insureds, but only with respect to their duties as your managers.
- d. An organization other than a partnership or joint venture, you are an insured. Your current or former directors are insureds, but only with respect to their duties as your directors.

2. Each of the following is also an insured:

- a. Your current or former "employees" but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.
- b. 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 heirs, executors, administrators, assignees or legal representatives of any individual insured in subparagraphs 1.a., 1.b. and 2. above, in the event of the death, bankruptcy or incapacity of such insured, shall be insureds, but only to the extent this insurance would have been available to such insured but for their death, bankruptcy or incapacity.

4. Any organization you newly acquire or form, other than a partnership or joint venture, 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. You must provide us notice of such acquisition or formation within 30 days of the effective date of your acquisition or formation;
- b. 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;
- c. Coverage does not apply to any "employment practices" that occurred before you acquired or formed the organization; and
- d. You must pay us any additional premium due as a condition precedent to the enforceability of this additional extension of coverage.

This part 4 does not apply to any organization after it is shown in the Declarations or added to this policy by endorsement.

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

SECTION IV – LIMITS OF INSURANCE

1. The Limit of Insurance stated as Policy Aggregate Limit on the Coverage Declarations is the most we will pay for the sum of:

- a. All “damages” for all “claims” arising out of any actual or alleged “employment practices” covered by this insurance; and
- b. All “defense expense” for all “claims” seeking “damages” payable under paragraph a. above.

Each payment we make for such “damages” or “defense expenses” reduces the Policy Aggregate Limit by the amount of the payment. This reduced limit will then be the Amount of Insurance available for further “damages” and “defense expenses” under this policy.

2. Subject to 1. above, the Amount of Insurance stated as the Each Claim Limit of Insurance on the Coverage Declarations is the most we will pay in excess of the Deductible as further described in SECTION V – DEDUCTIBLE for the sum of:

- a. All “damages” for injury arising from “employment practices” covered by this insurance arising out of one “claim”; and
- b. All “defense expense” associated with that specific “claim” in item 2.a. immediately preceding.

3. In addition to the payments for “damages” and “defense expense” in paragraphs 1. and 2. above, we will also pay all interest on the full amount of any judgement that accrues after entry of the judgement and before we have paid, offered to pay, or deposited in court the amount available for the judgement under the provisions of paragraphs 1. and 2. above.

These Limits of Insurance apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION V – DEDUCTIBLE

1. A deductible applies to all “damages” for injury arising from “employment practices” and any “defense expense” however caused.
2. Our obligation under this Employment Practices Liability Insurance to pay “damages” and “defense expense” on behalf of any insured applies only to the sum of the amount of “damages” and “defense expense” for any one “claim” which are in excess of the deductible amount stated in the Declarations.
3. Your obligation is to pay that deductible which is applicable to each “claim” made against this insurance. That deductible applies to the sum of all “damages” because of injury arising from “employment practices” paid for each “claim” and applicable “defense expense” associated therewith. If there should be no “damages” paid for a “claim”, you are still obligated to pay the applicable deductible for any “defense expense” incurred by us in connection with that “claim”.
4. The terms of this insurance apply irrespective of the application of the deductible, including those with respect to:
 - a. Our right and duty to defend any “claims” seeking those “damages”; and
 - b. Your and any involved insured’s duties in the event of a “claim”.
5. We may pay any part or all of the deductible to effect settlement of any “claim” and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible as we may have paid for “damages” or “defense expense”.
6. The application of the deductible does not erode the Limits of Insurance provided.

SECTION VI – CO-INSURANCE

No co-insurance applies to coverage provided under Employment Practices Liability Insurance.

SECTION VII – CONDITIONS

1. Bankruptcy

Subject to exclusion h. the bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this coverage.

2. Cancellation

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

3. Changes

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

4. Duties in Event of "Employment Practices" or "Claims"

- a. You must see to it that we are notified as soon as practicable of any specific "employment practices" which you believe may result in an actual "claim". Your belief must be reasonably certain as the result of specific allegations made by a potential claimant or such potential claimant's representative, or as the result of specifically identifiable injury sustained by a potential claimant. To the extent possible, notice should include:

- (1) How, when and where such "employment practices" took place;
- (2) The names and addresses of any potential claimants and witnesses; and
- (3) The nature of any injury arising out of such "employment practices".

Notice of such "employment practices" is not notice of a "claim", but preserves any insured's rights to future coverage for subsequent "claims" arising out of such "employment practices" as described in the Basic Extended Reporting Period of SECTION VIII — EXTENDED REPORTING PERIODS.

- b. If a "claim" is received by any insured:

- (1) You must immediately record the specifics of the "claim" and the date received;
- (2) You and any other involved insured must see to it that we receive written notice of the "claim", as soon as practicable, but in any event we must receive notice either:
 - (a) During the policy period or within thirty (30) days thereafter; or
 - (b) With respect to any "claim" first made during any Extended Reporting Period we provide under SECTION VIII – EXTENDED REPORTING PERIODS, during such Extended Reporting Period.

As a condition precedent for coverage under this insurance, such notice must provide us with the same information as is required in item 4.a.(1) – (3) immediately preceding; and

- (3) You and any other involved insured must:
 - (a) Immediately send us copies of any demands, notices, summonses or legal papers received in

connection with the "claim";

- (b) Authorize us to obtain records and other information;
- (c) Cooperate with us in the investigation, settlement or defense of the "claim"; and
- (d) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

- c. No insureds will, except at their own cost, voluntarily make a payment, assume an obligation, or incur any expense without our consent, other than those specific payments authorized under SECTION II – COVERAGE: EMPLOYMENT PRACTICES LIABILITY; 2. DEFENSE OF CLAIMS, ADMINISTRATIVE HEARINGS & SETTLEMENT AUTHORITY.

5. Examination of Your Books and Records

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

6. Inspections and Surveys

We have the right but are not obligated to:

- a. Make inspections and surveys at any time;
- b. Give you reports on the employment conditions we find; and
- c. Recommend procedures, guidelines and changes.

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

- (i) Are safe or healthful; or
- (ii) Comply with laws, regulations, codes or standards as they relate to the purpose of this or any other insurance.

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

7. 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 "claim" seeking "damages" from any insured; or
- b. To sue us on this coverage unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for "damages" that are not payable under the terms of this coverage 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.

8. Other Insurance

If other valid and collectible insurance is available to the insured for "damages" or "defense expense" we cover under this coverage our obligations are limited as follows:

- a. As this insurance is primary insurance, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in b. below.
- b. 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.

9. Payment of Premiums, Deductibles and Amounts

- a. We will compute all premiums for this insurance in accordance with our rules and rates; and
- b. The first Named Insured shown in the Declarations is responsible for the payment of all premiums, and deductibles due and will be the payee for any return premiums we pay.

10. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements in the Declarations are based upon representations you made to us in your application for this insurance which is incorporated by reference and is on file with the Company or its agent and is considered to be part of this policy. That application is a representation of the correctness of the information which forms the basis of our obligations under this coverage; and
- c. Since we have issued this coverage in reliance upon your representations, this coverage is voidable if any material fact or circumstance relating to the subject of this insurance is omitted or misrepresented in any application.

11. 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.

12. Sole Agent

The first Named Insured is authorized to act on behalf of all insureds as respects the giving or receiving of notice of cancellation or nonrenewal, receiving premium refunds, requesting any Supplemental Extended Reporting Period and agreeing to any changes in this policy.

13. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this coverage, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will sue those responsible or transfer those rights to us and help us enforce them.

14. Transfer of Your Rights and Duties Under This Coverage

Your rights and duties under this policy may not be transferred without our written consent.

15. When We Do Not Renew

If we decide not to renew this insurance, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date. If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION VIII – EXTENDED REPORTING PERIODS

1. We will provide Extended Reporting Periods, as described below, if;
 - a. This Policy is canceled or not renewed; or
 - b. We renew or replace this coverage with insurance that:
 - (1) Has a Retroactive Date later than the date shown in the Declarations of this Policy; or
 - (2) Does not apply on a claims-made basis.
2. Extended Reporting Periods do not extend the policy period or change the scope of coverage provided. They apply only to "claims" as the result of "employment practices: which occurred after the Retroactive Date, if any, shown in the Declarations and before the end of the policy period. Once in effect, Extended Reporting Periods may not be canceled.
3. Extended Reporting Periods do not reinstate or increase the Limits of Insurance.

4. A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the policy period and lasts for:
- a. Five years with respect to "claims" arising out of "employment practices" which had been properly reported to us during the policy period in accordance with paragraph 4.a. of Duties in the Event of "Employment Practices" or "Claims", in SECTION VII – CONDITIONS; and
 - b. Sixty days with respect to "claims" arising from "employment practices" not previously reported to us.

The Basic Extended Reporting Period does not apply to "claims" that are covered under any subsequent insurance you purchase, or that would be covered but for exhaustion of the amount of insurance applicable to such claims.

5. A Supplemental Extended Reporting Period of either twelve (12) months or thirty-six (36) months duration is available, but only by an endorsement and for an extra charge. This supplemental period starts when the Basic Extended Reporting Period, set forth in paragraph 4.b. above, ends. You must give us a written request for the endorsement, and its length, within 30 days after the end of the policy period. The Supplemental Extended Reporting Period will not go into effect unless you pay the additional premium when due. We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:
- a. The exposures insured;
 - b. Previous types and amounts of insurance;
 - c. Limits of Insurance available under this Policy for future payment of "damages" or "defense expense"; and
 - d. Other related factors.

The additional premium will not exceed 200% of the annual premium for this Policy.

6. The Supplemental Extended Reporting Period Endorsement we issue shall set forth the terms, not inconsistent with this Section, applicable to the Supplemental Extended Reporting Period, including a provision to the effect that the insurance afforded for "claims" first received during such period is excess over any other valid and collectible insurance available under policies in force after the Supplemental Extended Reporting Period begins.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CYBER SECURITY COVERAGE PART

Throughout this Coverage Part (hereinafter referred to as “Cyber Coverage”), the words “you” and “your” refer to the Named Insured(s) shown in the Cyber Security Supplemental Declarations of this Cyber Coverage and any other person(s) or organization(s) qualifying as a Named Insured under this Cyber Coverage. The words “we”, “us” and “our” refer to the company providing this insurance.

Other words and phrases that appear in quotations have special meaning. Refer to **DEFINITIONS**.

The terms and conditions of the Cancellation Clause of the Common Policy Conditions and any amendment to such terms incorporated by endorsement are hereby incorporated herein and shall apply to coverage as is afforded by this Cyber Coverage, unless specifically stated otherwise in an endorsement(s) attached hereto.

A. COVERAGE

This section lists the coverages that apply if indicated in the Cyber Security Supplemental Declarations.

1. Data Compromise Response Expenses

- a. Data Compromise Response Expenses applies only if all of the following conditions are met:
 - (1) There has been a “personal data compromise”; and
 - (2) Such “personal data compromise” took place in the “coverage territory”; and
 - (3) Such “personal data compromise” is first discovered by you during the “policy period”; and
 - (4) Such “personal data compromise” 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.
- b. If the conditions listed in a. above have been met, then we will provide coverage for the following expenses when they arise directly from such “personal data compromise” and are necessary and reasonable. Items (4) and (5) below apply only if there has been a notification of the “personal data compromise” to “affected individuals” as covered under item (3) below.

(1) Forensic IT Review

We will pay for a 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 includes, when necessary, the cost of a qualified Payment Card Forensic Investigator.

This does not include costs to analyze, research or determine any of the following:

- (a) Vulnerabilities in systems, procedures or physical security; or
- (b) 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

We will pay for a 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”. Services (c) and (d) below apply only to “affected individuals” from “personal data compromise” events involving “personally identifying information”.

(a) Informational Materials

A packet of loss prevention and customer support information.

(b) 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 (c) and (d) below.

(c) 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.

(d) 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) Public Relations

We will pay for a professional public relations firm review of, and response to, the potential impact of the “personal data compromise” on your business relationships.

This includes necessary and reasonable 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:

(a) Promotions provided to any of your “executives” or “employees”; or

(b) Promotion costs exceeding \$25 per “affected individual”.

(6) Regulatory Fines and Penalties

We will pay for any fine or penalty imposed by law, to the extent such fine or penalty is legally insurable under the law of the applicable jurisdiction. This includes, but is not limited to, fines and penalties imposed for the violation of the European Union General Data Protection Regulation, the California Consumer Privacy Act and similar laws.

(7) PCI Assessments, Fines and Penalties

We will pay for any Payment Card Industry assessments, fines and penalties imposed on you under a contract to which you are a party.

This does not include any:

(a) Increased transaction costs;

(b) Any assessments, fines and penalties not arising from a covered “personal data compromise”;

(c) Interchange fees;

(d) Chargebacks;

- (e) Subsequent assessments, fines and penalties imposed due to continued PCI non-compliance; or
- (f) Any portion of such amount that has been or can reasonably be expected to be reimbursed by a third party, such as a financial institution.

(8) Reputational Harm

- (a) This Reputational Harm coverage applies only if there has been a “personal data compromise” for which you provided notifications and services to “affected individuals” in consultation with us pursuant to **b.(3) and b.(4)** above.
- (b) If the conditions listed in **(a)** above have been met, then we will pay your necessary and reasonable “reputational harm costs” incurred during the “period of indemnification” and arising directly from the “personal data compromise”.

(9) Reward Payments

We will pay for any necessary and reasonable “reward payments” offered and made by you in response to a “personal data compromise”.

2. Computer Attack

- a. Computer Attack applies only if all of the following conditions are met:
 - (1) There has been a “computer attack”; and
 - (2) Such “computer attack” occurred in the “coverage territory”; and
 - (3) Such “computer attack” is first discovered by you during the “policy period”; and
 - (4) 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.
- b. If the conditions listed in **a.** above 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 and extra expense loss” incurred during the “period of restoration”. This includes your actual “business income and extra expense loss” caused by a voluntary shutdown of your “computer system” in connection with your reasonable efforts to stop, mitigate the effects of, or recover from, such a “computer attack”.

(5) Extended Income Recovery

If you suffer a covered “business income and extra expense loss” resulting from a “computer attack” on a “computer system” owned or leased by you and operated under your control, we will pay your actual “extended income loss”.

(6) Public Relations

If you suffer a covered “business income and extra expense 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.

(7) Future Loss Avoidance

If you received a loss payment from us under **Coverage 2. Computer Attack**, we will pay your necessary and reasonable “future loss avoidance costs”.

(8) Reward Payments

We will pay for any necessary and reasonable “reward payments” offered and made by you in response to a “computer attack.”

3. Cyber Extortion

- a. Cyber Extortion applies only if all of the following conditions are met:
 - (1) There has been a “cyber extortion threat”; and
 - (2) Such “cyber extortion threat” is first made against you during the “policy period”; and
 - (3) Such “cyber extortion threat” is reported to us as soon as practicable, but in no event more than 60 days after the date it is first made against you.
- b. If the conditions listed in a. above have been met, then we will pay for your necessary and reasonable “cyber extortion expenses” arising directly from such “cyber extortion threat” and any necessary and reasonable “reward payments” offered and made by you in response to a “cyber extortion threat”. The payment of “cyber extortion expenses” must be approved in advance by us. We will not pay for “cyber extortion expenses” that have not been approved in advance by us. We will not unreasonably withhold our approval.
- c. You must make every reasonable effort not to divulge the existence of this Cyber Extortion coverage.

4. Misdirected Payment Fraud

- a. Misdirected Payment Fraud applies only if all of the following conditions are met:
 - (1) There has been a “wrongful transfer event” against you; and
 - (2) Such “wrongful transfer event” took place in the “coverage territory”; and
 - (3) Such “wrongful transfer event” is first discovered by you during the “policy period”; and
 - (4) Such “wrongful transfer event” 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; and
 - (5) Such “wrongful transfer event” is reported in writing by you to the police.
- b. If the conditions listed above in a. above have been met, then we will pay your necessary and reasonable “wrongful transfer costs” arising directly from the “wrongful transfer event” and any necessary and reasonable “reward payments” offered and made by you in response to a “wrongful transfer event”.

5. Computer Fraud

- a. Computer Fraud applies only if all of the following conditions are met:
 - (1) There has been a “computer fraud event” against you; and
 - (2) Such “computer fraud event” took place in the “coverage territory”; and
 - (3) Such “computer fraud event” is first discovered by you during the “policy period”; and
 - (4) Such “computer fraud event” is reported to us within 60 days after the date it is first discovered by you; and
 - (5) Such “computer fraud event” is reported in writing by you to the police.
- b. If the conditions listed in a. above have been met, then we will pay your necessary and reasonable “computer fraud costs” arising directly from the “computer fraud event” and any necessary and reasonable “reward payments” offered and made by you in response to a “computer fraud event.”

6. Telecommunications Fraud

- a. Telecommunications Fraud applies only if all of the following conditions are met:
 - (1) There has been a “computer attack” on a “telecommunications system” that is owned or leased by you and operated under your control; and
 - (2) Such “computer attack” took place in the “coverage territory”; and

- (3) Such “computer attack” is first discovered by you during the “policy period”; and
 - (4) Such “computer attack” is reported to us within 60 days after the date it is first discovered by you; and
 - (5) Such “computer attack” is reported in writing by you to the police; and
 - (6) As a result of such “computer attack”, there have been “telecommunications fraud costs”.
- b. If the conditions listed in a. above have been met, then we will pay your necessary and reasonable “telecommunications fraud costs” arising directly from the “computer attack”.

7. Privacy Incident Liability

- a. Privacy Incident Liability applies only if all of the following conditions are met:
- (1) During the “policy period” or any applicable Extended Reporting Period, you first receive notice of one of the following:
 - (a) A “claim”; or
 - (b) A “regulatory proceeding”; and
 - (2) Such “claim” or “regulatory proceeding” must arise from a “privacy incident” that:
 - (a) Took place during the “coverage term”; and
 - (b) Took place in the “coverage territory”; and
 - (c) Was submitted to us and insured under Data Compromise Response Expenses; and
 - (3) Such “claim” or “regulatory proceeding” 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.
- b. If the conditions listed in a. above have been met, then we will pay on your behalf any covered:
- (1) “Loss” directly arising from the “claim”; or
 - (2) “Defense costs” directly arising from a “regulatory proceeding”.
- c. All “claims” and “regulatory proceedings” arising from a single “privacy incident” or interrelated “privacy incidents” will be deemed to have been made at the time that notice of the first of those “claims” or “regulatory proceedings” is received by you.

8. Network Security Liability

- a. Network Security Liability applies only if all of the following conditions are met:
- (1) During the “policy period” or any applicable Extended Reporting Period, you first receive notice of a “claim” which arises from a “network security incident” that:
 - (a) Took place during the “coverage term”; and
 - (b) Took place in the “coverage territory”; and
 - (2) Such “claim” 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.
- b. If the conditions listed in a. above have been met, then we will pay on your behalf any covered “loss” directly arising from the “claim”.
- c. All “claims” arising from a single “network security incident” or interrelated “network security incidents” will be deemed to have been made at the time that notice of the first of those “claims” is received by you.

9. Electronic Media Liability

- a. Electronic Media Liability applies only if all of the following conditions are met:
- (1) During the “policy period” or any applicable Extended Reporting Period, you first receive notice of a “claim” which arises from an “electronic media incident” that:
 - (a) Took place during the “coverage term”; and

- (b) Took place in the “coverage territory”; and
- (2) Such “claim” 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.
- b. If the conditions listed in a. above have been met, then we will pay on your behalf any covered “loss” directly arising from the “claim”.
- c. All “claims” arising from a single “electronic media incident” or interrelated “electronic media incidents” will be deemed to have been made at the time that notice of the first of those “claims” is received by you.

10. Identity Recovery

- a. Identity Recovery applies only if all of the following conditions are met:
 - (1) There has been an “identity theft” involving the personal identity of an “identity recovery insured” under this Cyber Coverage; and
 - (2) Such “identity theft” took place in the “coverage territory”; and
 - (3) Such “identity theft” is first discovered by the “identity recovery insured” during the “policy period”; and
 - (4) Such “identity theft” is reported to us within 60 days after it is first discovered by the “identity recovery insured”; and
 - (5) Such “wrongful transfer event” is reported in writing by you to the police.
- b. If the conditions listed in a. above have been met, then we will provide the following to the “identity recovery insured”:
 - (1) **Case Management Service**
We will pay for the services of an “identity recovery case manager” as needed to respond to the “identity theft”; and
 - (2) **Expense Reimbursement**
We will pay for reimbursement of necessary and reasonable “identity recovery expenses” incurred as a direct result of the “identity theft”.

B. EXCLUSIONS

The following additional exclusions apply to this coverage:

We will not pay for costs or “loss” arising from the following:

1. Nuclear reaction or radiation or radioactive contamination, however caused.
2. War and military action including any of the following and any consequence of any of the following:
 - a. War, including undeclared or civil war;
 - b. Warlike action by military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
 - c. Insurrection, rebellion, revolution, usurped power, political violence or action taken by governmental authority in hindering or defending against any of these.
3. Failure or interruption of, or damage to, any electrical power supply network or telecommunications network not owned and operated by you including, but not limited to, the internet, internet service providers, Domain Name System (DNS) service providers, cable and wireless providers, internet exchange providers, search engine providers, internet protocol networks (and similar networks that may have different designations) and other providers of telecommunications or internet infrastructure.
4. Any attack on, incident involving, or loss to any computer or system of computers that is not a “computer system”.
5. Costs to research or correct any deficiency.
6. Any fines or penalties other than those explicitly covered under Data Compromise Response Expenses.

7. Any criminal investigations or proceedings.
8. Your intentional or willful complicity in a covered "loss" event.
9. Your reckless disregard for the security of your "computer system" or data, including confidential or sensitive information of others in your care, custody or control.
10. Any criminal, fraudulent or dishonest act, error or omission, or any intentional or knowing violation of the law by you.
11. Any "personal data compromise", "computer attack", "cyber extortion threat", "wrongful transfer event", "computer fraud event" or "wrongful act" occurring before the "coverage term".
12. That part of any "claim" seeking any non-monetary relief. However, this exclusion does not apply to "defense costs" arising from an otherwise insured "wrongful act".
13. 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.
14. Any "claim" or "loss" alleging, arising out of, based upon or attributable to, or brought by or on behalf of any federal, state, or legal government agency or professional or trade licensing organizations or the enforcement of any governmental law, ordinance, regulation or rule; however, this exclusion shall not apply to:
 - a. Actions or proceedings brought by a governmental authority or regulatory agency acting solely in its capacity as your customer;
 - b. "Regulatory proceedings" insured under Coverage 7. **Privacy Incident Liability**; or
 - c. Any fine or penalty imposed by law which arises from a covered "personal data compromise".
15. Any "loss" or liability arising out of "pollutants or contaminants" or the presence of or the actual, alleged or threatened discharge, dispersal, release or escape of "pollutants or contaminants", or any direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize "pollutants or contaminants", or in any way respond to or assess the effects of "pollutants or contaminants".
16. Any oral or written publication of material, if done by you or at your direction with knowledge of its falsity.
17. "Property damage" or "bodily injury" other than mental anguish or mental injury alleged in a "claim" covered under Privacy Incident Liability, Network Security Liability or Electronic Media Liability.
18. The theft of a professional or business identity.
19. 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 will not apply to the interests of an "identity recovery insured" who has no knowledge of or involvement in such fraud, dishonesty or criminal act.
20. The following exclusions are applicable to Future Loss Avoidance only:
 - a. Any "future loss avoidance costs" incurred after this policy has been cancelled or non-renewed by either you or us.
 - b. The salaries or wages of your "employees" or "executives", or your loss of earnings.
21. Any amount not insurable under applicable law.
22. Any violation of U.S. economic or trade sanctions.

C. LIMITS OF INSURANCE

1. Aggregate Limits

The First Party Annual Aggregate Limit shown in the Cyber Security Supplemental Declarations is the most we will pay for all "loss" under all the Data Compromise Response Expenses, Computer Attack, Cyber Extortion, Misdirected Payment Fraud, Computer Fraud, Telecommunications Fraud and Reward Payments coverages in any one "policy period". The First Party Annual Aggregate Limit shown in the Cyber Security Supplemental Declarations applies regardless of the number of insured events first discovered

during the “policy period”.

Except for post-judgment interest, the Third Party Annual Aggregate Limit shown in the Cyber Security Supplemental Declarations is the most we will pay for all “loss” under all the Privacy Incident Liability, Network Security Liability and Electronic Media Liability coverages in any one “policy period” or any applicable Extended Reporting Period. The Third Party Annual Aggregate Limit shown in the Cyber Security Supplemental Declarations applies regardless of the number of insured “claims” or “regulatory proceedings” first received during the “policy period” or any applicable Extended Reporting Period.

If a Cyber Security Annual Aggregate limit is shown in the Cyber Security Supplemental Declarations, then, except for post-judgment interest, the Cyber Security Annual Aggregate Limit shown in the Cyber Security Supplemental Declarations is the most we will pay for all “loss” under all applicable coverage sections, except Identity Recovery, in any one “policy period” or any applicable Extended Reporting Period. The Cyber Security Annual Aggregate Limit shown in the Cyber Security Supplemental Declarations applies regardless of the number of insured events first discovered or “claims” or “regulatory proceedings” first received during the “policy period” or any applicable Extended Reporting Period.

The Identity Recovery Coverage is subject to the Identity Recovery Limit as shown in the Cyber Security Supplemental Declarations.

2. Coverage Sublimits

a. Data Compromise Sublimits

The most we will pay under Data Compromise Response Expenses for Public Relations and Reputational Harm coverages for “loss” arising from any one “personal data compromise” is the applicable sublimit for each of those coverages shown in the Cyber Security Supplemental Declarations.

These sublimits are part of, and not in addition to, the First Party Annual Aggregate Limit shown in the Cyber Security Supplemental Declarations. Public Relations coverage is also subject to a limit per “affected individual” as described in **A.1.b.(5)**.

b. Computer Attack Sublimit

The most we will pay under Computer Attack for Public Relations coverage for “loss” arising from any one “computer attack” is the applicable Public Relations sublimit shown in the Cyber Security Supplemental Declarations. This sublimit is part of, and not in addition to, the First Party Annual Aggregate Limit shown in the Cyber Security Supplemental Declarations.

c. Cyber Extortion Sublimit

The most we will pay under Cyber Extortion coverage for “loss” arising from one “cyber extortion threat” is the applicable sublimit shown in the Cyber Security Supplemental Declarations. This sublimit is part of, and not in addition to, the First Party Annual Aggregate Limit shown in the Cyber Security Supplemental Declarations.

d. Misdirected Payment Fraud Sublimit

The most we will pay under Misdirected Payment Fraud coverage for “loss” arising from one “wrongful transfer event” is the applicable sublimit shown in the Cyber Security Supplemental Declarations. This sublimit is part of, and not in addition to, the First Party Annual Aggregate Limit shown in the Cyber Security Supplemental Declarations.

e. Computer Fraud Sublimit

The most we will pay under Computer Fraud coverage for “loss” arising from one “computer fraud event” is the applicable sublimit shown in the Cyber Security Supplemental Declarations. This sublimit is part of, and not in addition to, the First Party Annual Aggregate Limit shown in the Cyber Security Supplemental Declarations.

f. Telecommunications Fraud Sublimit

The most we will pay under Telecommunications Fraud coverage for “loss” arising from one “computer attack” on a “telecommunications system” is the applicable limit shown in the Cyber Security Supplemental Declarations. This sublimit is part of, and not in addition to, the First Party Annual Aggregate Limit shown in the Cyber Security Supplemental Declarations.

g. Reward Payments Sublimit

The Reward Payment sublimit shown in the Cyber Security Supplemental Declarations is the most we will pay for all “reward payments” resulting from a “personal data compromise”, “computer attack”, “cyber extortion threat”, “wrongful transfer event” or “computer fraud event” in any one “policy period”.

This sublimit is a part of, and not in addition to, the First Party Annual Aggregate Limit shown in the Cyber Security Supplemental Declarations.

h. Identity Recovery Sublimits

The following provisions are applicable only to the Identity Recovery Coverage.

- (1)** 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 Services do not reduce the Annual Aggregate Limit for Identity Recovery.
- (2)** Costs covered under item **d.** (Legal Costs) of the definition of “identity recovery expenses” are part of, and not in addition to, the annual aggregate limit for Identity Recovery.
- (3)** Costs covered under item **e.** (Lost Wages) and item **f.** (Child and Elder Care Expenses) of the definition of “identity recovery expenses” are jointly subject to the Lost Wages and Child and Elder Care sublimit shown in the Cyber Security Supplemental Declarations. This sublimit is part of, and not in addition to, the annual aggregate limit for Identity Recovery. Coverage is limited to wages lost and expenses incurred within 12 months after the first discovery of the “identity theft” by the “identity recovery insured”.
- (4)** Costs covered under item **g.** (Mental Health Counseling) of the definition of “identity recovery expenses” is subject to the Mental Health Counseling sublimit shown in the Cyber Security Supplemental Declarations. This sublimit is part of, and not in addition to, the annual aggregate limit for Identity Recovery. Coverage is limited to counseling that takes place within 12 months after the first discovery of the “identity theft” by the “identity recovery insured”.
- (5)** Costs covered under item **h.** (Miscellaneous Unnamed Costs) of the definition of “identity recovery expenses” is subject to the Miscellaneous Unnamed Costs sublimit shown in the Cyber Security Supplemental Declarations. This sublimit is part of, and not in addition to, the annual aggregate limit for Identity Recovery. Coverage is limited to costs incurred within 12 months after the first discovery of the “identity theft” by the “identity recovery insured”.

3. Application of Limits

- a.** A “computer attack”, “cyber extortion threat”, “personal data compromise”, “wrongful transfer event”, “computer fraud event” or “identity theft” may be first discovered by you in one “policy period” but it may cause insured “loss” in one or more subsequent “policy periods”. If so, all insured “loss” arising from such “computer attack”, “cyber extortion threat”, “personal data compromise”, “wrongful transfer event”, “computer fraud event” or “identity theft” will be subject to the limit of insurance applicable to the “policy period” when the “computer attack”, “cyber extortion threat”, “personal data compromise”, “wrongful transfer event”, “computer fraud event” or “identity theft” was first discovered by you.
- b.** You may first receive notice of a “claim” or “regulatory proceeding” in one “policy period” but it may cause insured “loss” in one or more subsequent “policy periods”. If so, all insured “loss” arising from such “claim” or “regulatory proceeding” will be subject to the limit of insurance applicable to the “policy period” when notice of the “claim” or “regulatory proceeding” was first received by you.
- c.** The limit of insurance for the Extended Reporting Periods (if applicable) will be part of, and not in addition to, the limit of insurance for the immediately preceding “policy period”.
- d.** Coverage for Services to Affected Individuals under Data Compromise Response Expenses 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.

D. DEDUCTIBLES

- 1.** We will not pay for “loss” until the amount of the insured “loss” exceeds the deductible amount shown in the Cyber Security Supplemental Declarations. We will then pay the amount of “loss” in excess of the applicable

deductible amount, subject to the applicable limits shown in the Cyber Security Supplemental Declarations. You will be responsible for the applicable deductible amount.

2. The deductible will apply to all:
 - a. "Loss" arising from the same insured event or interrelated insured events under Data Compromise Response Expenses, Computer Attack, Cyber Extortion, Misdirected Payment Fraud, Computer Fraud or Telecommunications Fraud coverage.
 - b. "Loss" resulting from the same "wrongful act" or interrelated "wrongful acts" insured under Privacy Incident Liability, Network Security Liability or Electronic Media Liability.
3. In the event that "loss" is insured under more than one coverage section, only the single highest deductible applies.
4. Insurance coverage under Identity Recovery is not subject to a deductible.

E. ADDITIONAL CONDITIONS

The following conditions apply in addition to the Common Policy Conditions:

1. Additional Policy Protection

We may, from time to time, offer or arrange to provide benefits specific to one of our risk management benefits which include but are not limited to devices, equipment, services or benefits provided by either us or a third party vendor selected by us. These services or products are designed to mitigate loss, provide loss control, assess risk, identify sources of risk, or develop strategies for eliminating or reducing risk. The benefits are intended to enhance the safety, value, usability, life or protection of you or your insurable assets. Such products or services must be provided by us or by a third party vendor that has an agreement or contract with us. We do not warrant the merchantability, fitness, or quality of any product or service offered or provided by that organization.

2. Bankruptcy

The bankruptcy or insolvency of you or your estate, will not relieve you or us of any obligation under this Cyber Coverage.

3. Defense And Settlement

- a. We shall have the right and the duty to assume the defense of any applicable "claim" or "regulatory proceeding" against you. You shall give us such information and cooperation as we may reasonably require.
- b. You shall not admit liability for or settle any "claim" or "regulatory proceeding" or incur any defense costs without our prior written consent.
- c. At the time a "claim" or "regulatory proceeding" is first reported to us, you may request that we appoint a defense attorney of your choice. We will give full consideration to any such request.
- d. We will not be obligated to pay any "loss" or "defense costs", or to defend or continue to defend any "claim" or "regulatory proceeding" after the applicable limit of insurance has been exhausted.
- e. We will pay all interest on that amount of any judgment within the applicable limit of insurance which accrues:

(1) After entry of judgment; and

(2) Before we pay, offer to pay or deposit in court that part of the judgment within the applicable limit of insurance or, in any case, before we pay or offer to pay the entire applicable limit of insurance.

These interest payments will be in addition to and not part of the applicable limit of insurance.

- f. We may, with your written consent, make any settlement of a "claim" or "regulatory proceeding" which we deem reasonable. If you refuse to consent to any settlement recommended by us and acceptable to the claimant or plaintiff, our liability for all "settlement costs" and "defense costs" resulting from such "claim" or "regulatory proceeding" will not exceed the following:

(1) The amount for which we could have settled such "claim" or "regulatory proceeding" plus "defense costs" incurred as of the date we proposed such settlement in writing to you; plus

- (2) 80% of any “settlement costs” and “defense costs” incurred after the date of such proposed settlement;

subject to the applicable limits.

4. Due Diligence

You agree to use due diligence to prevent and mitigate “loss” insured under this Cyber Coverage. This includes, but is not limited to, complying with, and requiring your vendors to comply with, reasonable and industry-accepted protocols for:

- a. Providing and maintaining appropriate physical security for your premises, “computer systems” and hard copy files;
- b. Providing and maintaining appropriate computer and Internet security;
- c. Maintaining and updating at appropriate intervals backups of computer data;
- d. Protecting transactions, such as processing credit card, debit card and check payments; and
- e. Appropriate disposal of files containing “personally identifying information”, “personally sensitive information” or “third party corporate data”, including shredding hard copy files and destroying physical media used to store electronic data.

5. Duties in the Event of a Claim, Regulatory Proceeding or Loss

- a. If, during the “policy period”, incidents or events occur which you reasonably believe may give rise to a “claim” or “regulatory proceeding” for which coverage may be provided hereunder, such belief being based upon either written notice from the potential claimant or the potential claimant’s representative; or notice of a complaint filed with a federal, state or local agency; or upon an oral “claim”, allegation or threat, you shall give written notice to us as soon as practicable and either:
 - (1) Anytime during the “policy period”; or
 - (2) Anytime during the extended reporting periods (if applicable).
- b. If a “claim” or “regulatory proceeding” is brought against you, you must:
 - (1) Immediately record the specifics of the “claim” or “regulatory proceeding” and the date received;
 - (2) Provide us with written notice, as soon as practicable, but in no event more than 60 days after the date the “claim” or “regulatory proceeding” is first received by you;
 - (3) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the “claim” or “regulatory proceeding”;
 - (4) Authorize us to obtain records and other information;
 - (5) Cooperate with us in the investigation, settlement or defense of the “claim” or “regulatory proceeding”;
 - (6) 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” or “defense costs” to which this insurance may also apply; and
 - (7) Not take any action, or fail to take any required action, that prejudices your rights or our rights with respect to such “claim” or “regulatory proceeding”.
- c. In the event of a “personal data compromise”, “computer attack”, “cyber extortion threat”, “wrongful transfer event”, “computer fraud event” or “identity theft”, insured under this Cyber Coverage, you and any involved “identity recovery insured” must see that the following are done:
 - (1) Notify the police if a law may have been broken.
 - (2) Notify us as soon as practicable, but in no event more than 60 days after the “personal data compromise”, “computer attack”, “cyber extortion threat”, “wrongful transfer event”, “computer fraud event” or “identity theft”. Include a description of any property involved.
 - (3) As soon as possible, give us a description of how, when and where the “personal data compromise”, “computer attack”, “cyber extortion threat”, “wrongful transfer event”, “computer fraud event” or “identity theft” occurred.

- (4) As often as may be reasonably required, permit us to:
 - (a) Inspect the property proving the “personal data compromise”, “computer attack”, “cyber extortion threat”, “wrongful transfer event”, “computer fraud event” or “identity theft”;
 - (b) Examine your books, records, electronic media and records and hardware;
 - (c) Take samples of damaged and undamaged property for inspection, testing and analysis; and
 - (d) Make copies from your books, records, electronic media and records and hardware.
- (5) Send us signed, sworn proof of “loss” containing the information we request to investigate the “personal data compromise”, “computer attack”, “cyber extortion threat”, “wrongful transfer event”, “computer fraud event” or “identity theft”. You must do this within 60 days after our request. We will supply you with the necessary forms.
- (6) Cooperate with us in the investigation or settlement of the “personal data compromise”, “computer attack”, “cyber extortion threat”, “wrongful transfer event”, “computer fraud event” or “identity theft”.
- (7) If you intend to continue your business, you must resume all or part of your operations as quickly as possible.
- (8) Make no statement that will assume any obligation or admit any liability, for any “loss” for which we may be liable, without our prior written consent.
- (9) Promptly send us any legal papers or notices received concerning the “loss”.
- d. We may examine you under oath at such times as may be reasonably required, about any matter relating to this insurance or the “claim”, “regulatory proceeding” or “loss”, including your books and records. In the event of an examination, your answers must be signed.
- e. You may not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our prior written consent.

6. Extended Reporting Periods

- a. You will have the right to the Extended Reporting Periods described in this section, in the event of a “termination of coverage”.
- b. If a “termination of coverage” has occurred, you will have the right to the following:
 - (1) At no additional premium, an Automatic Extended Reporting Period of 30 days immediately following the effective date of the “termination of coverage” during which you may first receive notice of a “claim” or “regulatory proceeding” arising directly from a “wrongful act” occurring before the end of the “policy period” and which is otherwise insured by this Cyber Coverage; and
 - (2) Upon payment of the additional premium of 100% of the full annual premium associated with the relevant coverage, a Supplemental Extended Reporting Period of one year immediately following the effective date of the “termination of coverage” during which you may first receive notice of a “claim” or “regulatory proceeding” arising directly from a “wrongful act” occurring before the end of the “policy period” and which is otherwise insured by this Cyber Coverage.

To obtain the Supplemental Extended Reporting Period, you must request it in writing and pay the additional premium due, within 30 days after the effective date of “termination of coverage”. The additional premium for the Supplemental Extended Reporting Period will 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.

7. Identity Recovery Help Line

For assistance, if Identity Recovery applies, the “identity recovery insured” should call the **Identity Recovery Help Line at 1-844-855-1894**.

The **Identity Recovery Help Line** can provide the “identity recovery insured” with:

- a. Information and advice for how to respond to a possible “identity theft”; and
- b. 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 Cyber Coverage. 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”.

8. 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 years after the date the “loss” or “identity theft” is first discovered by you, or the date on which you first receive notice of a “claim” or “regulatory proceeding”.

9. Legal Advice

We are not your legal advisor. Our determination of what is or is not insured under this Cyber Coverage does not represent advice or counsel from us about what you should or should not do.

10. Other Insurance

If there is other insurance that applies to the same “loss”, this Cyber Coverage shall apply only as excess insurance after all other applicable insurance has been exhausted.

11. Pre-Notification Consultation

You agree to consult with us prior to the issuance of notification to “affected individuals”. We assume no responsibility under Data Compromise Response Expenses 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 the Service Providers condition below. You must provide the following at our pre-notification consultation with you:

- a. The exact list of “affected individuals” to be notified, including contact information.
- b. Information about the “personal data compromise” that may appropriately be communicated with “affected individuals”.
- c. 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 Data Compromise Response Expenses limit of insurance.

12. Service Providers

- a. We will only pay under this Cyber 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 Cyber Coverage. We will not unreasonably withhold such approval.
- b. Prior to the Pre-Notification Consultation described in the Pre-Notification Consultation Condition 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:
 - (1) Such alternate service provider must be approved by us;
 - (2) 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
 - (3) 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.

13. Services

The following conditions apply as respects any services provided to you or any “affected individual” or “identity recovery insured” by us, our designees or any service firm paid for in whole or in part under this Cyber Coverage:

- a. The effectiveness of such services depends on the cooperation and assistance of you, “affected individuals” and “identity recovery insureds”.
- b. All services may not be available or applicable to all individuals. For example, “affected individuals” and “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.
- c. We do not warrant or guarantee that the services will end or eliminate all problems associated with the covered events.
- d. Except for the services of an “identity recovery case manager” under Identity Recovery, which we will provide directly, you will have a direct relationship with the professional service firms paid for in whole or in part under this Cyber Coverage. Those firms work for you.

14. Valuation

We will determine the value of “money”, “securities”, cryptocurrency and tangible property as follows:

- a. Our payment for loss of “money” or loss payable in “money” will be, at your option, in the “money” of the country in which the “computer fraud event”, “cyber extortion threat”, “reward payments”, or “wrongful transfer event” took place or in the United States of America dollar equivalent thereof determined at the rate of exchange published by the Wall Street Journal at the time of payment of such “loss”.
- b. Our payment for loss of “securities” will be their value at the close of business on the day the “computer fraud event” or the “wrongful transfer event” was discovered, or the day the “securities” were transferred by you in response to the “cyber extortion threat”. At our option, we may:
 - (1) Pay the value of such “securities” to you or replace them in kind, in which event you must assign to us all of your rights, title and interest in those “securities”; or
 - (2) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the “securities”; provided that we will be liable only for the cost of the Lost Securities Bond as would be charged for a bond having a penalty not exceeding the lesser of the value of the “securities” at the close of business on the day the “computer fraud event”, “cyber extortion threat” or “wrongful transfer event” was discovered.
- c. Our payment of cryptocurrency will be its value at the close of business on the day the cryptocurrency was transferred by you in response to the covered “cyber extortion threat”.
- d. Our payment for the loss of tangible property will be the smallest of:
 - (1) The cost to replace the tangible property; or
 - (2) The amount you actually spend that is necessary to replace the tangible property.

We will not pay you on a replacement costs basis for any loss of tangible property until such property is actually replaced and unless the replacement is made as soon as reasonably possible after the “loss”. If the lost property is not replaced as soon as reasonably possible after the “loss”, we will pay you the actual cash value of the tangible property on the day the “computer fraud event”, “cyber extortion threat” or “wrongful transfer event” was discovered.

F. DEFINITIONS

1. **“Affected Individual”** means any person whose “personally identifying information” or “personally sensitive information” is lost, stolen, accidentally released or accidentally published by a “personal data compromise” covered under this Cyber Coverage. 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” may reside anywhere in the world.

2. **“Authorized Representative”** means a person or entity authorized by law or contract to act on behalf of an “identity recovery insured”.
3. **“Authorized Third Party User”** means a party who is not an “employee” or an “executive” of you who is authorized by contract or other agreement to access the “computer system” for the receipt or delivery of services.
4. **“Bodily Injury”** means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
5. **“Business Income and Extra Expense Loss”** means loss of Business Income and Extra Expense.
 - a. As used in this definition, Business Income means the sum of:
 - (1) Net income (net profit or loss before income taxes) that would have been earned or incurred; and
 - (2) Continuing normal and necessary operating expenses incurred, including “employee” and “executive” payroll.
 - b. As used in this definition, Extra Expense means the additional cost you incur to operate your business 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. **“Claim”**
 - a. “Claim” means:
 - (1) A written demand for monetary damages or non-monetary relief, including injunctive relief;
 - (2) A civil proceeding commenced by the filing of a complaint;
 - (3) An arbitration proceeding in which such damages are claimed and to which you must submit or do submit with our consent; or
 - (4) Any other alternative dispute resolution proceeding in which such damages are claimed and to which you must submit or to which we agree you should submit to;

arising from a “wrongful act” or a series of interrelated “wrongful acts” including any resulting appeal.
 - b. “Claim” does not mean or include:
 - (1) Any demand or action brought by or on behalf of someone who is:
 - (a) Your “executive”;
 - (b) Your owner or part-owner; or
 - (c) A holder of your “securities”;

in their capacity as such, whether directly, derivatively, or by class action. “Claim” 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”; or
 - (2) A “regulatory proceeding”.
 - c. Includes a demand or proceeding arising from a “wrongful act” that is a “personal data compromise” only when the “personal data compromise” giving rise to the proceeding was covered under the Data Compromise Response Expenses section of this Cyber Coverage, and you submitted a “claim” to us and provided notifications and services to “affected individuals” in consultation with us pursuant to Data Compromise Response Expenses in connection with such “personal data compromise”.
7. **“Computer Attack”**
 - a. “Computer attack” means one of the following involving the “computer system”:
 - (1) An “unauthorized access incident”;
 - (2) A “malware attack”; or
 - (3) A “denial of service attack” against a “computer system”.
 - b. A “computer attack” ends at the earlier of:

- (1) The time that the active attacking behavior ceases, the time that you have regained control over the “computer system” or the time that all unauthorized creation, destruction or movement of data associated with the “computer attack” has ceased, whichever happens latest; or
 - (2) 30 days after your discovery of the “computer attack”.
8. **“Computer Fraud Costs”** means:
 - a. The amount of “money” fraudulently obtained from you. “Computer fraud costs” include the direct financial loss only.
 - b. “Computer fraud costs” do not include any of the following:
 - (1) Other expenses that arise from the “computer fraud event”;
 - (2) Indirect loss, such as “bodily injury”, lost time, lost wages, “identity recovery expenses” or damaged reputation;
 - (3) Any interest, time value or potential investment gain on the amount of financial loss; or
 - (4) Any portion of such amount that has been or can reasonably be expected to be reimbursed by a third party, such as a financial institution.
9. **“Computer Fraud Event”** means:
 - a. An “unauthorized access incident” that leads to the intentional, unauthorized and fraudulent entry of or change to data or instructions within a “computer system” owned or leased by you and operated under your control. Such fraudulent entry or change must be conducted by a person who is not an “employee”, “executive” or “independent contractor”. Such fraudulent entry or change must cause “money” to be sent or diverted. The fraudulent entry or change must result in direct financial loss to you.
 - b. “Computer fraud event” does not mean or include any occurrence:
 - (1) In which you are threatened or coerced to send money or divert a payment; or
 - (2) Arising from a dispute or a disagreement over the completeness, authenticity or value of a product, a service or a financial instrument.
10. **“Computer System”** means a computer or other electronic hardware that:
 - a. Is owned or leased by you and operated under your control; or
 - b. Is operated by a third party service provider used for the purpose of providing hosted computer application services to you or for processing, maintaining, hosting or storing your electronic data, pursuant to a written contract with you for such services. However, such computer or other electronic hardware operated by such third party shall only be considered to be a “computer system” with respect to the specific services provided by such third party to you under such contract.
11. **“Coverage Term”** means the increment of time:
 - a. Commencing on the earlier of the first inception date of this Cyber Coverage or the first inception date of any coverage substantially similar to that described in this Cyber Coverage and held immediately prior to this Cyber coverage; and
 - b. Ending upon the “termination of coverage”.
12. **“Coverage Territory”** means:
 - a. With respect to Data Compromise Response Expenses, Computer Attack, Cyber Extortion, Misdirected Payment Fraud, Computer Fraud, Telecommunications Fraud and Identity Recovery, “coverage territory” means anywhere in the world.
 - b. With respect to Privacy Incident Liability, Network Security Liability and Electronic Media Liability, “coverage territory” means anywhere in the world, however “claims” must be brought within the United States (including its territories and possessions) or Puerto Rico.
13. **“Cyber Extortion Expenses”** means:
 - a. The cost of a negotiator or investigator retained by you in connection with a “cyber extortion threat”; and

- b. Any amount paid by you in response to a “cyber extortion threat” to the party that made the “cyber extortion threat” for the purposes of eliminating the “cyber extortion threat” when such expenses are necessary and reasonable and arise directly from a “cyber extortion threat”. This includes any payment made in the form of “money”, “securities”, cryptocurrency (including, but not limited to, Bitcoin, Ethereum and other forms of digital, virtual or electronic currency) or tangible goods. The payment of “cyber extortion expenses” must be approved in advance by us. We will not unreasonably withhold our approval. However we may pay for “cyber extortion expenses” that were not approved in advance by us if we determine the following:

- (1) It was not practical for you to obtain our prior approval; and
- (2) If consulted at the time, we would have approved the payment.

At our sole discretion, we may choose to pay “cyber extortion expenses” in excess of the limit shown in the Supplemental Declarations if doing so reduces the total amount of “loss” payable under this Cyber Risk Coverage.

14. “Cyber Extortion Threat” means:

- a. “Cyber extortion threat” means a demand for money from you based on a credible threat, or series of related credible threats, to:
- (1) Launch a “denial of service attack” against the “computer system” for the purpose of denying “authorized third party users” access to your services provided through the “computer system” via the Internet;
 - (2) Gain access to a “computer system” and use that access to steal, release or publish “personally identifying information”, “personally sensitive information” or “third party corporate data”;
 - (3) Alter, damage or destroy electronic data or software while such electronic data or software is stored within a “computer system”;
 - (4) Launch a “computer attack” against a “computer system” in order to alter, damage or destroy electronic data or software while such electronic data or software is stored within a “computer system”; or
 - (5) Transfer, pay or deliver any funds or property using a “computer system” without your authorization.
- b. “Cyber extortion threat” does not mean or include any threat made in connection with a legitimate commercial dispute.

15. “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” does not mean or include 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.

16. “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 or include 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.

17. “Defense Costs”

- a. “Defense costs” means reasonable and necessary expenses consented to by us resulting solely from

the investigation, defense and appeal of any “claim” or “regulatory proceeding” against you. 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. “Defense costs” does not mean or include the salaries or wages of your “employees” or “executives”, or your loss of earnings.
18. **“Denial of Service Attack”** means an intentional attack against a target computer or network of computers designed to overwhelm the capacity of the target computer or network in order to deny or impede authorized users from gaining access to the target computer or network through the Internet.
19. **“Electronic Media Incident”** means an allegation that the display of information in electronic form by you on a website resulted in:
- a. Infringement of another’s copyright, title, slogan, trademark, trade name, trade dress, service mark or service name;
 - b. Defamation against a person or organization that is unintended; or
 - c. A violation of a person’s right of privacy, including false light and public disclosure of private facts.
20. **“Employee”** means any natural person, other than an “executive”, who was, now is or will be:
- a. Employed on a full-time or part-time basis by you;
 - b. Furnished temporarily to you to substitute for a permanent “employee” on leave or to meet seasonal or short-term workload conditions;
 - c. 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, but does not mean a temporary “employee” as defined in paragraph b.;
 - d. Your volunteer worker, which includes unpaid interns; or
 - e. An “independent contractor”.
21. **“Executive”** means any natural person who was, now is or will be:
- a. The owner of your sole proprietorship; or
 - b. A duly elected or appointed:
 - (1) Director;
 - (2) Officer;
 - (3) Managing Partner;
 - (4) General Partner;
 - (5) Member (if a limited liability company);
 - (6) Manager (if a limited liability company); or
 - (7) Trustee;of your business.
22. **“Extended Income Loss”** means your actual “business income and extra expense loss” incurred during the “extended recovery period”.
23. **“Extended Recovery Period”** means a fixed period of 180 days immediately following the end of the “period of restoration”.
24. **“Future Loss Avoidance Costs”**
- a. “Future loss avoidance costs” means the amount you spend to make improvements to a “computer system” owned or leased by you and operated under your control, provided:
 - (1) Such “future loss avoidance costs” are incurred within 30 days after your discovery of the “computer attack”; and
 - (2) We agree in writing that improvements to which “future loss avoidance costs” relate would

reasonably reduce the likelihood of a future “computer attack” similar to the one for which you have received payment under Coverage 2. **Computer Attack** paragraphs b.(1) through b.(4). We will not unreasonably withhold such agreement; and

- (3) We receive your invoices for the “future loss avoidance costs” no later than 60 days after the date you received the payment for the loss under Coverage 2. **Computer Attack** paragraphs b.(1) through b.(4).
 - b. The most we will pay for all “future loss avoidance costs” with respect to any one “computer attack” is 10% of our Eligible Payment to you prior to any payment under this Future Loss Avoidance coverage. Any portion of the payment made for hardware replacement or hardware upgrades reduces the amount we will pay.
 - c. The improvements described in paragraph a.(2) may include, but are not limited to, hardware and software upgrades. Improvements involving services subject to lease, license or subscription may have costs that are ongoing. In such case, the most we will pay are costs associated with the first 12 months of any such service, subject to the amount described in paragraph b. above.
 - d. As used in this coverage, Eligible Payment means our total payment to you under Coverage 2. **Computer Attack** paragraphs b.(1) through b.(4), not including any deductible amount.
25. **“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.
26. **“Identity Recovery Expenses”** means the following when they are reasonable and necessary expenses that are incurred as a direct result of an “identity theft” suffered by an “identity recovery insured”:
- a. **Re-Filing Costs**
Costs for re-filing applications for loans, grants or other credit instruments that are rejected solely as a result of an “identity theft”.
 - b. **Notarization, Telephone and Postage Costs**
Costs for notarizing affidavits or other similar documents, long distance telephone calls and postage solely as a result of the “identity recovery insured’s” efforts to report an “identity theft” or amend or rectify records as to the “identity recovery insured’s” true name or identity as a result of an “identity theft”.
 - c. **Credit Reports**
Costs for credit reports from established credit bureaus.
 - d. **Legal Costs**
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. **Lost Wages**
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. Child and Elder Care Expenses

Actual costs for supervision of children or elderly or infirm relatives or dependents 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. Mental Health Counseling

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. Miscellaneous Unnamed Costs

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 Cyber Coverage or policy.

27. “Identity Recovery Insured” means the following:

a. When the entity insured under this Cyber Coverage is a sole proprietorship, the “identity recovery insured” is the individual person who is the sole proprietor of the insured identity.

b. When the entity insured under this Cyber Coverage is a partnership, the “identity recovery insureds” are the current partners.

c. When the entity insured under this Cyber Coverage is a corporation or other form of organization, other than those described in a. or b. above, 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” will be:

(1) The chief executive of the insured entity; or

(2) As respects a religious institution, the senior ministerial “employee”.

An “identity recovery insured” must always be an individual person. If the entity insured under this Cyber Coverage is a legal entity, that legal entity is not an “identity recovery insured”.

28. “Identity Theft”

a. “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.

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

29. “Independent Contractor” means a natural person that provides goods or services to you under terms specified in a written contract, but only while acting on behalf of, at the direction of, and under the supervision of you.

30. “Loss”

a. With respect to Data Compromise Response Expenses, “loss” means those expenses enumerated in Data Compromise Response Expenses, paragraph b.

b. With respect to Computer Attack, “loss” means those expenses enumerated in Computer Attack, paragraph b.

- c. With respect to Cyber Extortion, “loss” means “cyber extortion expenses”.
- d. With respect to Misdirected Payment Fraud, “loss” means “wrongful transfer costs”.
- e. With respect to Computer Fraud, “loss” means “computer fraud costs”.
- f. With respect to Telecommunications Fraud, “loss” means “telecommunications fraud costs”.
- g. With respect to Privacy Incident Liability, Network Security Liability and Electronic Media Liability, “loss” means “defense costs” and “settlement costs”.
- h. With respect to Identity Recovery, “loss” means those expenses enumerated in Identity Recovery, paragraph b.

31. “Malware Attack”

- a. “Malware attack” means an attack that damages a “computer system” or data contained therein arising from malicious code, including viruses, worms, Trojans, spyware and keyloggers.
- b. “Malware attack” does not mean or include damage from shortcomings or mistakes in legitimate electronic code or damage from code installed on your “computer system” during the manufacturing process or normal maintenance.

32. “Money” means:

- a. “Money” means a medium of exchange in current use and authorized or adopted by a domestic or foreign government, including currency, coins, banknotes, bullion, travelers’ checks, registered checks and money orders held for sale to the public.
- b. “Money” does not mean or include any cryptocurrency, whether or not authorized or adopted by a domestic or foreign government. Cryptocurrency includes, but is not limited to, Bitcoin, Ethereum and other forms of digital, virtual or electronic currency.

33. “Network Security Incident” means a negligent security failure or weakness with respect to a “computer system” which allowed one or more of the following to happen:

- a. 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;
- b. The unintended abetting of a “denial of service attack” against one or more other systems; or
- c. The unintended loss, release or disclosure of “third party corporate data”.

34. “Period of Indemnification” means the period of time that begins on the date you first provided notification to “affected individuals” pursuant to Coverage 1. Data Compromise Response Expenses and ends after 30 days.

35. “Period of Restoration” means the period of time that begins 8 hours after the time that a “computer attack” is discovered by you and continues until the earliest of:

- a. The date that all data restoration, data re-creation and system restoration directly related to the “computer attack” has been completed;
- 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;
- c. If no data restoration, data re-creation or system restoration is required, the end of the “computer attack”; or
- d. 180 days after the “computer attack” is discovered by you.

36. “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, provided that the failure to use appropriate safeguards was accidental and not reckless or deliberate.
 - 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.
 - d. 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”.

37. “Personally Identifying Information”

- a. “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” or “identity recovery insured”. This includes, but is not limited to, Social Security numbers or account numbers.
- b. “Personally identifying information” does not mean or include information that is otherwise available to the public, such as names and addresses.

38. “Personally Sensitive Information”

- a. “Personally sensitive information” means private information specific to an individual the release of which requires notification of “affected individuals” under any applicable law.
- b. “Personally sensitive information” does not mean or include “personally identifying information”.

39. “Policy Period” means the period commencing on the effective date shown in the Cyber Security Supplemental Declarations. The “policy period” ends on the expiration date or the cancellation date of this Cyber Coverage, whichever comes first.

40. “Pollutants or Contaminants” include, but are not limited to, any solid, liquid, gaseous, biological, radiological or thermal irritant or contaminant, including smoke, vapor, dust, fibers, mold, spores, fungi, bacterium, microorganism, virus or other pathogen, diseases, germs, soot, fumes, asbestos, acids, alkalis, chemicals, and waste. Waste includes, but is not limited to, materials to be recycled, reconditioned or reclaimed and nuclear materials.

41. “Privacy Incident” means:

- a. A “personal data compromise”;
- b. Your failure to comply with a Privacy Policy;
- c. Your unauthorized, unlawful (including, but not limited to, in violation of the European Union General Data Protection Regulation, the California Consumer Privacy Act or similar laws) or wrongful collection of “personally identifying information”; or
- d. Your unlawful (including, but not limited to, in violation of the European Union General Data Protection Regulation, the California Consumer Privacy Act or similar laws) or wrongful failure to amend, correct or delete “personally identifying information”.

For the purpose of this definition, Privacy Policy means a publicly available written policy formally adopted by you which addresses the collection, handling and management of “personally identifying information”.

42. “Property Damage” means:

- a. Physical injury to or destruction of tangible property including all resulting loss of use; or
- b. Loss of use of tangible property that is not physically injured.

43. “Regulatory Proceeding” means an investigation, demand or proceeding alleging a violation of law or regulation arising from a “personal data compromise” brought by, or on behalf of, the Federal Trade Commission, Federal Communications Commission or other administrative or regulatory agency, or any federal, state, local or foreign governmental entity in such entity’s regulatory or official capacity.

44. “Reputational Harm Costs”

- a. “Reputational harm costs” means the loss of Business Income during the “period of restoration” arising directly from damage to your reputation caused by a “personal data compromise”.

As used in this definition, Business Income means the sum of:

- (1) Net income (net profit or loss before income taxes) that would have been earned or incurred; and
- (2) Continuing normal and necessary operating expenses incurred, including “employee” and “executive” payroll.

- b. “Reputational harm costs” does not mean or include Business Income you lose due to:

- (1) Unfavorable or deteriorated business conditions;
- (2) Decreased market share;
- (3) Any other consequential damages or losses;
- (4) Legal costs or expenses;
- (5) Investment income;
- (6) Bank interest;
- (7) Seasonal fluctuations; or
- (8) Additional costs you incur to operate your business over and above the costs that you normally would have incurred to operate your business during the same period had no “personal data compromise” occurred.

45. “Reward Payments” means:

An amount of “money” paid by you to any individual(s) for information leading to the arrest and conviction of any perpetrator(s) of a “personal data compromise”, “computer attack”, “cyber extortion threat”, “wrongful transfer event”, or “computer fraud event” that:

- a. We agree to in writing prior to the “reward payments” being offered or paid; and
- b. Are offered and paid prior to the earlier of:
 - (1) Six months after the “personal data compromise”, “computer attack”, “cyber extortion threat”, “wrongful transfer event”, or “computer fraud event”; or
 - (2) Expiration of the policy term.

Such individual may not be:

- (1) You;
- (2) Your “employee”;
- (3) Anyone hired by you to investigate a “personal data compromise”, “computer attack”, “cyber extortion threat”, “wrongful transfer event”, or “computer fraud event”; or
- (4) A member of law enforcement.

46. “Securities”

- a. “Securities” means:

- (1) Written negotiable and non-negotiable instruments or contracts representing “money” or tangible property; or
- (2) Uncertified securities.

- b. “Securities” does not mean or include “money”.

47. "Settlement Costs"

- a. "Settlement costs" means the following, when they arise from a "claim":
 - (1) Damages, judgments or settlements; and
 - (2) Attorney's fees and other litigation costs added to that part of any judgment paid by us, when such fees and costs are awarded by law or court order; and
 - (3) Pre-judgment interest on that part of any judgment paid by us.
- b. "Settlement costs" does not mean or include:
 - (1) Civil or criminal fines or penalties imposed by law, except for civil fines and penalties expressly covered under Data Compromise Response Expenses;
 - (2) Punitive and exemplary damages;
 - (3) The multiple portion of any multiplied damages;
 - (4) Taxes; or
 - (5) Matters which may be deemed uninsurable under the applicable law.
- c. With respect to fines and penalties, the law of the jurisdiction most favorable to the insurability of those fines, or penalties will control for the purpose of resolving any dispute between us and you regarding whether the fines, or penalties specified in this definition above are insurable under this Cyber Coverage, provided that such jurisdiction:
 - (1) Is where those fines, or penalties were awarded or imposed;
 - (2) Is where any "wrongful act" took place for which such fines, or penalties were awarded or imposed;
 - (3) Is where you are incorporated or you have your principal place of business; or
 - (4) Is where we are incorporated or have our principal place of business.

48. "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 or include:
 - (1) Costs to increase the speed, capacity or utility of a "computer system" beyond what existed immediately prior to the "computer attack";
 - (2) Labor costs of your "employees" or "executives";
 - (3) Any costs in excess of the actual cash value of your "computer system"; or
 - (4) Costs to repair or replace hardware. However, at our sole discretion, we may choose to pay to repair or replace hardware if doing so reduces the amount of "loss" payable under this Cyber Coverage.

49. "Telecommunications Fraud Costs" means any payment that you are responsible for making to your Telephone Service Provider as a result of a "computer attack" on a "telecommunications system" that is owned or leased by you and operated under your control. As used in this definition, Telephone Service Provider means a business with which you have a written contract to provide you with telephone services.

50. "Telecommunications System" means any telephone or fax system including but not limited to, Voice over Internet Protocol (VoIP) or other internet based telephone system that is owned or leased by you and operated under your control.

51. "Termination of Coverage" means:

- a. You or we cancel this coverage;

- b. You or we refuse to renew this coverage; or
- c. We renew this coverage on an other than claims-made basis or with a retroactive date later than the date of the first inception of this coverage or any coverage substantially similar to that described in this Cyber Coverage.

52. "Third Party Corporate Data"

- a. "Third party corporate data" means any trade secret, data, design, interpretation, forecast, formula, method, practice, credit or debit card magnetic strip information, process, record, report or other item of information of a third party not an insured under this Cyber Coverage which is not available to the general public and is provided to you subject to a mutually executed written confidentiality agreement or which you are legally required to maintain in confidence.
- b. "Third party corporate data" does not mean or include "personally identifying information" or "personally sensitive information".

53. "Unauthorized Access Incident" means the gaining of access to a "computer system" by:

- a. An unauthorized person or persons; or
- b. An authorized person or persons for unauthorized purposes.

54. "Wrongful Act"

- a. With respect to Privacy Incident Liability, "wrongful act" means a "privacy incident".
- b. With respect to Network Security Liability, "wrongful act" means a "network security incident".
- c. With respect to Electronic Media Liability, "wrongful act" means an "electronic media incident".

55. "Wrongful Transfer Costs" means the amount of "money" fraudulently obtained from you. "Wrongful transfer costs" include the direct financial loss only. "Wrongful transfer costs" do not include any of the following:

- a. Other expenses that arise from the "wrongful transfer event";
- b. Indirect loss, such as "bodily injury", lost time, lost wages, identity recovery expenses or damaged reputation;
- c. Any interest, time value or potential investment gain on the amount of financial loss; or
- d. Any portion of such amount that has been or can reasonably be expected to be reimbursed by a third party, such as a financial institution.

56. "Wrongful Transfer Event"

- a. "Wrongful transfer event" means an intentional and criminal deception of you or a financial institution with which you have an account. The deception must be perpetrated by a person who is not an "employee", "executive" or "independent contractor" using email, facsimile or telephone communications to induce you or the financial institution to send or divert "money", "securities" or tangible property. The deception must result in direct financial loss to you.
- b. "Wrongful transfer event" does not mean or include any occurrence:
 - (1) In which you are threatened or coerced to send money or divert a payment; or
 - (2) Arising from a dispute or disagreement over the completeness, authenticity or value of a product, a service or a financial instrument.

All other terms and conditions of this policy not in conflict with the terms and conditions of this Endorsement shall continue to apply.

POLICYHOLDER NOTICE

Cyber Security Risk Management Services

This summary is provided as a matter of information only. This summary does not affirmatively or negatively amend, extend, or alter coverage afforded by your policies.

eRiskHub®

Cyber Security policyholders have no cost access to a risk management portal, eRiskHub®. eRiskHub® is easy to navigate and contains the latest information and best practices from cyber industry experts and organizations. The information in eRiskHub® can help you better understand your ever changing cyber and data related risks and help you establish cyber security as a focus for your employees and organization. Key features of the eRiskHub® Portal include:

- **Cyber Risk Tools** – Test your security knowledge with a self-assessment or a cyber protection survey.
- **Business Interruption Cost Calculator** – Use the cost calculator to explore how much a potential breach could cost and impact your business.
- **Incident Roadmap** – Follow a step-by-step process and use valuable checklists in the event of a data breach.
- **Cyber and Privacy News** – Stay informed by catching up on the latest cyber news stories and articles from security experts.
- **Resources** – Find the latest data on security breaches with downloadable articles and videos on data, security, insurance, and risk management trends.
- **Training** – Understand how hackers can infiltrate a system with cyber security information to use in your business or find vendors that have training available for your employees

To register for the SECURA Insurance eRiskHub:

1. Go to <https://eriskhub.com/secura>
2. Complete the entire registration form by creating a username and password. Enter 12116-582 in the Access Code field.
3. After registering, log in with your username and password in the upper right hand corner and click “Login”.

DISCLOSURE FORM CLAIMS-MADE POLICY

IMPORTANT NOTICE TO POLICYHOLDER

THIS DISCLOSURE FORM IS NOT YOUR POLICY. IT DESCRIBES SOME OF THE MAJOR FEATURES OF OUR CLAIMS-MADE POLICY FORM. READ YOUR POLICY CAREFULLY TO DETERMINE RIGHTS, DUTIES, AND WHAT IS AND IS NOT COVERED. ONLY THE PROVISIONS OF YOUR POLICY DETERMINE THE SCOPE OF YOUR INSURANCE PROTECTION.

YOUR POLICY

Your policy is a claims-made policy. It provides coverage only for injury or damage occurring after the policy retroactive date (if any) shown on your policy and the incident is reported to your insurer prior to the end of the policy period. Upon termination of your claims-made policy an extended reporting period option is available from your insurer.

There is no difference in the kind of injury or damage covered by occurrence or claims-made policies. Claims for damages may be assigned to different policy periods, depending on which type of policy you have.

If you make a claim under your claims-made policy, the claim must be a demand for damages by an injured party and does not have to be in writing. Under most circumstances, a claim is considered made when it is received and recorded by you or by us. Sometimes, a claim may be deemed made at an earlier time. This can happen when another claim for the same injury or damage has already been made, or when the claim is received and recorded during an extended reporting period.

PRINCIPAL BENEFITS

This policy provides for the coverage of certain cyber, privacy and information security risks up to the maximum dollar limit specified in the policy.

The principal benefits and coverages are explained in detail in your claims-made policy. Please read it carefully and consult your insurance producer about any questions you might have.

EXCEPTIONS, REDUCTIONS AND LIMITATIONS

Your claims-made policy contains certain exceptions, reductions and limitations. Please read them carefully and consult your insurance producer about any questions you might have.

RENEWALS AND EXTENDED REPORTING PERIODS

Your claims-made policy has some unique features relating to renewal, extended reporting periods and coverage for events with long periods of potential liability exposure. If there is a retroactive date in your policy, no event or occurrence prior to that date will be covered under the policy even if reported during the policy period. It is therefore important for you to be certain that there are no gaps in your insurance coverage. These gaps can occur in several ways. Among the most common are:

1. If you switch from an occurrence policy to a claims-made policy, the retroactive date in your claims-made policy should be no later than the expiration date of the occurrence policy.
2. When replacing a claims-made policy with a claims-made policy, you should consider the following:
 - a. The retroactive date in the replacement policy should extend far enough back in time to cover any events with long periods of liability exposure, or
 - b. If the retroactive date in the replacement policy does not extend far enough back in time to cover events with long periods of liability exposure, you should consider purchasing extended reporting period coverage under the old claims-made policy.
3. If you replace this claims-made policy with an occurrence policy, you may not have insurance coverage for a claim arising during the period of claims-made coverage unless you have purchased an extended reporting period under the claims-made policy. Extended reporting period coverage must be offered to you by law for at least one year after the expiration of the claims-made policy at a premium not to exceed 200% of your last policy premium.

CAREFULLY REVIEW YOUR POLICY REGARDING THE AVAILABLE EXTENDED REPORTING PERIOD COVERAGE, INCLUDING THE LENGTH OF COVERAGE, THE PRICE AND THE TIME PERIOD DURING

**WHICH YOU MUST PURCHASE OR ACCEPT ANY OFFER FOR EXTENDED REPORTING PERIOD
COVERAGE.**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COLORADO AMENDATORY

This endorsement modifies the insurance provided under the following:
CYBER SECURITY COVERAGE PART

With respect to coverage provided by this Endorsement, the provisions of the Coverage Form apply unless modified by the Endorsement.

E. ADDITIONAL CONDITIONS, 6. Extended Reporting Periods, paragraph **b.(2)** is deleted and replaced with the following:

- (2) Upon payment of the additional premium of 100% of the full annual premium associated with the relevant coverage, a Supplemental Extended Reporting Period of one year immediately following the effective date of the "termination of coverage" during which you may first receive notice of a "claim" or "regulatory proceeding" arising directly from a "wrongful act" occurring before the end of the "policy period" and which is otherwise insured by this Cyber Coverage.

To obtain the Supplemental Extended Reporting Period, you must request it in writing and pay the additional premium due, within 60 days after the effective date of "termination of coverage". The additional premium for the Supplemental Extended Reporting Period will 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.

Upon your request, you shall be provided within 30 days thereafter, sufficient information about closed or paid claims, claims for which the company has established reserves, and claims for which the company has received notices of occurrences which could give rise to claims to allow you to determine how much of your aggregate coverage remains available under the policy.

All other terms and conditions of this policy not in conflict with the terms and conditions of this Endorsement shall continue to apply.

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – VIOLATION OF PRIVACY LAW

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL UMBRELLA LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE FORM
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
PROFESSIONAL LIABILITY COVERAGE FORM
PROFESSIONAL ERRORS AND OMISSIONS COVERAGE FORM
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

With respect to coverage provided by this endorsement, the provisions of the Coverage Form or Part, apply unless modified by this endorsement.

- A. The following is added to any Exclusions section(s) within the COMMERCIAL GENERAL LIABILITY COVERAGE PART, COMMERCIAL UMBRELLA LIABILITY COVERAGE PART, OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART, PROFESSIONAL ERRORS AND OMISSIONS COVERAGE FORM, AND RAILROAD PROTECTIVE LIABILITY COVERAGE PART:

Violation of Privacy Law

This insurance does not apply to “bodily injury”, “property damage”, “personal and advertising injury”, “physical damage to property”, “wrongful act”; or “damages” arising directly or indirectly out of any act or omission that violates or is alleged to violate:

1. The Illinois Biometric Information Privacy Act (BIPA), including any amendment of or addition to such law; or
2. The California Consumer Privacy Act (CCPA), including any amendment of or addition to such law; or
3. The New York Cybersecurity Regulation, including any amendment of or addition to such law; or
4. The Health Insurance Portability and Accountability Act (HIPAA), or any similar state laws regulating privacy of health information, including any amendment of or addition to such law; or
5. Any federal, state, or local statute, law, rule, ordinance, or regulation that addresses, prohibits, regulates, or limits the printing, interception, dissemination, disposal, destruction, disclosure, redisclosure, handling, collecting, capture, recording, receipt through trade, printing, publication, sending, transmitting, communicating, distribution, safeguarding, sharing, sale, lease or trade, storage, retaining, receiving, retrieval, or protection of “personal data”.
6. Any statute, law, rule, ordinance, or regulation outside the United States of America (including its territories and possessions) or Puerto Rico that addresses “personal data”, including but not limited to the European Union’s General Data Protection Regulation.

This exclusion applies even if the claims against the insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the “wrongful act” which caused the “damages” arising directly or indirectly out of any act or omission that violates or is alleged to violate any statute, law, rule, ordinance, or regulation described in (1) through (6) above.

- B. The following is added to any Exclusion section(s) within SECTION II – GENERAL LIABILITY COVERAGES, and SECTION III – ACTS, ERRORS, OR OMISSIONS LIABILITY COVERAGES of the AUTO DEALERS COVERAGE FORM:

Violation of Privacy Law

This insurance does not apply to “bodily injury”, “property damage”, “personal and advertising injury”, or “act, error or omission” arising directly or indirectly out of any act or omission that violates or is alleged to violate:

1. The Illinois Biometric Information Privacy Act (BIPA), including any amendment of or addition to such law; or
2. The California Consumer Privacy Act (CCPA), including any amendment of or addition to such law; or

3. The New York Cybersecurity Regulation, including any amendment of or addition to such law; or
4. The Health Insurance Portability and Accountability Act (HIPAA), or any similar state laws regulating privacy of health information, including any amendment of or addition to such law; or
5. Any federal, state, or local statute, law, rule, ordinance, or regulation that addresses, prohibits, regulates, or limits the printing, interception, dissemination, disposal, destruction, disclosure, redisclosure, handling, collecting, capture, recording, receipt through trade, printing, publication, sending, transmitting, communicating, distribution, safeguarding, sharing, sale, lease or trade, storage, retaining, receiving, retrieval, or protection of "personal data".
6. Any statute, law, rule, ordinance, or regulation outside the United States of America (including its territories and possessions) or Puerto Rico that addresses "personal data", including but not limited to the European Union's General Data Protection Regulation.

This exclusion applies even if the claims against the insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "wrongful act" which caused the "damages" arising directly or indirectly out of any act or omission that violates or is alleged to violate any statute, law, rule, ordinance, or regulation described in (1) through (6) above.

- C. The following is added to any Definitions section within the AUTO DEALERS COVERAGE FORM, COMMERCIAL GENERAL LIABILITY COVERAGE PART, COMMERCIAL UMBRELLA LIABILITY COVERAGE PART, CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART, PROFESSIONAL ERRORS AND OMISSIONS COVERAGE FORM, AND RAILROAD PROTECTIVE LIABILITY COVERAGE PART:

"Personal Data"

Means any information which are related to an identified or identifiable natural person, including but not limited to:

1. Identifiers such as a real name, alias, postal address, unique personal identifier, email address, password, account name, social security number, driver's license or state identification card number, passport number, telephone number, written signature, insurance policy number;
2. Financial data or information such as bank account number, credit card number, debit card number, or any other financial data or information;
3. Health information including but not limited to:
 - (a) Health insurance information, policy information, or other similar identifiers, characteristics, or descriptors;
 - (b) Health conditions, identifiable health information, health care operations, treatment, prescriptions, services, or other similar identifiers, characteristics, or descriptors; or
 - (c) Other similar health or health information identifiers;
4. Biometric data or information, or identifiers such as an individual's physiological, biological, or behavioral characteristics, including but not limited to:
 - (a) Deoxyribonucleic acid (DNA), that can be used, singly or in combination with each other or with other identifying data, to establish identity;
 - (b) Fingerprint, footprint, voice print or records, retina or iris image, scan or image of the hand, palm, or vein patterns or face geometry;
 - (c) Keystroke patterns or rhythms, gait patterns or rhythms, sleep health, or exercise characteristics; or
 - (d) Other unique physical representation or digital representation of biometric data.
5. Internet or other electronic network activity information, including, but not limited to:

Browsing history, search history, and information regarding a person's, household's, or organization's interaction with an internet website or application, online identifier, Internet Protocol address, or advertisement;
6. Geolocation data;

7. Professional or employment-related information that is not publicly available including but not limited to employment history, applications for employment, licensing, disciplinary, or censure proceedings; or
8. Any other non-public information as set forth in any privacy or security regulation.

All other terms and conditions of this policy not in conflict with the terms and conditions of this endorsement shall continue to apply.

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – CYBER INCIDENT

This endorsement modifies insurance provided under the following:
EMPLOYMENT PRACTICES LIABILITY INSURANCE

With respect to coverage provided by this endorsement, the provisions of the Coverage Part apply unless modified by this endorsement.

The following exclusion is added to SECTION II – COVERAGE: EMPLOYMENT PRACTICES LIABILITY, 3. EXCLUSIONS within Employment Practices Liability Insurance:

A. Access or Disclosure

This insurance does not apply to “claims” arising directly or indirectly from any confidential or personal information, including financial, health, biometric, employment or any other type of nonpublic information in any form in any way involving:

1. Access to or disclosure of such information; or
2. Collection, acquisition, maintenance, or retention of confidential or personal information, including the failure to comply with a legal requirement to correct or delete such information, or provide individuals with the ability to consent to the collection, acquisition, maintenance, or retention of such information.

However, this exclusion shall not apply to allegations of “employment practices” as described in subparagraphs a-g of the definition of “employment practices”.

B. Cyber Incident

1. This insurance does not apply to “damages” because of any act, error or omission, arising out of, caused by, based upon or attributable to, whether directly or indirectly, or in any sequence, the following:
 - a. Any actual, alleged or threatened unauthorized access to or use of any computer system (including electronic data); or
 - b. Malicious code, virus or any other harmful code that is directed at, enacted upon or introduced into any computer system (including electronic data) and is designed to access, alter, corrupt, damage, delete, destroy, disrupt, encrypt, exploit, use or prevent or restrict access to or the use of any part of any computer system (including electronic data) or otherwise disrupt its normal functioning or operation; or
 - c. Denial of service attack which disrupts, prevents or restricts access to or use of any computer system, or otherwise disrupts its normal functioning or operation including the rendering of or failure to render any service by you or on your behalf; or
 - d. Failure to safeguard any electronic data, computer, or computer or communication network.

2. Exception and Limitations

This exclusion applies even if damages are claimed for notification costs, credit or identity monitoring expenses, forensic expenses, public relations expenses, data restoration expenses, extortion 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.

All other terms and conditions of this policy not in conflict with the terms and conditions of this Endorsement shall continue to apply.

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – VIOLATION OF PRIVACY LAW

This endorsement modifies insurance provided under the following:
EMPLOYMENT PRACTICES LIABILITY INSURANCE

With respect to coverage provided by this endorsement, the provisions of the Coverage Part apply unless modified by this endorsement.

A. The following is added to the 3. EXCLUSIONS section within the EMPLOYMENT PRACTICES LIABILITY INSURANCE:

Violation of Privacy Law

This insurance does not apply to “damages” arising directly or indirectly out of any action or omission that violates or is alleged to violate:

1. The Illinois Biometric Information Privacy Act (BIPA), including any amendment of or addition to such law; or
2. The California Consumer Privacy Act (CCPA), including any amendment of or addition to such law; or
3. The New York Cybersecurity Regulation, including any amendment of or addition to such law; or
4. The Health Insurance Portability and Accountability Act (HIPAA), or any similar state laws regulating privacy of health information, including any amendment of or addition to such law; or
5. Any federal, state, or local statute, law, rule, ordinance, or regulation that addresses, prohibits, regulates, or limits the printing, interception, dissemination, disposal, destruction, disclosure, redisclosure, handling, collecting, capture, recording, receipt through trade, printing, publication, sending, transmitting, communicating, distribution, safeguarding, sharing, sale, lease or trade, storage, retaining, receiving, retrieval, or protection of “personal data”.
6. Any statute, law, rule, ordinance, or regulation outside the United States of America (including its territories and possessions) or Puerto Rico that addresses “personal data”, including but not limited to the European Union’s General Data Protection Regulation.

This exclusion also applies to any “claim” based upon, arising from or in consequence of any actual or alleged retaliatory treatment of the claimant by the insured on account of the claimant’s exercise of rights pursuant to any statute, law, rule, ordinance, or regulation described in (1) through (6) above.

B. The following is added to SECTION I – DEFINITIONS within the EMPLOYMENT PRACTICES LIABILITY INSURANCE:

“Personal Data”

Means any information which are related to an identified or identifiable natural person, including but not limited to:

1. Identifiers such as a real name, alias, postal address, unique personal identifier, email address, password, account name, social security number, driver’s license or state identification card number, passport number, telephone number, written signature, insurance policy number;
2. Financial data or information such as bank account number, credit card number, debit card number, or any other financial data or information;
3. Health information including but not limited to:
 - a. Health insurance information, policy information, or other similar identifiers, characteristics, or descriptors;
 - b. Health conditions, identifiable health information, health care operations, treatment, prescriptions, services, or other similar identifiers, characteristics, or descriptors;
 - c. Other similar health or health information identifiers;
4. Biometric data or information, or identifiers such as an individual’s physiological, biological, or behavioral characteristics, including but not limited to:

- a. Deoxyribonucleic acid (DNA), that can be used, singly or in combination with each other or with other identifying data, to establish identity;
 - b. Fingerprint, footprint, voice print or records, retina or iris image, scan or image of the hand, palm, or vein patterns or face geometry;
 - c. Keystroke patterns or rhythms, gait patterns or rhythms, sleep health, or exercise characteristics;
 - d. Other unique physical representation or digital representation of biometric data.
5. Internet or other electronic network activity information, including, but not limited to:
Browsing history, search history, and information regarding a person's, household's, or organization's interaction with an internet website or application, online identifier, Internet Protocol address, or advertisement;
 6. Geolocation data; or
 7. Professional or employment-related information that is not publicly available including but not limited to employment history, applications for employment, licensing, disciplinary, or censure proceedings; or
 8. Any other non-public information as set forth in any privacy or security regulation.

All other terms and conditions of this policy not in conflict with the terms and conditions of this endorsement shall continue to apply.

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – CYBER INCIDENT

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL UMBRELLA LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE FORM
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
PROFESSIONAL LIABILITY COVERAGE FORM
PROFESSIONAL ERRORS AND OMISSIONS COVERAGE FORM
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

With respect to coverage provided by this endorsement, the provisions of the Coverage Form or Part, apply unless modified by this endorsement.

- A. The following is added to any Exclusions section(s) within COMMERCIAL GENERAL LIABILITY COVERAGE PART and COMMERCIAL UMBRELLA LIABILITY COVERAGE PART:

Cyber Incident

This insurance does not apply to "bodily injury", "property damage", "personal and advertising injury", "damages", "wrongful act", or "injury" because of any act, error or omission arising out of, caused by, based upon or attributable to, whether directly or indirectly or in any sequence, the following:

1. Any actual, alleged or threatened unauthorized access to or use of any computer system (including electronic data); or
2. Malicious code, virus or any other harmful code that is directed at, enacted upon or introduced into any computer system (including electronic data) and is designed to access, alter, corrupt, damage, delete, destroy, disrupt, encrypt, exploit, use or prevent or restrict access to or the use of any part of any computer system (including electronic data) or otherwise disrupt its normal functioning or operation; or
3. Denial of service attack which disrupts, prevents or restricts access to or use of any computer system, or otherwise disrupts its normal functioning or operation including the rendering of or failure to render any service by you or on your behalf; or
4. Failure to safeguard any electronic data, computer, or computer or communication network.

This exclusion applies even if the claims against the insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "wrongful act" which caused the "damages" involved a. through d. above.

However, this exclusion does not apply to liability for damages because of "bodily injury" arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data resulting from a cyber incident.

- B. The following is amended to add to SECTION II - GENERAL LIABILITY COVERAGES, 2. Exclusions of the AUTO DEALERS COVERAGE FORM:

Cyber Incident

This insurance does not apply to "bodily injury", "property damage", "personal and advertising injury", because of any act, error or omission arising out of, caused by, based upon or attributable to, whether directly or indirectly or in any sequence, the following:

1. Any actual, alleged or threatened unauthorized access to or use of any computer system (including electronic data); or
2. Malicious code, virus or any other harmful code that is directed at, enacted upon or introduced into any computer system (including electronic data) and is designed to access, alter, corrupt, damage, delete, destroy, disrupt, encrypt, exploit, use or prevent or restrict access to or the use of any part of any computer system (including electronic data) or otherwise disrupt its normal functioning or operation; or

3. Denial of service attack which disrupts, prevents or restricts access to or use of any computer system, or otherwise disrupts its normal functioning or operation including the rendering of or failure to render any service by you or on your behalf; or
4. Failure to safeguard any electronic data, computer, or computer or communication network.

This exclusion applies even if the claims against the insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "wrongful act" which caused the "damages" involved a. through d. above.

However, this exclusion does not apply to liability for damages because of "bodily injury" arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data resulting from a cyber incident.

- C. The following is amended to add to SECTION III – ACTS, ERRORS OR OMISSIONS LIABILITY COVERAGE, B. Exclusions of the AUTO DEALERS COVERAGE FORM:

Cyber Incident

This insurance does not apply to damages because of any act, error or omission arising out of, caused by, based upon or attributable to, whether directly or indirectly or in any sequence, the following:

1. Any actual, alleged or threatened unauthorized access to or use of any computer system (including electronic data); or
2. Malicious code, virus or any other harmful code that is directed at, enacted upon or introduced into any computer system (including electronic data) and is designed to access, alter, corrupt, damage, delete, destroy, disrupt, encrypt, exploit, use or prevent or restrict access to or the use of any part of any computer system (including electronic data) or otherwise disrupt its normal functioning or operation; or
3. Denial of service attack which disrupts, prevents or restricts access to or use of any computer system, or otherwise disrupts its normal functioning or operation including the rendering of or failure to render any service by you or on your behalf; or
4. Failure to safeguard any electronic data, computer, or computer or communication network.

This exclusion applies even if the claims against the insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "wrongful act" which caused the "damages" involved a. through d. above.

- D. The following is added to any Exclusions section(s) within the OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART, and RAILROAD PROTECTIVE LIABILITY COVERAGE PART:

Cyber Incident

This insurance does not apply to "bodily injury", "property damage", or "physical damage to property" because of any act, error or omission arising out of, caused by, based upon or attributable to, whether directly or indirectly or in any sequence, the following:

1. Any actual, alleged or threatened unauthorized access to or use of any computer system (including electronic data); or
2. Malicious code, virus or any other harmful code that is directed at, enacted upon or introduced into any computer system (including electronic data) and is designed to access, alter, corrupt, damage, delete, destroy, disrupt, encrypt, exploit, use or prevent or restrict access to or the use of any part of any computer system (including electronic data) or otherwise disrupt its normal functioning or operation; or
3. Denial of service attack which disrupts, prevents or restricts access to or use of any computer system, or otherwise disrupts its normal functioning or operation including the rendering of or failure to render any service by you or on your behalf; or
4. Failure to safeguard any information (including electronic data), computer, or computer or communication network.

This exclusion applies even if the claims against the insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "wrongful act" which caused the "damages" involved a. through d. above.

- E. The following is added to any Exclusions section(s) within the PROFESSIONAL ERRORS AND OMISSIONS COVERAGE FORM:

Cyber Incident

This insurance does not apply to "wrongful act", or "damages" because of any act, error or omission arising out of, caused by, based upon or attributable to, whether directly or indirectly or in any sequence, the following:

1. Any actual, alleged or threatened unauthorized access to or use of any computer system (including electronic data); or
2. Malicious code, virus or any other harmful code that is directed at, enacted upon or introduced into any computer system (including electronic data) and is designed to access, alter, corrupt, damage, delete, destroy, disrupt, encrypt, exploit, use or prevent or restrict access to or the use of any part of any computer system (including electronic data) or otherwise disrupt its normal functioning or operation; or
3. Denial of service attack which disrupts, prevents or restricts access to or use of any computer system, or otherwise disrupts its normal functioning or operation including the rendering of or failure to render any service by you or on your behalf; or
4. Failure to safeguard any information (including electronic data), computer, or computer or communication network.

This exclusion applies even if the claims against the insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "wrongful act" which caused the "damages" involved a. through d. above.

All other terms and conditions of this policy not in conflict with the terms and conditions of this endorsement shall continue to apply.

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