

Your Great American Insurance PolicySM

301 E. Fourth St., Cincinnati, OH 45202



800-545-4269

GAIG.com

Great American eRiskHub® Portal

When a cyber event occurs, time is of the essence. Having a plan in place with access to the third-party resources you need can help you efficiently and cost-effectively respond and recover.

Respond and recover quickly with eRiskHub

As a Great American policyholder, you have access to the eRiskHub® portal, powered by NetDiligence®. eRiskHub provides tools and resources to help you:

- Understand your exposures
- Establish a response plan
- Minimize the effects of a breach on your organization

How do I use eRiskHub?

Registration is simple - go to eriskhub.com/greatamerican and enter **186488** in the Access Code field. You'll create your own username and password. Once registered, you can access tools that will help you assess risk, prepare for and/or modify your response plan, and familiarize yourself with the service.

What if I want to speak to a lawyer?

Your policy includes Incident Consultation Coverage from a third-party law firm for actual or suspected privacy and network security incidents. There is no deductible or additional out of pocket expense to use this consultation and the coverage is in addition to your policy's limits of insurance. Not every suspected incident means you need to notify us. This consultation will help you decide what next steps are necessary including whether or not you need to notify us. The Incident Consultation Hotline can be found at eriskhub.com/greatamerican.



When a breach event occurs,
time is of the essence.



eriskhub.com/greatamerican

Tools and Breach Coaches are available 24 hours a day, seven days a week.

Great American Insurance Group, 301 E. Fourth St., Cincinnati, OH 45202. Great American does not endorse the companies or services listed on eRiskHub.com and NetDiligence Inc. is solely responsible for all eRiskHub.com content. Unless otherwise indicated or approved, payment for services provided by these companies is your responsibility. Coverage description is summarized. Refer to the actual policy for a full description of applicable terms, conditions, limits and exclusions. Policies are underwritten by Great American Insurance Company, Great American Alliance Insurance Company, and Great American Spirit Insurance Company, authorized insurers in all 50 states and DC. The Great American Insurance Group eagle logo and the word marks Great American® and Great American Insurance Group® are registered service marks of Great American Insurance Company. © 2018 Great American Insurance Company. All rights reserved. 0002-CBR (12/18)

GAIG.com



Need to file a Property, Liability or Auto claim?

We make the process easy and stress free.

At Great American, we understand that filing a claim can be upsetting and stressful. That's why we give you multiple ways to report your claim.

Before reporting your claim, please have ready:

- Your policy number
- Complete and accurate information regarding the claim.



Email our claims team

AlternativeMarketsClaims@gaig.com



Fax your claim

888-223-1317



Call our claims center

866-750-4216 (from 8:00 a.m.-5:00 pm.)

Once a claim has been submitted, it will be acknowledged and investigated by your claim professional.

Thank you for choosing Great American Insurance Group!

Great American® at Your Service...

We would like to take this opportunity to thank you for placing your insurance with Great American. We are committed to providing you with excellent service and have established phone lines to help you present claim inquiries, obtain information about coverages and resolve conflicts.

CUSTOMER SERVICE I.D. CARD

Insured: CALIFORNIA CHAPTER AMERICAN	Policy No.: SPP 6365149 12 00
Service Contacts: Affinity Insurance Services	Phone No.: (800)453-5191 (202)223-0876
Claims Including Emergency Claims (toll free)	(866)750-4216
	Issue Date: 03/22/2020

Since your agent is your primary contact, we suggest that you attempt to contact the agency first. If your agent is not available, call the Great American claims office during regular business hours. Should a loss occur after business hours, you can leave a message via our toll-free Emergency Claims phone line. An experienced Great American Claims Representative will contact you as soon as possible.

CUSTOMER SERVICE I.D. CARD

Insured: CALIFORNIA CHAPTER AMERICAN	Policy No.: SPP 6365149 12 00
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Claims Including Emergency Claims (toll free)	(866)750-4216
	Issue Date: 03/22/2020

The Great American customer service i.d. card attached will keep your agent's number and the Great American toll-free claim phone number and emergency claim phone number at your fingertips. Please carry it with you at all times so that you know whom to call in any situation.

CUSTOMER SERVICE I.D. CARD

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Service Contacts: Affinity Insurance Services	Phone No.: (800)453-5191 (202)223-0876
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	Issue Date: 03/22/2020

Slips and Falls

Slips and falls cause thousands of accidents and serious injuries every year. A tragic number of cases end in permanent crippling or death! The dollar cost is tremendous.

No business or industry is free from the danger of slips and falls. The hazards exist everywhere – stores and factories, sidewalks and stairs, homes and playgrounds – everywhere!

A little extra care, a few cents for correction or materials, and prompt attention to unsafe floor surfaces will easily and quickly prevent most falls.

Here's what to do – If the unsafe condition is due to:

- 1. WETNESS:** Divert the water, ditch, drain or otherwise prevent it from getting on the walking surface in the first place. If it is impossible or impractical to dry the floor, use duck boards or similar devices to keep feet from contact with the wet surface; or cover the area with an abrasive (nonskid) coating.
- 2. LEAKS AND SPILLS:** Stop the leak at its source. Make all necessary repairs and establish maintenance and inspection procedures to prevent recurrence of the leak. All employees should be instructed to clean up spills promptly. If clean up must be delayed, the affected area should be cordoned off to reduce the slip and fall exposure.
- 3. OIL OR GREASE:** Stop the oil or grease from getting on the floor at its origin. Where this is not always possible, (such as under vehicles), wipe up all excess oil or grease. Use a nonflammable absorbent to clean up the residue. Dispose of oil soaked rags and absorbances promptly and safely.
- 4. RAIN, ICE OR SNOW:** Stop at the source if possible by use of canopies, eaves troughs, location of down spouts, etc. Use grille type flooring so snow falls through. Shovel snow promptly before it packs. Use safe or safe commercial compounds to melt ice so it can be cleared off. For ice and snow that can not be removed, apply coarse sand to provide an abrasive walking surface. Door mats and/or lengths of rubber runners at building entrances help prevent rain water, snow and ice from getting on floors and creating slipping hazards.
- 5. OBJECTS ON THE FLOOR:** Prevent the development of tripping and slipping hazards from such things as scrap, tool parts, etc., on the floor. Provide and USE scrap boxes, tool holders, tote boxes or whatever may be necessary for this purpose. Train employees to pick up such items whenever they see them. Establish regular housekeeping procedures and inspections.

No business or industry is free from the danger of slips and falls. The hazards exist everywhere – stores and factories, sidewalks and stairs, homes and playgrounds – everywhere!

- 6. SMOOTH SURFACES:** Safeguarding of smooth surfaces will depend on the circumstances involved. The basic objective is to make walking and standing surfaces as non-slippery as possible. To illustrate, smooth terrazzo steps should have at least “roughened” nosings. These are 3 1/2” to 4” carborundum type or other nonskid strips set flush with the rest of the tread. Running boards, catwalks, machine steps, truck beds, ramps, platforms, washrooms—any and every place where a person steps or stands, should be made of nonslip material or should have a nonslip coating. Anti-slip materials include grilles, knurled, corrugated or other roughened metal plates, etc. Anti-slip coatings include special “paints” or other surfacers which contain abrasives. Workers should wear footwear with nonskid soles and heels. Under special conditions, footwear should have special soles and heels such as imbedded abrasives, hob nails, cleats or the like.
- 7. POLISHING WAXES:** Floors in stores, halls and offices are of many types – hardwood, rubber tile, cork, etc. Each presents special problems of maintenance for cleaning and preservation without damage to the surface. What is ideal for one may be harmful to others. There are anti-slip waxes or other anti-slip floor treatment materials for all common types of flooring. Because of the importance of selecting the proper anti-slip wax or material for the individual floor, the manufacturer of the flooring material or of floor treatment materials should be consulted for the exact product which will provide anti-slip treatment for the floor in question. Nonskid mats, runners or carpet strips are highly effecting to prevent slips and falls in many areas without harm to the flooring and without detracting from its beauty.

Contact your local Great American Loss Prevention Specialist for additional information.

The loss prevention information and advice presented in this brochure are intended only to advise our insureds and their managers of a variety of methods and strategies based on generally accepted safe practices, for controlling potentially loss producing situations commonly occurring in business premises and/or operations. They are not intended to warrant that all potential hazards or conditions have been evaluated or can be controlled. They are not intended as an offer to write insurance coverage for such conditions or exposures, or to simply that Great American Insurance Company will write such coverage. The liability of Great American Insurance Company is limited to the specific terms, limits and conditions of the insurance policies issued.
301 E. Fourth Street, Cincinnati, OH 45202 F13363D-LP (12/12)

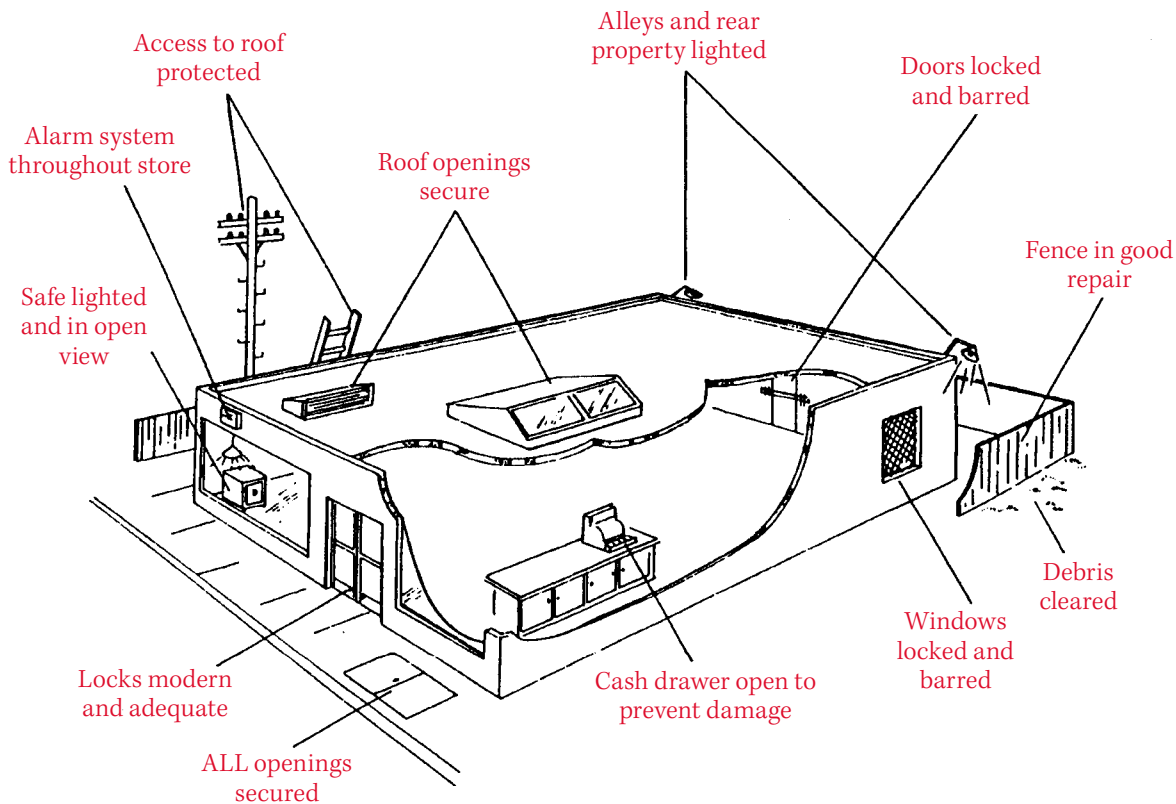


Burglary Prevention

You probably need not be reminded that crime has been on the upswing. Burglaries/break-ins, in particular, have increased at an alarming rate. All businesses, large or small, are vulnerable.

Professional thieves are usually expert at their trade and are difficult to defeat. However, a significant number of burglaries are attempted by “amateurs”. A few simple precautions may stop them.

Burglaries/break-ins, in particular, have increased at an alarming rate. All businesses, large or small, are vulnerable.



Light up the premises

Burglars avoid areas that are illuminated. They seek dark areas where they can work undetected.

1. Adequately illuminate all entrances.
2. Locate indoor lighting so intruders' silhouette can be seen from the street.
3. Plant shrubbery so it does not provide a convenient hiding place near doors/windows.

Lock out the burglar

Make it difficult for the intruder to get into and move around your premises. Windows, doors, including loading dock doors, and other openings, such as roof hatches should be securely locked.

1. All exterior doors should be provided with dead bolt locks that have at least a one-inch throw.
2. Side and rear doors should be provided with supplemental protection, such as an iron gate, police bar, or four-point locking device.
3. Padlock bar extension locks on overhead garage type doors.
4. Outward swinging doors should have hinges with non-removable pins.
5. Use substantial doors on all perimeter openings.
 - Side and rear doors should be of solid-wood or steel construction and installed in reinforced steel frames.
 - Hollow-core wood doors or panel doors should be replaced or be reinforced on the inside with sheet steel panels.
 - Glass panels on side and rear doors should be replaced or backed-up with burglary-resisting glazing material that is listed by Underwriters Laboratories Inc. (UL).
 - Side and rear doors should be illuminated from above and lighting fixtures protected against accidental or intentional breakage.

Note: Means of egress must be unlocked when the building is occupied and locking devices should not conflict with building and life safety code requirements.

Keep valuables safe

Cash or easily disposed of merchandise will attract burglars.

1. Maintain minimum cash on hand. Make regular bank deposits.
2. Empty cash registers at night and leave drawers open.
3. Lock up separately stores of liquor, cigarettes, and other "target" merchandise.
4. If local conditions warrant, install a suitable safe or alarm system to protect your property.
5. Lock up carefully each night. Check all windows, doors, alarms, and lights.

For additional information/assistance in evaluating your security arrangements, contact your local Great American Loss Prevention Specialist.

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Property and Casualty
 Privacy Notice and Notice of Insurance Information Practices

FACTS	WHAT DOES GREAT AMERICAN INSURANCE GROUP–PROPERTY AND CASUALTY (“GREAT AMERICAN”) DO WITH YOUR PERSONAL INFORMATION?
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> Social Security Number, date of birth, income; Policy coverage, premiums, account balances, payment and claim history; Credit history, driving record, medical and employment information. <p>When you are no longer our customer, we continue to share your information as described in this notice.</p>
How?	All financial companies need to share customers’ personal information to operate their business. In the section below, we list the reasons financial companies can share their customers’ personal information; the reasons Great American chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Great American share?	Can you limit this sharing?
For our everyday business purposes— such as to process your transactions, maintain account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes— to offer our products and services to you	Yes	No
For joint marketing with other financial companies	Yes	No
For our affiliates’ everyday business purposes— information about your transactions and experiences	Yes	No
For our affiliates’ everyday business purposes— information about your creditworthiness	No	We do not share
For our nonaffiliates to market to you	No	We do not share

Questions?	Call 1-800-545-4269 or go to http://www.greatamericaninsurancegroup.com .
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Who we are	
Who is providing this notice?	This notice is provided by certain companies that make up Great American. These companies are listed below.
What we do	
How does Great American protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. We also limit access to your information to those who need it to do their jobs.
How does Great American collect my personal information?	<p>We collect personal information about you, for example, when you</p> <ul style="list-style-type: none"> • Apply for insurance • Give us your contact information • Pay your insurance premiums • File an insurance claim • Tell us who receives the money • Visit our website or email us. <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
Why can't I limit all sharing?	<p>Federal laws give you the right to limit only:</p> <ul style="list-style-type: none"> • Sharing for affiliates' everyday business purposes—information about your creditworthiness • Affiliates from using your information to market to you • Sharing for nonaffiliates to market to you. <p>State laws and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law.</p>
Definitions	
Affiliates	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies. Our affiliates include:</p> <ul style="list-style-type: none"> • Financial companies with a common Great American name; • Financial companies, such as MidContinent Casualty Company, Republic Indemnity Company of America, Summit Consulting LLC, National Interstate Insurance Company, or Premier Lease and Loan Services Insurance Agency, Inc. • Others, such as American Financial Group, Inc.
Nonaffiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies. Great American does not share with nonaffiliates so they can market to you.
Joint marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. Our joint marketing partners include insurance agents or other insurance licensees.

Other important information

We do not disclose your health information with third parties, unless authorized by you or as allowed or required by law. We may disclose your information, as permitted by law, to underwrite or administer your policy, claim or account.

We may disclose your information to conduct research, so long as no individual data may be identified in the research study report.

You may review and correct information that we collect about you. To access your information please send a signed, written request to P&C Legal at Great American Insurance Company, 301 East Fourth Street, Cincinnati, Ohio 45202-4269; or by email to clegal@gaig.com. Please include your full name, address, telephone number, and policy number in your letter. We may request other information to validate your identity, such as a copy of your driver's license or other valid photo identification. If you believe any of your information is incomplete or incorrect, please write to us and explain what data you believe needs correcting. We will review your information. If we agree, we will correct our records. If we do not agree, you may file a written statement of dispute with us. Upon your request, we also may provide you with more information regarding the disclosure of your information.

Great American Insurance Company
Great American Alliance Insurance Company
Great American Assurance Company
Great American Casualty Insurance Company
Great American Contemporary Insurance Company
Great American E&S Insurance Company
Great American Fidelity Insurance Company
Great American Insurance Company of New York
Great American Protection Insurance Company
Great American Security Insurance Company
Great American Spirit Insurance Company

American Empire Surplus Lines Insurance Company
American Empire Insurance Company
GAI Warranty Company
GAI Warranty Company of Florida
Dempsey and Siders, Inc.
Eden Park Insurance Brokers, Inc.
Professional Risk Brokers, Inc.
ABA Insurance Services Inc.
Great American Insurance Agency, Inc.
Premier Lease & Loan Insurance Services Insurance Agency, Inc.

AUTO BODY REPAIR CONSUMER BILL OF RIGHTS

A consumer is entitled to:

1. Select the auto body repair shop to repair auto body damage covered by the insurance company. An insurance company may not require the repairs to be done at a specific auto body repair shop.
2. An itemized written estimate for auto body repairs and, upon completion of repairs, a detailed invoice. The estimate and the invoice must include an itemized list of parts and labor along with the total price for the work performed. The estimate and invoice must also identify all parts as new, used, aftermarket, reconditioned or rebuilt.
3. Be informed about coverage for towing and storage services.
4. Be informed about the extent of coverage, if any, for a replacement rental vehicle while a damaged vehicle is being repaired.
5. Be informed of where to report suspected fraud or other complaints and concerns about auto body repairs.
6. Seek and obtain an independent repair estimate directly from a registered auto body repair shop for repair of damaged vehicle, even when pursuing an insurance claim for repair of the vehicle.

Complaints within the jurisdiction of the Bureau of Automotive Repair

Complaints concerning the repair of a vehicle by an auto body repair shop should be directed to:

Toll Free (866) 799-3811
Bureau of Automotive Repair 10949
North Mather Blvd.
Rancho Cordova, CA 95670

The Bureau of Automotive Repair can also accept complaints over its web site at: www.autorepair.ca.gov

Complaints within the jurisdiction of the California Insurance Commissioner

Any concerns regarding how an insurance claim is being handled should be submitted to the California Department of Insurance at:

(800) 927-4357 or (213) 897-8921
California Department of Insurance
Consumer Services Division
300 South Spring Street
Los Angeles, CA 90013

The California Department of Insurance can also accept complaints over its web site at: www.insurance.ca.gov

Policyholder Notice

Jurisdictional Inspections for Boilers and Pressure Vessels

This notice is to provide information regarding Equipment Breakdown Coverage.

If your policy includes breakdown coverage for boilers or certain other pressure vessels, jurisdictional inspections may be required by law. You, the Insured, can request this jurisdictional inspection and/or get help with technical questions regarding all of the equipment directly from Hartford Steam Boiler Company by contacting:

Hartford Steam Boiler's Inspection Hotline

Telephone: 1-800-333-INSP
Fax: 1-484-582-1811
E-mail: NSCINSP_HOTLINE@hsb.com

Inspections will be scheduled promptly!

ADVISORY NOTICE TO POLICYHOLDERS

VIRTUAL OR ON-LINE PEER TO PEER MEDIUMS OR EXCHANGE EXCLUSION

No coverage is provided by this notice nor can it be construed to replace or modify any provision of your policy. You should read your policy and review your Declarations Page for complete information on the coverage you are provided. If there is any conflict between the policy and this notice, the provisions of the policy shall prevail.

Your renewal policy contains an exclusion that excludes coverage for any losses resulting from use of Virtual or On-Line Peer to Peer Mediums of Exchange. This includes but is not limited to loss of virtual or on-line peer to peer mediums of exchange used to pay for goods or services, or held for investment, which can be purchased and which can be exchanged into "money." Please see the endorsement for details.

ADVISORY NOTICE TO POLICYHOLDERS
NUCLEAR, BIOLOGICAL, OR CHEMICAL EXCLUSION

No coverage is provided by this notice nor can it be construed to replace or modify any provision of your policy. You should read your policy and review your Declarations Page for complete information on the coverage you are provided. If there is any conflict between the policy and this notice, the provisions of the policy shall prevail.

Your renewal policy contains exclusion that excludes coverage when there exists an exposure to Nuclear, Biological or Chemical hazards. Please see the endorsement for details.

NOTICE TO POLICYHOLDERS

Exclusion - Designated Activities **Exclusion - Chapter or Club Activities Scheduled Exceptions**

No coverage is provided by this notice nor can it be construed to replace or modify any provision of your policy. You should read your policy and review your Declarations Page for complete information on the coverages you are provided. If there is any conflict between the policy and this notice, **THE PROVISIONS OF THE POLICY SHALL PREVAIL.**

Please note that not all the forms listed below may be on your policy.

This Notice provides information concerning the following new endorsements, which may apply to your renewal policy being issued by us:

The endorsement **Exclusion - Designated Activities** reduces coverage for inherently dangerous recreational activities. This includes, but is not limited to, sky diving, parachuting, bounce house, trampoline, skiing, snow tubing, paintball activity, zip line and rock wall climbing.

The endorsement **Exclusion - Chapter or Club Activities Scheduled Exceptions** excludes activities associated with all or some chapters, affiliates or clubs that are in connection with a principal operation we write. This endorsement will allow us to exclude the exposure generally while providing scheduled exceptions.

**SAFEPAK® BUSINESSOWNERS LIABILITY &
UMBRELLA LIABILITY
ABUSE OR MOLESTATION EXCLUSION**

ADVISORY NOTICE TO POLICYHOLDERS

This Notice does not form part of your policy. No coverage is provided by this Notice nor can it be construed to replace any provision of your policy. You should read your policy and review your Declarations page for complete information on the coverage you are provided. If there is any conflict between the Policy and this Notice, **THE PROVISIONS OF THE POLICY SHALL PREVAIL.**

Carefully read your policy, including the endorsements attached to your policy.

Please note that all of the forms listed below may not be attached to your policy and their pertinent statements will not apply.

This notice provides information concerning the following new endorsement, which applies to your renewal policy being issued by us:

BP 8292 ABUSE OR MOLESTATION EXCLUSION

When this endorsement is attached to your policy:

Your policy does not apply to damages or injury arising out of the actual, threatened or alleged abuse or molestation of any person. Your policy also does not apply to damages or injuries arising out of the negligent employment, supervision, etc. of any person that may have or did abuse or molest any person.

GAI 6028 ABUSE OR MOLESTATION EXCLUSION

When this endorsement is attached to your policy:

Your umbrella policy does not apply to damages or injury arising out of the actual, threatened or alleged abuse or molestation of any person. Your umbrella policy also does not apply to damages or injuries arising out of the negligent employment, supervision, etc. of any person that may have or did abuse or molest any person.

BP 8778 ILLINOIS ABUSE, MOLESTATION, HARASSMENT OR SEXUAL CONDUCT EXCLUSION

When this endorsement is attached to your policy:

Your policy does not apply to damages or injury arising out of the actual, threatened or alleged abuse or molestation of any person. Your policy also does not apply to damages or injuries arising out of the negligent employment, supervision, etc. of any person that may have or did abuse or molest any person.

GAI 7158 ILLINOIS ABUSE, MOLESTATION, HARASSMENT OR SEXUAL CONDUCT EXCLUSION

When this endorsement is attached to your policy:

Your umbrella policy does not apply to damages or injury arising out of the actual, threatened or alleged abuse or molestation of any person. Your umbrella policy also does not apply to damages or injuries arising out of the negligent employment, supervision, etc. of any person that may have or did abuse or molest any person.

Policy No. SPP 6365149 12 00
Renewal Of SPP 6365149 11 00

POLICY COMMON DECLARATIONS

NAMED INSURED CALIFORNIA CHAPTER AMERICAN PLANNING ASSOCIATION AND ADDRESS: c/o Laura Dee, P.O. Box 1784 Discovery Bay, CA 94505	
IN RETURN FOR 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.	AGENT'S NAME AND ADDRESS: Affinity Insurance Services 2001 K St Nw Washington, DC 20006
Insurance is afforded by the Company named below, a Capital Stock Corporation: Great American Insurance Company of New York	
POLICY PERIOD: From 03/22/2020 To 03/22/2021 12:01 A.M. Standard Time at the address of the Named Insured	

This policy consists of the following Coverage Parts for which a premium is indicated. This premium may be subject to adjustment.

	Premium
Commercial Property	
Commercial General Liability	
Commercial Crime and Fidelity	
Commercial Inland Marine	
Commercial Equipment Breakdown	
Commercial Auto	
Commercial Umbrella	
SafePak	\$ 1,738.00
Total	\$ 1,738.00

FORMS AND ENDORSEMENTS applicable to all Coverage Parts and made part of this Policy at time of issue are listed on the attached Forms and Endorsements Schedule IL 88 01 (11/85).	POLICY ALTERNATE MAILING ADDRESS:
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FORMS AND ENDORSEMENTS SCHEDULE

It is hereby understood and agreed the following forms and endorsements are attached to and are a part of this policy:

	Form and Edition		Date Added * or Date Deleted	Form Description
1.	IL7001	10-07		BusinessPRO Policy Common Declarations
2.	IL0003	09-08		Calculation of Premium
3.	IL0021	09-08		Nuclear Energy Liability Exclusion Endorsement (Broad Form)
4.	IL0022	05-87		Effective Time Changes - Replacement of 12 Noon
5.	IL0270	12-19		California Changes - Cancellation And Nonrenewal
6.	IL0986	01-15		Exclusion of Certified Acts of Terrorism Involving Nuclear, Biological, Chemical or Radiological Terrorism; Cap on Covered Certified Acts Losses
7.	IL7069	03-16		Exclusion - Asbestos
8.	IL7236	07-05		Nuclear, Biological or Chemical Exclusion
9.	IL7253	11-06		Identity Recovery Coverage Identity Theft Case Management Service And Expense Reimbursement
10.	IL7268	09-09		In Witness Clause
11.	IL7273	08-08		Loss Prevention Services
12.	IL7324	08-12		Economic And Trade Sanctions Clause
13.	IL7368	04-15		Disclosure Pursuant To Terrorism Risk Insurance Act

* If not at inception

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALCULATION OF PREMIUM

This endorsement modifies insurance provided under the following:

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

The following is added:

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

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.

EFFECTIVE TIME CHANGES - REPLACEMENT OF 12 NOON

This endorsement modifies the **COMMON POLICY DECLARATIONS**.

To the extent that coverage in this policy replaces coverage in other policies terminating noon standard time on the inception date of this policy, coverage under this policy shall not become effective until such other coverage has terminated.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**CALIFORNIA 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 PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

A. Paragraphs **2.** and **3.** of the **Cancellation** Common Policy Condition are replaced by the following:

2. All Policies In Effect For 60 Days Or Less

If this policy has been in effect for 60 days or less, and is not a renewal of a policy we have previously issued, we may cancel this policy by mailing or delivering to the first Named Insured, at the mailing address shown in the policy, and to the producer of record, advance written notice of cancellation, stating the reason for cancellation, at least:

a. 10 days before the effective date of cancellation if we cancel for:

- (1)** Nonpayment of premium; or
- (2)** Discovery of fraud by:
 - (a)** Any insured or his or her representative in obtaining this insurance; or
 - (b)** You or your representative in pursuing a claim under this policy.

b. 30 days before the effective date of cancellation if we cancel for any other reason.

3. All Policies In Effect For More Than 60 Days

a. If this policy has been in effect for more than 60 days, or is a renewal of a policy we issued, we may cancel this policy only upon the occurrence, after the effective date of the policy, of one or more of the following:

- (1)** Nonpayment of premium, including payment due on a prior policy we issued and due during the current policy term covering the same risks.
- (2)** Discovery of fraud or material misrepresentation by:
 - (a)** Any insured or his or her representative in obtaining this insurance; or
 - (b)** You or your representative in pursuing a claim under this policy.
- (3)** A judgment by a court or an administrative tribunal that you have violated a California or Federal law, having as one of its necessary elements an act which materially increases any of the risks insured against.

- (4) Discovery of willful or grossly negligent acts or omissions, or of any violations of state laws or regulations establishing safety standards, by you or your representative, which materially increase any of the risks insured against.
- (5) Failure by you or your representative to implement reasonable loss control requirements, agreed to by you as a condition of policy issuance, or which were conditions precedent to our use of a particular rate or rating plan, if that failure materially increases any of the risks insured against.
- (6) A determination by the Commissioner of Insurance that the:
- (a) Loss of, or changes in, our reinsurance covering all or part of the risk would threaten our financial integrity or solvency; or
- (b) Continuation of the policy coverage would:
- (i) Place us in violation of California law or the laws of the state where we are domiciled; or
- (ii) Threaten our solvency.
- (7) A change by you or your representative in the activities or property of the commercial or industrial enterprise, which results in a materially added, increased or changed risk, unless the added, increased or changed risk is included in the policy.
- b. We will mail or deliver advance written notice of cancellation, stating the reason for cancellation, to the first Named Insured, at the mailing address shown in the policy, and to the producer of record, at least:
- (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium or discovery of fraud; or
- (2) 30 days before the effective date of cancellation if we cancel for any other reason listed in Paragraph 3.a.
- B. The following provision is added to the **Cancellation** Common Policy Condition:
- 7. Residential Property**
- This provision applies to coverage on real property which is used predominantly for residential purposes and consisting of not more than four dwelling units, and to coverage on tenants' household personal property in a residential unit, if such coverage is written under one of the following:
- Commercial Property Coverage Part
Farm Coverage Part – Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form
- a. If such coverage has been in effect for 60 days or less, and is not a renewal of coverage we previously issued, we may cancel this coverage for any reason, except as provided in b. and c. below.
- b. We may not cancel this policy solely because the first Named Insured has:
- (1) Accepted an offer of earthquake coverage; or
- (2) Cancelled or did not renew a policy issued by the California Earthquake Authority (CEA) that included an earthquake policy premium surcharge.
- However, we shall cancel this policy if the first Named Insured has accepted a new or renewal policy issued by the CEA that includes an earthquake policy premium surcharge but fails to pay the earthquake policy premium surcharge authorized by the CEA.
- c. We may not cancel such coverage solely because corrosive soil conditions exist on the premises. This restriction (c.) applies only if coverage is subject to one of the following, which exclude loss or damage caused by or resulting from corrosive soil conditions:
- (1) Commercial Property Coverage Part – Causes Of Loss – Special Form; or
- (2) Farm Coverage Part – Causes Of Loss Form – Farm Property, Paragraph D. Covered Causes Of Loss – Special.

d. If a state of emergency under California Law is declared and the residential property is located in any ZIP Code within or adjacent to the fire perimeter, as determined by California Law, we may not cancel this policy for one year, beginning from the date the state of emergency is declared, solely because the dwelling or other structure is located in an area in which a wildfire has occurred. However, we may cancel:

- (1) When you have not paid the premium, at any time by letting you know at least 10 days before the date cancellation takes effect;
- (2) If willful or grossly negligent acts or omissions by the Named Insured, or his or her representatives, are discovered that materially increase any of the risks insured against; or
- (3) If there are physical changes in the property insured against, beyond the catastrophe-damaged condition of the structures and surface landscape, which result in the property becoming uninsurable.

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

Nonrenewal

1. Subject to the provisions of Paragraphs **C.2.** and **C.3.** below, if we elect not to renew this policy, we will mail or deliver written notice, stating the reason for nonrenewal, to the first Named Insured shown in the Declarations, and to the producer of record, at least 60 days, but not more than 120 days, before the expiration or anniversary date.

We will mail or deliver our notice to the first Named Insured, and to the producer of record, at the mailing address shown in the policy.

2. Residential Property

This provision applies to coverage on real property used predominantly for residential purposes and consisting of not more than four dwelling units, and to coverage on tenants' household property contained in a residential unit, if such coverage is written under one of the following:

Commercial Property Coverage Part

Farm Coverage Part – Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form

a. We may elect not to renew such coverage for any reason, except as provided in **b.**, **c.** and **d.** below.

b. We will not refuse to renew such coverage solely because the first Named Insured has accepted an offer of earthquake coverage.

However, the following applies only to insurers who are associate participating insurers as established by Cal. Ins. Code Section 10089.16. We may elect not to renew such coverage after the first Named Insured has accepted an offer of earthquake coverage, if one or more of the following reasons applies:

- (1) The nonrenewal is based on sound underwriting principles that relate to the coverages provided by this policy and that are consistent with the approved rating plan and related documents filed with the Department of Insurance as required by existing law;
- (2) The Commissioner of Insurance finds that the exposure to potential losses will threaten our solvency or place us in a hazardous condition. A hazardous condition includes, but is not limited to, a condition in which we make claims payments for losses resulting from an earthquake that occurred within the preceding two years and that required a reduction in policyholder surplus of at least 25% for payment of those claims; or

(3) We have:

- (a) Lost or experienced a substantial reduction in the availability or scope of reinsurance coverage; or
- (b) Experienced a substantial increase in the premium charged for reinsurance coverage of our residential property insurance policies; and

the Commissioner has approved a plan for the nonrenewals that is fair and equitable, and that is responsive to the changes in our reinsurance position.

c. We will not refuse to renew such coverage solely because the first Named Insured has cancelled or did not renew a policy, issued by the California Earthquake Authority, that included an earthquake policy premium surcharge.

- d. We will not refuse to renew such coverage solely because corrosive soil conditions exist on the premises. This restriction (d.) applies only if coverage is subject to one of the following, which exclude loss or damage caused by or resulting from corrosive soil conditions:
- (1) Commercial Property Coverage Part – Causes Of Loss – Special Form; or
 - (2) Farm Coverage Part – Causes Of Loss Form – Farm Property, Paragraph D. Covered Causes Of Loss – Special.
- e. If a state of emergency under California Law is declared and the residential property is located in any ZIP Code within or adjacent to the fire perimeter, as determined by California Law, we may not nonrenew this policy for one year, beginning from the date the state of emergency is declared, solely because the dwelling or other structure is located in an area in which a wildfire has occurred.
- However, we may nonrenew:
- (1) If willful or grossly negligent acts or omissions by the Named Insured, or his or her representatives, are discovered that materially increase any of the risks insured against;
 - (2) If losses unrelated to the postdisaster loss condition of the property have occurred that would collectively render the risk ineligible for renewal; or
 - (3) If there are physical changes in the property insured against, beyond the catastrophe-damaged condition of the structures and surface landscape, which result in the property becoming uninsurable.
3. We are not required to send notice of nonrenewal in the following situations:
- a. If the transfer or renewal of a policy, without any changes in terms, conditions or rates, is between us and a member of our insurance group.
 - b. If the policy has been extended for 90 days or less, provided that notice has been given in accordance with Paragraph C.1.
 - c. If you have obtained replacement coverage, or if the first Named Insured has agreed, in writing, within 60 days of the termination of the policy, to obtain that coverage.
 - d. If the policy is for a period of no more than 60 days and you are notified at the time of issuance that it will not be renewed.
 - e. If the first Named Insured requests a change in the terms or conditions or risks covered by the policy within 60 days of the end of the policy period.
 - f. If we have made a written offer to the first Named Insured, in accordance with the timeframes shown in Paragraph C.1., to renew the policy under changed terms or conditions or at an increased premium rate, when the increase exceeds 25%.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION OF CERTIFIED ACTS OF TERRORISM
INVOLVING NUCLEAR, BIOLOGICAL, CHEMICAL OR RADIOLOGICAL TERRORISM;
CAP ON COVERED CERTIFIED ACTS LOSSES**

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
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
CA, ME, MO, OR, WI	COMMERCIAL INLAND MARINE, COMMERCIAL PROPERTY COVERAGE PART and SELECT BUSINESS POLICY
CT, GA, HI, IA, IL, MA, NC, NJ, NY, RI, VA, WA, WV	COMMERCIAL PROPERTY COVERAGE PART and SELECT BUSINESS POLICY

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

A. The following definition is added with respect to the provisions of this endorsement:

"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 following exclusion is added:

LIMITED EXCLUSION OF CERTIFIED ACTS OF TERRORISM

We will not pay for loss or damage caused directly or indirectly by a "certified act of terrorism". Such loss or damage is excluded regardless of any other cause or event that

contributes concurrently or in any sequence to the loss. But this exclusion applies only when one or more of the following are attributed to such act:

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 material; or
4. Pathogenic or poisonous biological or chemical material is released, and it appears that one purpose of the terrorism was to release such material.

When this terrorism exclusion applies in accordance with the terms of Paragraph **B.1.** or **B.2.**, the terrorism exclusion applies without regard to the Nuclear Hazard Exclusion in this Coverage Part or Policy.

C. Exception Covering Certain Fire Losses

The following exception to the exclusion in Paragraph **B.** applies only if indicated and as indicated in the Schedule of this endorsement.

If a "certified act of terrorism" excluded under Paragraph **B.** 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. Cap On Certified Terrorism Losses

The following limitation applies to coverage for any one or more "certified acts of terrorism" that are not excluded by the terms of the exclusion in Paragraph **B.** and to any loss or damage that is covered and to which the exception in Paragraph **C.** applies:

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.

This Paragraph, **D.**, does not apply to insurance provided under the Crime and Fidelity Coverage Part.

E. Application Of Exclusions

The terms and limitations of any terrorism exclusion, or the non-applicability 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 War And Military Action Exclusion.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - ASBESTOS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS AND COMPLETED OPERATIONS COVERAGE PART
OWNER AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
FARM COVERAGE PART

This insurance does not apply to "bodily injury," "property damage," or "personal and advertising injury" arising out of or related in any way to asbestos, asbestos-containing materials, or asbestos-containing products.

We shall not have the duty to defend any such claim or "suit."

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR, BIOLOGICAL OR CHEMICAL EXCLUSION

This endorsement modifies insurance provided under the following:

AGRIPAK® FARM AND RANCH POLICY
AgriPro® AGRIBUSINESS® PROTECTION POLICY
BOILER AND MACHINERY COVERAGE PART
COMMERCIAL CRIME COVERAGE FORM
COMMERCIAL CRIME POLICY
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL INLAND MARINE POLICY
COMMERCIAL PROPERTY COVERAGE PART
EQUINE CARE, CUSTODY AND CONTROL COVERAGE FORM
EQUINE CARE, CUSTODY OR CONTROL POLICY
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
GOVERNMENT CRIME COVERAGE FORM
GOVERNMENT CRIME POLICY
SAFEPAK® POLICY
SELECT BUSINESS POLICY
SELECT BUSINESS POLICY COVERAGE FORM

The following exclusion is added:

A. Nuclear, Biological or Chemical Exclusion

Notwithstanding any other provision of this policy, we will not pay for any loss or damage caused, directly or indirectly, in whole or in part, by any of the following, regardless of any other cause(s) or event(s) that may contribute concurrently or in any other sequence to the loss or damage:

1. Any actual, attempted, suspected, or threatened use of any "NBC material" as part of any plan, effort, or design, actually or apparently intended to cause any:
 - a. loss or damage to any tangible or intangible property, or
 - b. "bodily injury" or emotional distress.
2. Any actual, attempted, suspected, or threatened presence, spread, dissemination, release, escape, or distribution of any "NBC material" as a direct or indirect result

of any actual, attempted, suspected, or threatened plan, effort, or design, actually or apparently intended to cause any:

- a. loss or damage to any tangible or intangible property, or
- b. "bodily injury" or emotional distress.

However, if a hostile fire results, directly or indirectly, from **1.** or **2.** above, we will not pay for any loss or damage from that fire, unless an applicable statute of the state whose law applies to this insurance requires us to do so. This is so, even if another exclusion in this Coverage Form, Coverage Part, or Policy also applies, and under that other exclusion we would pay for loss or damage from that fire.

However, if an applicable statute of the state whose law applies to this insurance requires us to pay for loss or damage from that fire, then we will do so, but only

(a) to the extent necessary to satisfy the minimum mandatory requirements of that statute and

(b) 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.

B. Definitions

The following definitions are added:

1. "NBC material"

"NBC material" means any nuclear, biological, or chemical material or substance

that causes damage to property or is harmful to human health. "NBC material" includes, but is not limited to:

(1) any radioactive substance or material, and the radiation it releases,

(2) any pathogen, bacterium, microbe, virus, or other organism,

(3) any substance or material produced by or from any pathogen, bacterium, microbe, virus, or other organism, and

(4) any poison, toxin, or other harmful chemical, substance, or material.

(5) the foregoing list (1) through (4) is only illustrative, and should not be construed as a complete, exclusive, or exhaustive list of all "NBC materials."

2. "Bodily injury"

"Bodily injury" includes any physical injury, disease, or death of any person.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**IDENTITY RECOVERY COVERAGE
IDENTITY THEFT CASE MANAGEMENT SERVICE AND EXPENSE REIMBURSEMENT**

The following is added as an additional coverage. If this is being endorsed onto a multi-section form, it is added to the Property section:

Identity Recovery Coverage

We will provide the Case Management Service and Expense Reimbursement Coverage indicated below if all of the following requirements are met:

1. there has been an "identity theft" involving the personal identity of an "identity recovery insured" under this Policy; and
2. such "identity theft" is first discovered by the "identity recovery insured" during the policy period for which this Identity Recovery Coverage is applicable; and
3. such "identity theft" is reported to us within 60 days after it is first discovered by the "identity recovery insured."

If all three of the requirements listed above have been met, then we will provide the following to the "identity recovery insured":

1. Case Management Service

Service of an "identity recovery case manager" as needed to respond to the "identity theft"; and

2. Expense Reimbursement

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

This coverage is additional insurance.

Exclusions

The following additional exclusions apply to this coverage:

We do not cover loss or expense arising from any of the following.

1. The theft of a professional or business identity.
2. Any fraudulent, dishonest or criminal act by an "identity recovery insured" or any person aiding or abetting an "identity recovery insured," or by any authorized representative of an "identity recovery insured," whether acting alone or in collusion with others.
3. Loss other than "identity recovery expenses."
4. An "identity theft" that is first discovered by the "identity recovery insured" prior to or after the period for which this Coverage applies. This exclusion applies whether or not such "identity theft" began or continued during the period of coverage.
5. An "identity theft" that is not reported to us within 60 days after it is first discovered by the "identity recovery insured."
6. An "identity theft" that is not reported in writing to the police.

Limits

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

Expense Reimbursement Coverage is subject to a limit of \$15,000 annual aggregate per "identity recovery insured." Regardless of the number of claims, this limit is the most we will pay for the total of all loss or expense arising out of all

"identity thefts" to any one "identity recovery insured" which are first discovered by the "identity recovery insured" during a 12-month period starting with the beginning of the present annual policy period. If an "identity theft" is first discovered in one policy period and continues into other policy periods, all loss and expense arising from such "identity theft" will be subject to the aggregate limit applicable to the policy period when the "identity theft" was first discovered.

Legal costs as provided under item **d.** of the definition of "identity recovery expenses" are part of, and not in addition to, the Expense Reimbursement Coverage limit.

Deductible

Case Management Service is not subject to a deductible.

Expense Reimbursement Coverage is subject to a deductible of \$250. Any one "identity recovery insured" shall be responsible for only one deductible under this Identity Recovery Coverage during any one policy period.

Conditions

The following additional conditions apply to this coverage:

A. Assistance and Claims

For assistance, the "identity recovery insured" should call the **Identity Recovery Help Line** at **1-800-823-1752**.

The **Identity Recovery Help Line** can provide the "identity recovery insured" with:

1. information and advice for how to respond to a possible "identity theft"; and
2. instructions for how to submit a service request for Case Management Service and/or a claim form for Expense Reimbursement Coverage.

In some cases, we may provide Case Management Services at our expense to an "identity recovery insured" prior to a determination that a covered "identity theft" has occurred. Our provision of such services is not an admission of liability under the Policy. We reserve the right to

deny further coverage or service if, after investigation, we determine that a covered "identity theft" has not occurred.

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

B. Services

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

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

Definitions

With respect to the provisions of this endorsement only, the following definitions are added:

1. **"Identity Recovery Case Manager"** means one or more individuals assigned by us to assist an "identity recovery insured" with communications we deem necessary for re-establishing the integrity of the personal identity of the "identity recovery insured." This includes, with the permission and cooperation of the "identity recovery insured," written and telephone communications with law enforcement authorities, governmental agencies, credit agencies and individual creditors and businesses.
2. **"Identity Theft"** means the fraudulent use of the social security number or other method of identifying an "identity recovery insured." This includes fraudulently using the personal identity of an "identity recovery insured" to establish credit accounts, secure loans, enter into contracts or commit crimes.

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

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

goods or services or default on a loan as a result of an "identity theft"; and

- (2) removing any civil judgment wrongfully entered against an "identity recovery insured" as a result of the "identity theft."

3. "Identity Recovery Expenses" means the following when they are reasonable and necessary expenses that are incurred in the United States or Canada as a direct result of an "identity theft":

- a. Costs for re-filing applications for loans, grants or other credit instruments that are rejected solely as a result of an "identity theft."
- b. Costs for notarizing affidavits or other similar documents, long distance telephone calls and postage solely as a result of your efforts to report an "identity theft" or amend or rectify records as to your true name or identity as a result of an "identity theft."
- c. Costs for up to 12 credit reports from established credit bureaus dated within 12 months after your knowledge or discovery of an "identity theft."
- d. Fees and expenses for an attorney approved by us for:
 - (1) defending any civil suit brought against an "identity recovery insured" by a creditor or collection agency or entity acting on behalf of a creditor for nonpayment of

4. "Identity Recovery Insured" means the following:

- a. When the entity insured under this Policy is a sole proprietorship, the "identity recovery insured" is the individual person who is the sole proprietor of the insured entity.
- b. When the entity insured under this Policy is a partnership, the "identity recovery insureds" are all partners listed on this Policy as insureds.
- c. When the entity insured under this Policy is a corporation or other organization, any individual having an ownership position of 20% or more of the insured entity is an "identity recovery insured." However, if and only if there is no one who has such an ownership position, then the "identity recovery insured" shall be:
 - (1) the chief executive of the insured entity; or
 - (2) as respects a religious institution, the senior ministerial employee.

An "identity recovery insured" must always be an individual person. The entity insured under this Policy is not an "identity recovery insured."

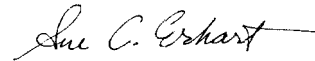
All other provisions of this Policy apply.

In Witness Clause

In Witness Whereof, we have caused this Policy to be executed and attested, and, if required by state law, this Policy shall not be valid unless countersigned by our authorized representative.



President



Secretary

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOSS PREVENTION SERVICES

This endorsement modifies insurance provided under the following:

COMMON POLICY CONDITIONS

The following is added to the **Common Policy Conditions**

G. Loss Prevention Services

At our cost, we may provide or recommend a broad range of loss prevention services designed to improve the acceptability of an insured. These services may require your cooperation to make them effective.

We provide these services based on need as indicated by the size, hazard and experience of your operation. We may elect to provide these services through another entity.

In addition to inspections and surveys, referenced in **D. Inspections and Surveys**, these services may include, but are not limited

to, safety and prevention training, consultations, safety devices, health screenings and analyses of accident causes.

We are not obligated to provide any loss prevention services and 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.

This endorsement does not change any other provision of the Policy.

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

ECONOMIC AND TRADE SANCTIONS CLAUSE

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance.

THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

Schedule

Schedule - Part I

Terrorism Premium (Certified Acts) \$ 67

This premium is the total Certified Acts premium attributable to the following Coverage Part(s), Coverage Form(s) and/or Policy(ies): SPP 6365149 12 00

Additional information, if any, concerning the terrorism premium:

Schedule - Part II

Federal share of terrorism losses	85% Year: 2015
(Refer to Paragraph B. in this endorsement.)	84% Year: 2016
	83% Year: 2017
	82% Year: 2018
	81% Year: 2019
	80% Year: 2020

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

A. Disclosure of Premium

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations.

B. Disclosure of Federal Participation in Payment of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals a percentage (as shown in Part II of the Schedule of this endorsement) of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

C. Cap on Insurer Participation in Payment of Terrorism Losses

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.

Policy No. SPP 6365149 12 00
Renewal of SPP 6365149 11 00

SAFEPAK® BUSINESSOWNERS COMMON DECLARATIONS

NAMED INSURED AND ADDRESS: CALIFORNIA CHAPTER AMERICAN PLANNING ASSOCIATION c/o Laura Dee, P.O. Box 1784 Discovery Bay, CA 94505	POLICY PERIOD: 12:01 A.M. Standard Time at the address of the Named Insured shown at left. From 03/22/2020 To 03/22/2021
IN RETURN FOR 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.	AGENT'S NAME AND ADDRESS: Affinity Insurance Services 2001 K St Nw Washington, DC 20006

Insurance is afforded by company indicated below:

Great American Insurance Company of New York

(A capital stock corporation)

DESCRIPTION OF BUSINESS:

Form of Business: Individual Joint Venture Partnership
 Corporation Limited Liability Company
 Other Non-profit Organization

Business Description: Office N.O.C.

Described Premises (Number, Street, Town, County, State & Zip No.) if different from above
1333 36TH STREET , SACRAMENTO, CA, 95816

MORTGAGEHOLDER Name and Address

LOSS PAYABLE CLAUSE Name and Address

FORMS AND ENDORSEMENTS applicable to all Coverage Forms and made part of this policy at time of issue are listed on the attached Forms and Endorsements Schedule, BP 82 06.

PREMIUM:

The total estimated premium is \$ 1,738.00 and is payable:

<input type="checkbox"/> In advance	AMOUNT	DATE DUE
<input type="checkbox"/> In payments of: \$		at inception
	\$	
	\$	

Countersigned _____
Date

By _____
Authorized Representative

SCHEDULE	LIMITS OF INSURANCE	
Part One - Property Coverages Form	Included	Optional
Building(s)	\$ RC	() Actual Cash Value
Automatic Increase - Building Limit (%)	8% or	(X) 4 %
Business Personal Property	\$ 40,843	
Deductible	\$ 250	() \$
Part One - Extensions and Optional Coverages		
Outdoor Signs	\$ 25,000	() \$ *
Money and Securities	\$ 10,000 Inside the Premises	() \$ *
	\$ 5,000 Outside the Premises	() \$ *
Employee Dishonesty	\$ 10,000	() \$ Each Occurrence
Other (Describe - Attach Endorsement)		

Part Two - SAFEPAK® LIABILITY COVERAGE FORM

Except for Damage to Premises Rented to You, each paid claim for the following coverages reduces the amount of insurance we provide during the applicable annual period. Please refer to Paragraph **D.4.** of the Liability Coverage Form.

Liability and Medical Expenses	\$ 300,000	\$ 1,000,000 *
Medical Expenses	\$ 10,000 Per Person	
Damage to Premises Rented to You	\$ 300,000 Any One Premises	\$ *
Hired and Non-Owned Auto Liability	Nil	(X) \$ 1,000,000
Other (Describe - Attach Endorsement)		

* When "optional" Limits of Liability noted with an asterisk are selected, they replace "included" coverages and are not in addition thereto.

Policy: SPP 6365149 12 00

SAFEPAK® FORMS AND ENDORSEMENTS SCHEDULE

It is hereby understood and agreed the following forms and endorsements are attached to and are a part of this policy:

	Form and Edition	Date Added * or Date Deleted	Form Description
1.	BP8201 01-16		Safepak Businessowners Common Declarations
2.	BP8206 06-86		Safepak Forms and Endorsements Schedule
3.	BP7007 01-14		Nuclear, Biological, Or Chemical Exclusion
4.	BP7023 01-16		Safepak Basic Limits Cyber Enhancement Endorsement
5.	BP7059 01-16		Virtual Or On-Line Peer To Peer Mediums Of Exchange Exclusion
6.	BP7082 10-15		Exclusion - Unmanned Aircraft
7.	BP7116 04-16		Exclusion - Chapter Or Club Activities{cr}Scheduled Exceptions
8.	BP7117 04-16		Exclusion - Designated Activities
9.	BP7127 04-16		California Changes
10.	BP8205 06-86		Safepak General Endorsement - Additional Insured
11.	BP8205 06-86		Safepak General Endorsement - Long Name Additional Insured
12.	BP8205 06-86		Safepak General Endorsement - Long Name Additional Insured
13.	BP8292 11-06		Abuse or Molestation Exclusion
14.	BP8300 11-06		Welfare And Pension Plan Erisa Compliance
15.	BP8340 07-05		Tanning Facilities Exclusion
16.	BP8360 11-06		Designated Location(s) General Aggregate Limit

	Form and Edition	Date Added * or Date Deleted	Form Description
17.	BP8430 07-05		Exclusion - Asbestos
18.	BP8547 04-16		Loss Adjustment Endorsement - Commercial Property Coverage
19.	BP8573 07-05		Exclusion - Liability Arising Out of Lead
20.	BP8641 11-06		Additional Insured - Designated Person or Organization
21.	BP8641 11-06		Additional Insured - Designated Person or Organization
22.	BP8641 11-06		Additional Insured - Designated Person or Organization
23.	BP8668 06-18		Safepak BusinessOwners Policy Special Form
24.	BP8727 01-15		CAP on Losses From Certified Acts of Terrorism
25.	BP8738 01-15		Exclusion of Punitive Damages Related to Terrorism
26.	BP8742 01-15		Disclosure Pursuant to Terrorism Risk Insurance Act
27.	BP8747 04-16		Fungi or Bacteria Exclusion
28.	BP8748 07-05		Total Pollution Exclusion Endorsement
29.	BP8749 11-06		Silica or Related Dust Exclusion
30.	BP8755 01-06		Additional Insureds - Association Trustees and Committee Members
31.	BP8757 01-16		Association Office Package Edge Endorsement
32.	BP8758 01-06		Exclusion - Antitrust, Restraint of Trade, Unfair Competition or Similar Law or Regulation
33.	BP8759 01-06		Exclusion - Association Member, Chapter, or Club "Autos"
34.	BP8761 01-06		Exclusion - Setting of Standards, Warnings, Licenses or Certification
35.	BP8956 02-12		Broadened Coverage For Damage To Premises Rented To You

* If not at inception

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR, BIOLOGICAL, OR CHEMICAL EXCLUSION

This endorsement modifies insurance provided under the following:

SAFEPAK® POLICY

A. The following exclusion is added to **B. EXCLUSIONS**

B. EXCLUSIONS

Nuclear, Biological, or Chemical

Notwithstanding any other provision of this Policy, this insurance does not apply to any "bodily injury," or "property damage" or "personal and advertising injury" caused, directly or indirectly, in whole or in part, by any of the following, regardless of any other cause(s) or event(s) that may contribute concurrently or in any other sequence to the "bodily injury," or "property damage" or "personal and advertising injury":

(1) Any actual, attempted, suspected, or threatened use of any "NBC material" as part of any plan, effort, or design, actually or apparently intended to cause any:

(a) loss or damage to any tangible or intangible property, or

(b) "bodily injury" or emotional distress.

(2) Any actual, attempted, suspected, or threatened presence, spread, dissemination, release, escape, or distribution of any "NBC material" as a direct or

indirect result of any actual, attempted, suspected, or threatened plan, effort, or design, actually or apparently intended to cause any:

(a) loss or damage to any tangible or intangible property, or

(b) "bodily injury" or emotional distress.

"NBC Material" means any nuclear, biological, or chemical material or substance that causes damage to property or is harmful to human health. "NBC material" includes, but is not limited to:

(1) any radioactive substance or material, and the radiation it releases,

(2) any pathogen, bacterium, microbe, virus, or other organism,

(3) any substance or material produced by or from any pathogen, bacterium, microbe, virus, or other organism, and

(4) any poison, toxin, or other harmful chemical, substance, or material.

The foregoing list **(1)** through **(4)** is only illustrative, and should not be construed as a complete, exclusive, or exhaustive list of all "NBC materials."

This endorsement does not change any other provision of the policy.

SAFEPAK® BASIC LIMITS CYBER ENHANCEMENT ENDORSEMENT

WEB SITE PUBLISHING LIABILITY COVERAGE AND SECURITY BREACH LIABILITY COVERAGE PROVIDE CLAIMS-MADE COVERAGE. DEFENSE EXPENSES ARE PAYABLE WITHIN, AND NOT IN ADDITION TO, THE APPLICABLE LIMIT OF INSURANCE. PAYMENT OF DEFENSE EXPENSES UNDER THOSE COVERAGES WILL REDUCE, AND MAY EXHAUST, THE APPLICABLE LIMIT OF INSURANCE.

This Endorsement modifies insurance provided under the following:

SAFEPAK® BUSINESSOWNERS POLICY SPECIAL FORM

The following Schedule lists the Limits of Insurance provided by this Endorsement. For details on specific coverages, consult the actual policy wording.

Limits of Insurance	Schedule
\$ 10,000	Business Income Extension for Web Sites
\$ 5,000	Laptop Computers - Worldwide Coverage
\$ 25,000	Web Site Publishing Liability Aggregate
\$ 25,000	Security Breach Liability Aggregate
\$ 5,000	Replacement or Restoration of Electronic Data Aggregate
\$ 5,000	Extortion Threats Aggregate
\$ 5,000	Business Income and Extra Expense Aggregate
\$ 5,000	Public Relations Expense Aggregate
\$ 5,000	Security Breach Expense Aggregate
\$ 5,000	Regulatory Proceeding Aggregate
\$ 5,000	Payment Card Industry-Defense, Fines, Penalties Aggregate
\$ 25,000	Information Security Protection Coverage Part Aggregate
03/22/2018	Retroactive Date
\$ 1,000	Deductible

- I. The last paragraph of **PART ONE - SAFEPAK® SPECIAL PROPERTY COVERAGE FORM, A. COVERAGE, 5. Additional Coverages, I. Business Income Extension for Web Sites** is deleted in its entirety and replaced by the following:

The most we will pay under this Additional Coverage, for the sum of all loss and damage as a result of any one occurrence is the amount shown for **Business Income Extension for Web Sites** in the Schedule of Limits of Insurance of the **SAFEPAK® BASIC LIMITS CYBER ENHANCEMENT ENDORSEMENT**.

- II. The last paragraph of **PART ONE - SAFEPAK® SPECIAL PROPERTY COVERAGE FORM, A. COVERAGE, 5. Additional Coverages, aa. Laptop Computers - Worldwide Coverage** is deleted in its entirety and replaced by the following:

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

The most we will pay under this Additional Coverage for the sum of all loss and damage resulting from any one occurrence is the amount shown for **Laptop Computers - Worldwide Coverage** in the Schedule of the **SAFEPAK® BASIC LIMITS CYBER ENHANCEMENT ENDORSEMENT**.

III. The **SAFEPAK® BUSINESSOWNERS POLICY SPECIAL FORM** is amended by adding the following **PART THREE - SAFEPAK® INFORMATION SECURITY PROTECTION COVERAGE**:

PART THREE - SAFEPAK® INFORMATION SECURITY PROTECTION COVERAGE FORM

WEB SITE PUBLISHING LIABILITY COVERAGE AND SECURITY BREACH LIABILITY COVERAGE PROVIDE CLAIMS-MADE COVERAGE. DEFENSE EXPENSES ARE PAYABLE WITHIN, AND NOT IN ADDITION TO, THE APPLICABLE LIMIT OF INSURANCE. PAYMENT OF DEFENSE EXPENSES UNDER THOSE COVERAGES WILL REDUCE, AND MAY EXHAUST, THE APPLICABLE LIMIT OF INSURANCE.

Various provisions in this Coverage Form 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. - INFORMATION SECURITY PROTECTION DEFINITIONS**.

A. INSURING AGREEMENTS

1. Web Site Publishing Liability

We will pay for both "loss" that the Insured becomes legally obligated to pay, and for related "defense expenses," as a result of a "claim" first made against the Insured during the "policy period" or during an applicable Extended Reporting Period, because of a "wrongful act," or because of a group or series of "interrelated wrongful acts," taking place on or after the Retroactive Date, if any, shown in the Schedule of the **SAFEPAK® BASIC LIMITS CYBER ENHANCEMENT ENDORSEMENT** and before the end of the "policy period."

2. Security Breach Liability

- a. We will pay for both "loss" that the Insured becomes legally obligated to pay, and for related "defense expenses," as a result of a "claim" first made against the Insured during the "policy period" or during an applicable Extended Reporting Period, because of a "wrongful act," or because of a group or series of "interrelated wrongful acts," taking place on or after the Retroactive Date, if any, shown in the Schedule of the **SAFEPAK® BASIC LIMITS CYBER ENHANCEMENT ENDORSEMENT** and before the end of the "policy period."
- b. We will pay for both "loss" and "defense expenses" as a result of a "claim" in the form of a "regulatory proceeding" first made against the "Insured" during the "policy period" or during the applicable Extended Reporting Period, in response to a "wrongful act" or a series of "interrelated wrongful acts" covered under paragraph **2.a**.
- c. We will pay for both "loss" and "defense expenses" as a result of a "claim" in the form of an action first made against the Insured by a "card company" for non-compliance with the Payment Card Industry (PCI) Data Security Standards during the "policy period" or during the applicable Extended Reporting Period in response to a "wrongful act" or a series of "interrelated wrongful acts" covered under paragraph **a**. of this Insuring Agreement.

3. Replacement or Restoration of Electronic Data

We will pay for your "loss" of "electronic data" and "computer programs" stored or installed on the "computer system," if such "loss" results directly from an "e-commerce incident" that begins during the "policy period."

4. Extortion Threats

We will pay for "loss" you sustain resulting directly from an "extortion threat" communicated to you during the "policy period." However, we will not pay for "loss" which results from or is in response to an "extortion threat," or any of a group or series of related "extortion threats," first communicated to you before the "policy period."

5. Business Income and Extra Expense

We will pay for "loss" you sustain due to an "interruption" resulting directly from:

- a. an "e-commerce incident" beginning during the "policy period"; or
- b. an "extortion threat" communicated to you during the "policy period." However, we will not pay for "loss" which results from any of a group or series of related "extortion threats" if any of those related "extortion threats" was first communicated to you before the "policy period."

6. Public Relations Expense

We will pay for "loss" you sustain due to "negative publicity" resulting directly from an "e-commerce incident" or "security breach" that begins during the "policy period."

7. Security Breach Expense

We will pay for "loss" you sustain resulting directly from a "security breach" that begins during the "policy period."

B. LIMITS OF INSURANCE

1. Information Security Protection Coverage Part Aggregate Limit of Insurance

The most we will pay under this Coverage Part, for the sum of all covered "loss" and "defense expenses," is the Coverage Part Aggregate Limit of Insurance shown in the Schedule of the **SAFEPAK® BASIC LIMITS CYBER ENHANCEMENT ENDORSEMENT**. The Coverage Part Aggregate Limit of Insurance shall be reduced by the amount of any payment we make under the terms of this Coverage Part. Upon exhaustion of the Coverage Part Aggregate Limit of Insurance by such payments, we will have no further obligation or liability of any kind under this Coverage Part.

2. Insuring Agreement Aggregate Limit of Insurance

- a. Subject to the Coverage Part Aggregate Limit of Insurance, the most we will pay under each Insuring Agreement in this Coverage Part, for the sum of all covered "loss" and "defense expenses," is the Insuring Agreement Limit of Insurance shown for that Insuring Agreement in the Schedule of the **SAFEPAK® BASIC LIMITS CYBER ENHANCEMENT ENDORSEMENT**:

- (1) each Insuring Agreement Aggregate Limit of Insurance shall be reduced by the amount of any payment we make under the terms of that Insuring Agreement; and
- (2) upon exhaustion of an Insuring Agreement Aggregate Limit of Insurance by such payments, we will have no further obligation or liability of any kind under that Insuring Agreement.

- b. The Limit of Insurance for Regulatory Proceedings shall be part of, not in addition to, the Aggregate Limit of Insurance for the Security Breach Liability Insuring Agreement.
- c. The Limit of Insurance for Payment Card Industry-Defense, Fines, Penalties shall be part of, not in addition to, the Aggregate Limit of Insurance for the Security Breach Liability Insuring Agreement.

C. DEDUCTIBLES

1. Subject to **SECTION II - LIMITS OF INSURANCE**:

- a. Under Insuring Agreements **1. Web Site Publishing Liability** and **2. Security Breach Liability**, our duty to pay for "loss" and "defense expenses" resulting from the same "wrongful act," or from the same group or series of "interrelated wrongful acts," applies only to the amount of "loss" and "defense expenses" that together exceed a Deductible Amount of \$1,000. The sum of all "loss" and "defense expenses" within that Deductible Amount will be borne by you, self-insured and at your own risk.

We may, at our sole discretion, advance sums within the Deductible Amount to facilitate the defense or settlement of a "claim." If we do so, then you will promptly reimburse us for any such sum we advance.

- b. Under Insuring Agreements **3. Replacement or Restoration of Electronic Data**, **4. Extortion Threats**, **6. Public Relations Expense**, and **7. Security Breach Expense**, we will pay for only the amount of "loss" that is in excess of a Deductible Amount of \$1,000 with respect to any one "e-commerce incident," "security breach," or "extortion threat."
 - c. Under Insuring Agreement **5. Business Income and Extra Expense**, we will pay only the amount of "loss" that exceeds the greater of:
 - (1) a Deductible Amount of \$1,000; or
 - (2) the amount of "loss" incurred during a Waiting Period consisting of the first 24 hours of the "interruption."
2. If "loss" or "defense expenses" is covered under any two or more Insuring Agreements of this Coverage Part, or under this Coverage Part and any other Coverage Part of this Policy, then only the highest Deductible Amount applicable to that "loss" or "defense expenses" shall be applied.

D. DEFENSE AND SETTLEMENT

The provisions in section **D. DEFENSE AND SETTLEMENT** apply to only Insuring Agreements **1. Web Site Publishing Liability** and **2. Security Breach Liability**.

- 1. We shall have the right and duty to select counsel and defend the Insured against any "claim" to which either **Web Site Publishing Liability coverage** or **Security Breach Liability Coverage** applies, even if the allegations of such "claim" are groundless, false, or fraudulent. However we shall have the right but not the duty to defend any insured against a "claim" covered under paragraph **b.** of Insuring Agreement **2. Security Breach Liability**, and we shall have no duty to defend the "Insured" against any "claim" to which neither **Web Site Publishing Liability** nor **Security Breach Liability** applies.
- 2. We may, with the written consent of the Insured, settle any "claim" in a way we deem reasonable. If the Insured withholds consent to such a settlement, then our liability for all "loss" resulting from that "claim" will not exceed the amount for which we could have settled that "claim," plus "defense expenses" we had already incurred, as of the date we proposed that settlement in writing to the Insured. Upon an insured's refusal to consent to a settlement we deem reasonable, that Insured shall, at its sole expense, assume all further responsibility for its own defense, including all additional costs associated with the investigation, defense, and/or settlement of that "claim."

E. EXCLUSIONS

No insurance afforded under any Insuring Agreement in this Coverage Part applies to any "claim," "loss," or "defense expenses":

1. Based upon, attributable to or arising out of lightning, earthquake, hail, volcanic action, or any other act of nature.
2. Based upon, attributable to or arising out of:
 - a. war, including undeclared or civil war or civil unrest;
 - b. warlike action by military force, including action hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
 - c. insurrection, rebellion, revolution, usurped power, or action taken by government authority in hindering or defending against any of these.
3. Based upon, attributable to or arising out of the dispersal or application of pathogenic or poisonous biological or chemical materials, nuclear reaction, nuclear radiation or radioactive contamination, or any related act or incident, however caused.
4. Based upon, attributable to or arising out of any bodily injury, or any physical damage to or destruction of tangible property, including loss of use thereof.

Bodily injury means bodily injury, sickness, or disease sustained by a person, including death resulting from any of these at any time.

5. Based upon, attributable to or arising out of any unexplained or indeterminable failure, malfunction or slowdown of a "computer system," including "electronic data" and the inability to access or properly manipulate "electronic data."
6. Based upon, attributable to or arising out of any "interruption" in normal computer function or network service or function due to insufficient capacity to process transactions or due to an overload of activity on the "computer system" or network. However, this exclusion shall not apply if such "interruption" is caused by an "e-commerce incident."
7. Based upon, attributable to or arising out of a complete or substantial failure, disablement or shutdown of the Internet, regardless of the cause.
8. Based upon, attributable to or arising out of any failure of, reduction in or surge of electrical power.
9. Based upon, attributable to or arising out of any actual or alleged violation of the Racketeer Influenced and Corrupt Organizations Act (RICO) and its amendments, or similar provisions of any federal, state or local statutory or common law.
10. Based upon, attributable to or arising out any malfunction or failure of any satellite.
11. Based upon, attributable to or arising out of any oral or written publication of material, if done by an insured or at an insured's direction with knowledge of its falsity.
12. Based upon, attributable to or arising out of an insured's assumption of liability by contract or agreement, whether oral or written. However, this exclusion shall not apply to any liability that the Insured would have incurred in the absence of such contract or agreement.

13. Based upon, attributable to or arising out of any actual or alleged violation, infringement, or misappropriation of any patent or trade secret, including any actual or alleged violation of the Patent Act, the Economic Espionage Act of 1996 or the Uniform Trade Secrets Act and their amendments.
14. Based upon, attributable to or arising out of:
 - a. the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time;
 - b. any request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
 - c. a "claim" or "suit" brought by or on behalf of any 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."
15. Based upon, attributable to or arising out of:
 - a. any "claim," "suit" or other proceeding against an insured which was pending or existed prior to the "policy period"; or
 - b. the same, or substantially the same, facts, circumstances or allegations which are the subject of, or the basis for, a "claim," "suit" or other proceeding described in **a.**
16. Based upon, attributable to or arising out of the Insured's employment practices including, but not limited to, termination of employment, demotion, reassignment, discipline, harassment, coercion or refusal to employ, regardless of whether the Insured may be liable as an employer or in any other capacity.
17. Based upon, attributable to or arising out of a "wrongful act," or out of any one or more "interrelated wrongful acts," that occurred before the Retroactive Date, if any, shown in the Schedule of the **SAFEPAK® BASIC LIMITS CYBER ENHANCEMENT ENDORSEMENT**.
18. Based upon, attributable to or arising out of the same facts, "wrongful acts" or "interrelated wrongful acts," alleged or contained in any "claim" which has been reported, or any circumstances of which notice has been given, under any insurance policy of which this Policy is a renewal or replacement.
19. Based upon, attributable to or arising out of any criminal, dishonest, malicious or fraudulent act or any willful violation of any statute or regulation committed by an insured, whether acting alone or in collusion with others. However, this exclusion shall not apply to dishonest, malicious or fraudulent acts committed by an "employee" which give rise to a "claim" or "loss" covered under Insuring Agreement **2. Security Breach Liability**.

With the exception of "claims" excluded under Exclusion **13.**, we will defend "claims" first made against an insured alleging such acts or violations until final adjudication is rendered against that Insured. Final adjudication rendered against one insured shall not be imputed to any other insured.

We will not provide indemnification for any "claims" to which any insured enters a guilty plea or pleads no contest and we will not provide a defense from the time we become aware that any insured intends to so plead.
20. Based upon, attributable to or arising out any action by any governmental authority or regulatory agency, including but not limited to:
 - a. the seizure or destruction of property by order of a governmental authority; or

- b. regulatory actions or proceedings brought by or on behalf of, the Federal Trade Commission, Federal Communications Commission or other regulatory agency, except when covered under paragraph b. of Insuring Agreement 2. **Security Breach Liability**.

However, this exclusion does not apply to actions or proceedings brought by a governmental authority or regulatory agency acting solely in its capacity as your customer or as a customer of one of your subsidiaries.

- 21. Based upon, attributable to or arising out of costs associated with upgrading or improving any "computer system," regardless of the reason for the upgrade or improvement.
- 22. Based upon, attributable to or arising out of any "claim" brought or alleged by any insured against any other insured, except for a "claim" brought or alleged by an "employee" against an insured as a result of a "security breach."
- 23. Based upon, attributable to or arising out of unintentional errors or omissions in the entry or installation of "electronic data" into a "computer system."
- 24. Based upon, attributable to or arising out of an insured's failure to maintain password protection on all components of its "computer" or "computer system," including peripheral devices, that permit the use of password protection.
- 25. Based upon, attributable to or arising out of any "ransom payment" made because of, or in response to, any "extortion threat" you determined or believed to be a hoax, stunt, or otherwise not credible when the "ransom payment" was made.

F. WHO IS AN INSURED

- 1. You are an insured.
- 2. Any organization (other than a partnership, joint venture, or limited liability company) that is, at the beginning of the "policy period," your "subsidiary" is an insured, but only so long as it remains your "subsidiary." A "subsidiary's" status as an insured ends, automatically and immediately, when it ceases to be your "subsidiary."
- 3. Any "subsidiary" you newly acquire or form during the "policy period," other than a partnership, joint venture, or limited liability company, will qualify as an insured if there is no other similar insurance available to that organization. However:
 - a. coverage under this provision is afforded only until the 180th day after you acquire or form the "subsidiary" or the end of the "policy period," whichever is earlier;
 - b. coverage under this provision does not apply to any "wrongful act" committed, or "loss" that occurred, before you acquired or formed that "subsidiary."

To extend coverage for a newly acquired or newly formed "subsidiary" beyond the period described in 3.a., above, you must both:

- i. obtain our written agreement to do so; and
 - ii. pay an additional premium we determine.
- 4. Each "employee" of a named insured shown in the Declarations, or of a "subsidiary" that is an insured, is an insured.

5. No person or organization is an insured with respect to the conduct of any past or current partnership, joint venture, or limited liability company that is not shown as a named insured in the Declarations.

G. CONDITIONS

1. Bankruptcy

Your bankruptcy, or the bankruptcy of your estate if you are a sole proprietor, will not relieve us of our obligations under this Coverage Part.

2. Subrogation

With respect to any payment made under this Policy on behalf of any insured, we shall be subrogated to the Insured's rights of recovery to the extent of such payment. The Insured shall execute all papers required and shall do everything necessary to secure and preserve such rights, including the execution of such documents necessary to enable us to bring suit in the Insured's name. Any recoveries, less the cost of obtaining them, will be distributed as follows:

- a. to you until you are reimbursed for any "loss" you sustain that exceeds the sum of the applicable Aggregate Limit of Insurance and the Deductible Amount, if any;
- b. then to us, until we are reimbursed for the payment made under this Policy; and
- c. then to you until you are reimbursed for that part of the payment equal to the Deductible Amount, if any.

3. Representations

You represent that all information and statements contained in the "application" are true, accurate and complete. All such information and statements are the basis for our issuing this Policy and shall be considered as incorporated into and shall constitute a part of this Policy. Misrepresentation of any material fact may be grounds for the rescission of this Policy.

4. Other Insurance

- a. If any "claim" or "loss" insured under this Coverage Part is also insured by any other valid policy, then the insurance afforded under this Coverage Part applies only in excess of the amount of any deductible, retention and Limit of Insurance under such other policy, regardless of whether such other policy is stated to be primary, contributory, excess, contingent or otherwise, unless such other policy is written specifically to apply only in excess of the applicable Limits of Insurance of this Policy by reference in such other policy to this Policy's policy number.
- b. When this Policy is excess, we shall have no duty under **Web Site Publishing Liability** or **Security Breach Liability** to defend the Insured against any "claim" or "suit" if any other insurer has a duty to defend the Insured against that "claim" or "suit." If no other insurer defends, we will undertake to do so, but we will then be entitled to the Insured's rights against all those other insurers.

5. Legal Action Against Us

- a. No person or organization has a right:
 - (1) to join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
 - (2) to sue us under this Policy unless all of its terms have been fully complied with. A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured, but we will not be liable for damages that are not payable under either Insuring Agreement

1. Web Site Publishing Liability or **2. Security Breach Liability**, 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.

- b. Under Insuring Agreements **3. Replacement or Restoration of Electronic Data**, **4. Extortion Threats**, **5. Business Income and Extra Expense**, **6. Public Relations Expense**, and **7. Security Breach Expense**, no insured may bring any legal action against us involving "loss":

- (1) unless all the applicable terms of this Policy have been complied with;
- (2) until 90 days after that Insured has filed proof of loss with us; and
- (3) unless brought within two years from the date you reported the loss to us.

If the two-year limitation period stated in **b.(3)** is shorter than permitted by applicable law, the limitation period is deemed amended so as to equal the shortest period of limitation permitted by such law.

6. Separation of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned to the first named insured, this Coverage Part applies:

- a. as if each named insured were the only named insured; and
- b. separately to each insured against whom "claim" is made.

7. Duties in the Event of Claim or Loss

In the event of any act, omission, occurrence, or circumstance that may result in:

- a. a "claim" against any insured; or
- b. "loss" insured under this Coverage Part;

you must notify us in writing as soon as practicable, and no later than thirty (30) days after you first learn of the act, omission, occurrence, or circumstance. You and each other involved insured must cooperate with us in the investigation and settlement of the "claim" or "loss." Additionally:

- c. under Insuring Agreements **1. Web Site Publishing Liability** and **2. Security Breach Liability**, you and each other involved insured must:
 - (1) immediately record the specifics of the "claim" and the date received;
 - (2) immediately send us copies of any demands, notices, summonses, or legal papers received in connection with the "claim";
 - (3) authorize us to obtain records and other information; and
 - (4) assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to you because of a "claim" or "loss" to which this Coverage Part may also apply.

No insured, except at that Insured's own cost, will voluntarily make any payment, assume any obligation, or incur any expense without our consent.

A "claim" brought by a person or organization seeking damages will be deemed to have been first made against all insureds when that "claim" is first received by any insured.

d. Under Insuring Agreements **3. Replacement or Restoration of Electronic Data**, **4. Extortion Threats**, **5. Business Income and Extra Expense**, **6. Public Relations Expense**, and **7. Security Breach Expense**, you must:

- (1) notify local law enforcement officials, if it appears a crime may have been committed;
- (2) submit to examination under oath at our request and give us a signed statement of your answers; and
- (3) give us a detailed, sworn proof of loss within 120 days of when the "loss" first occurs.
- (4) in addition, under Insuring Agreement **4. Extortion Threats**, you must:
 - (a) make every reasonable effort to determine whether each "extortion threat" is genuine, rather than being a hoax, stunt, or otherwise not credible;
 - (b) refuse to make any "ransom payment" based on or in response to any "extortion threat" you determine or believe to be a hoax, stunt, or otherwise not credible. Under Insuring Agreement **4. Extortion Threats**, we will not pay for any "ransom payment" based on or in response to any "extortion threat" you determined or believed to be a hoax, stunt, or otherwise not credible when the "ransom payment" was made.
 - (c) make every reasonable effort to notify us of the "extortion threat" immediately, and before making or approving any "ransom payment" based on or in response to the "extortion threat"; and
 - (d) approve any "ransom payment" based on or in response to an "extortion threat," before that "ransom payment" is made.

8. Valuation - Settlement

- a. All premiums, Limits of Insurance, Deductible Amounts, "loss" and any other monetary amounts under this Coverage Part are expressed and payable in the currency of the United States of America. If judgment is rendered, settlement is agreed to, or any component of "loss" under this Coverage Part is expressed in any currency other than United States of America dollars, payment under this Policy shall be made in United States dollars at the rate of exchange published in The Wall Street Journal on the date the final judgment is entered, settlement amount is agreed upon, or other component of "loss" is due, respectively.
- b. With respect to "loss" covered under Insuring Agreement **5. Business Income and Extra Expense**:
 - (1) the amount of "business income" will be determined based on consideration of:
 - (a) the net income generated from your "e-commerce activities" before the "interruption" occurred;
 - (b) the likely net income generated by your "e-commerce activities" if no "interruption" 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 "e-commerce incident" on customers or on other businesses;
 - (c) the operating expenses, including payroll, necessary to resume your "e-commerce activities" with the same quality of service that existed before the "interruption"; and

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- (d) other relevant sources of information, including your financial records and accounting procedures, bills, invoices and other vouchers, and debts, liens and contracts.

However, the amount of "business income" will be reduced to the extent that the reduction in the volume of business from the affected "e-commerce activities" is offset by an increase in the volume of business from other channels of commerce such as via telephone, mail or other sources.

- (2) The amount of "extra expense" will be determined based on:

- (a) necessary expenses that exceed the normal operating expenses that would have been incurred in the course of your "e-commerce activities" during the period of coverage if no "interruption" had occurred. We will deduct from the total of such expenses the salvage value that remains of any property bought for temporary use during the period of "interruption," once your "e-commerce activities" are resumed; and
- (b) necessary expenses that reduce the "business income" "loss" that otherwise would have been incurred during the period of coverage.

9. Extended Reporting Periods

The provisions contained within this condition apply to only Insuring Agreements **1. Web Site Publishing Liability** and **2. Security Breach Liability**.

- a. We will provide one or more Extended Reporting Periods, as described below, if:

- (1) this Coverage Part is canceled or not renewed; or

- (2) we renew or replace this Coverage Part with insurance that:

- (a) has a Retroactive Date later than the date shown in the Schedule of the Cyber Enhancement endorsement; or
- (b) does not apply to "loss" and "defense expenses" on a claims-made basis.

- b. No Extended Reporting Period extends the "policy period" or changes the scope of coverage provided. Extended Reporting Periods apply only to "claims" for "loss" because of a "wrongful act," or the first of a group or series of "interrelated wrongful acts," which occurred on or after the Retroactive Date, if any, shown in the Schedule of the **SAFEPAK® BASIC LIMITS CYBER ENHANCEMENT ENDORSEMENT** and before the end of the "policy period." Once in effect, an Extended Reporting Period may not be canceled.

c. Basic Extended Reporting Period

- (1) A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the "policy period" and lasts for 30 days. A "claim" first made and reported by the Insured during this 30-day period will be considered to have been received within the "policy period." However, the 30-day Basic Extended Reporting Period does not apply to "claims" that are covered under any subsequent insurance purchased by the Insured, or that would be covered under such insurance but for exhaustion of the Aggregate Limit of Insurance applicable to such "claims."

d. Supplemental Extended Reporting Period

- (1) A Supplemental Extended Reporting Period of unlimited duration may be available, but only by endorsement and for an extra charge. The Supplemental Extended Reporting Period starts when the Basic Extended Reporting Period set forth in paragraph **16.a.** ends. The Supplemental Extended

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Reporting Period is available unless:

- (a) we cancel this Coverage Part for nonpayment of premium; or
 - (b) you fail to pay any amount owed us.
- (2) To obtain a Supplemental Extended Reporting Period, you must give us a written request for the Supplemental Extended Reporting Period endorsement together with the full payment of the additional premium for the Endorsement 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 promptly when due. The premium for the Supplemental Extended Reporting Period endorsement will be deemed fully earned as of the date it is purchased.
- e. There is no separate or additional Aggregate Limit of Insurance for the Basic Extended Reporting Period or the Supplemental Extended Reporting Period. The Limit of Insurance available during the Basic Extended Reporting Period, and during the Supplemental Extended Reporting Period if purchased, shall be the remaining amount, if any, of the Insuring Agreement Aggregate Limit of Insurance available for **1. Web Site Publishing Liability** and **2. Security Breach Liability** at the time this Coverage Part was canceled or nonrenewed.

10. Confidentiality

Under Insuring Agreement **4. Extortion Threats**, insureds must make every reasonable effort not to divulge either the existence or the extent of that coverage.

11. Territory

Insuring Agreements **1. Web Site Publishing Liability** and **2. Security Breach Liability** apply to "wrongful acts" which occur anywhere in the world. However, Insuring Agreements **1. Web Site Publishing Liability** and **2. Security Breach Liability** apply to only "claims" and "suits" that are brought and adjudicated in the United States of America (including its territories and possessions), Puerto Rico, or Canada.

12. Protective Safeguards

As a condition of insurance under each Insuring Agreement of this Coverage Part, you are required to:

- a. maintain password protection on all computers and other components of each "computer system." This requirement applies also to all Personal Digital Assistants (PDAs) and other transportable or handheld devices, electronic storage devices, and related peripheral components that permit the use of password protection;
- b. install and use, on each computer, antivirus software that:
 - (1) can automatically download program updates and updated virus definitions; and
 - (2) is set to automatically download program updates and updated virus definitions; and
- c. set the operating system of each computer to automatically download and install all security updates provided by the publisher of the operating system.

We will not pay for any "loss" that results, directly or indirectly, from failure to comply with any part of this condition.

H. INFORMATION SECURITY PROTECTION DEFINITIONS

1. **"Application"** means the signed application for the coverage provided by this Coverage Part, including any attachments and other materials submitted with or in connection with the signed application.
2. **"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.
3. **"Card company"** means American Express, Discover Financial Services, JCB International, MasterCard Worldwide, Visa Inc. or any other credit card company that requires its merchants to adhere to the Payment Card Industry (PCI) Data Security Standards.
4. **"Claim"** means:
 - a. a written or oral demand for monetary or nonmonetary damages, including injunctive relief;
 - b. a civil proceeding commenced by the service of a complaint or similar proceeding;
 - c. under paragraph b. of Insuring Agreement 2. **Security Breach Liability**, a "regulatory proceeding" commenced by the filing of a notice of charges, formal investigative order, service of summons or similar document.; or
 - d. under paragraph c. of Insuring Agreement 2. **Security Breach Liability**, an action brought by a "card company" of the Payment Card Industry (PCI);against any "Insured" for a "wrongful act," including any appeal therefrom.
5. **"Computer program"** means a set of related electronic instructions, which direct the operation and function of a computer or devices connected to it, which enables the computer or devices to receive, process, store, or send "electronic data."
6. **"Computer system"** means the following which are owned, leased or operated by you;
 - a. computers, including Personal Digital Assistants (PDAs) and other transportable or handheld devices, electronic storage devices, and related peripheral components;
 - b. systems and applications software; and
 - c. related communications networks;by which "electronic data" is collected, transmitted, processed, stored, or retrieved.
7. **"Defense expenses"** means, with respect to any "claim" we investigate or settle, or any "suit" we defend:
 - a. Expenses we incur.
 - b. The cost of bonds to release attachments, but only for bond amounts less than or equal to the applicable Limit of Insurance. We do not have to furnish these bonds.

- c. Reasonable expenses incurred by the Insured at our request to assist us in the investigation or defense of the "claim" or "suit." However, we will not pay or reimburse any earnings, wages, salaries, expenses, or benefits that an insured or an insured's "employees" may lose or incur in connection with the investigation, settlement, or defense of a "claim" or "suit."
- d. Court costs taxed against the Insured in the "suit." However, we will not pay attorneys' fees or attorneys' expenses taxed against the Insured.
- e. Prejudgment interest awarded against the Insured on that part of a judgment we pay. If we have made an offer to pay the applicable Limit of Insurance, but the part of the judgment we pay is less than the applicable Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- f. 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.

All these payments, other than our normal office expenses and other overhead we would have incurred in the absence of the "claim" or "suit," will be paid from, will reduce, and may exhaust, the applicable Limits of Insurance. Under no circumstances will we pay more than the applicable Limit of Insurance for the sum of:

- i. Covered "loss" and
 - ii. "Defense expenses" described in a. through f., above.
8. **"E-commerce activities"** means those activities conducted by you in the normal conduct of your business via your web site or your e-mail system.
9. **"E-commerce incident"** means a:
- a. "virus";
 - b. malicious code; or
 - c. denial of service attack;

introduced into or enacted upon either:

- i. a "computer system" (including "electronic data" in or on that "computer system") at the described premises; or
- ii. a network to which that "computer system" is connected;

and that is designed to damage, destroy, delete, corrupt, or prevent the use of or access to any part of the "computer system" or otherwise disrupt its normal operation.

Recurrence of the same "virus" after the "computer system" has been restored shall be deemed to constitute a separate "e-commerce incident."

10. **"Electronic data"** means digital information, facts, images or sounds stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software) on electronic storage devices including, but not limited to, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment. "Electronic data" is not tangible property.

"Electronic data" does not include any insured's "electronic data" that is licensed, leased, rented or loaned to others.

11. "Employee" means any natural person who was, now is or will be:

- a. employed on a full - or part-time basis;
- 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 **10.b.**;
- d. an officer;
- e. a director, trustee or manager (if a limited liability company);
- f. a volunteer worker; or
- g. a partner or member (if a limited liability company);

of a named insured or of any "subsidiary" of a named insured, but only while acting within the scope of their duties as such.

12. "Extortion expenses" means:

- a. fees and costs of:
 - (1) a security firm; or
 - (2) other consultant, person, or organization;hired with our consent to determine the validity and severity of an "extortion threat" made against you;
- b. interest costs paid by you for any loan from a financial institution, taken by you to make a "ransom payment."
- c. reward money paid by you to an "informant" which leads to the arrest and conviction of parties responsible for "loss"; and
- d. any other reasonable expenses incurred by you with our written consent, including:
 - (1) fees and costs of independent negotiators; and
 - (2) fees and costs of a company hired by you, upon the recommendation of a security firm, to protect your "electronic data" from further threats.

13. "Extortion threat" means a threat, or a group or series of related threats:

- a. to perpetrate an "e-commerce incident";
- b. to disseminate, divulge or utilize:
 - (1) your proprietary information; or

(2) weaknesses in the source code;

within the "computer system" by gaining unauthorized access to the "computer system";

- c. to destroy, corrupt or prevent normal access to the "computer system" by gaining unauthorized access to the "computer system";
- d. to inflict "ransomware" on the "computer system" or a network to which the "computer system" is connected; or
- e. to publish your client's "personal information."

14. "Extra expense" means necessary expenses you incur:

- a. during an "interruption," that you would not have incurred had there been no "interruption"; or
- b. to avoid or minimize the suspension of your "e-commerce activities."

"Extra expense" does not include any costs or expenses associated with upgrading, maintaining, improving, repairing, or remediating any "computer system."

15. "Informant" means a person, other than an "employee," providing information not otherwise obtainable, solely in return for a reward offered by you.

16. "Interrelated wrongful acts" means all "wrongful acts" that have as a common nexus any:

- a. fact, circumstance, situation, event, transaction, or cause; or
- b. group or series of causally connected facts, circumstances, situations, events, transactions, or causes.

17. "Interruption" means:

a. With respect to "interruption" resulting directly from an "e-commerce incident":

- (1) an unanticipated cessation or slowdown of your "e-commerce activities"; or
- (2) your suspension of your "e-commerce activities" for the purpose of avoiding or mitigating the possibility of transmitting a "virus" or malicious code to another person or organization.

With regard to paragraphs **17.a.(1)** and **17.a.(2)**, an "interruption" shall be deemed to begin when your "e-commerce activities" first cease, slow down, or are suspended, and ends at the earliest of the following times:

- (a) 90 days after the "interruption" begins;
 - (b) when your normal "e-commerce activities" are resumed; or
 - (c) when your normal internet service is restored to you.
- b. With respect to "interruption" resulting directly from an "extortion threat," your voluntary suspension of your "e-commerce activities" based upon:
- (1) clear evidence of a credible "extortion threat"; or
 - (2) the recommendation of a computer security firm.

With regard to paragraphs **17.b.(1)** and **17.b.(2)**, an "interruption" shall be deemed to begin when your "e-commerce activities" are first voluntarily suspended and ends at the earliest of the following times:

- (a) 14 days after the "interruption" begins;
- (b) when your "e-commerce activities" are resumed; or
- (c) when your normal internet service is restored to you.

18. "Loss" means:

a. With respect to Insuring Agreements **1. Web Site Publishing Liability** and **2. Security Breach Liability**:

- (1) compensatory damages, settlement amounts, and court costs, pursuant to judgments or settlements.
- (2) punitive and exemplary damages to the extent such damages are insurable by law; or
- (3) under paragraphs **b.** and **c.** of Insuring Agreement **2. Security Breach Liability**, fines or penalties assessed against the Insured to the extent such fines or penalties are insurable by law.

With regard to paragraphs **18.a.(1)** through **18.a.(3)** "loss" does not include:

- (a) civil or criminal fines or penalties imposed by law, except civil fines or penalties as provided under paragraph **18.a.(3)**;
 - (b) the multiplied portion of multiplied damages;
 - (c) taxes;
 - (d) royalties;
 - (e) the amount of any disgorged profits; or
 - (f) matters that are uninsurable pursuant to law;
- b. With respect to Insuring Agreement **3. Replacement or Restoration of Electronic Data**, the cost to replace or restore "electronic data" or "computer programs," including the cost of data entry, reprogramming, and computer consultation services. However, "loss" does not include the cost to duplicate research that led to the development of your "electronic data" or "computer programs." To the extent that "electronic data" cannot be replaced or restored, we will pay the cost to replace the media on which the "electronic data" was stored with blank media of substantially identical type.
- c. With respect to Insuring Agreement **4. Extortion Threats**, "extortion expenses" and "ransom payments."
- d. With respect to Insuring Agreement **5. Business Income and Extra Expense**, the actual loss of "business income" you sustain and "extra expense" you incur.
- e. With respect to Insuring Agreement **6. Public Relations Expense**, "public relations expenses."
- f. With respect to Insuring Agreement **7. Security Breach Expense**, "security breach expenses."

19. "Negative publicity" means information which has been made public and that has caused, or is reasonably likely to cause, a decline or deterioration in your reputation or in the reputation of one or more of your products or services.

- 20. "Personal information"** means any information not available to the general public for any reason through which an individual may be identified including, but not limited to, an individual's:
- social security number, driver's license number or state identification number;
 - protected health information;
 - financial account numbers;
 - security codes, passwords, PINs associated with credit, debit or charge card numbers which would permit access to financial accounts; or
 - any other nonpublic information as defined in "privacy regulations."
- 21. "Policy period"** means the period of time beginning with the inception date and time shown in the Declarations and ending at the earlier of the following:
- the expiration date and time shown in the Declarations; or
 - the effective date and time of any cancellation or other termination of this insurance.
- 22. "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.
- 23. "Privacy regulations"** means any of the following statutes and regulations, and their amendments, associated with the control and use of personally identifiable financial, health or other sensitive information including, but not limited to:
- the Health Insurance Portability and Accountability Act of 1996 (HIPAA) (Public Law 104-191);
 - the Health Information Technology for Economic and Clinical Health Act (HITECH) (American Recovery and Reinvestment Act of 2009);
 - the Gramm-Leach-Bliley Act of 1999;
 - section 5(a) of the Federal Trade Commission Act (15 U.S.C. 45 (a)), but solely for the alleged unfair or deceptive acts or practices in or affecting commerce;
 - the Identity Theft Red Flags Rules under the Fair and Accurate Credit Transactions Act of 2003; or
 - any other similar state, federal or foreign identity theft or privacy protection statute or regulation.
- 24. "Public relations expenses"** means:
- fees and costs of a public relations firm; and
 - any other reasonable expenses incurred by you with our written consent, to protect or restore your reputation solely in response to "negative publicity."
- 25. "Ransom payment"** means a payment made in compliance with a demand or requirement made by "ransomware."

26. "Ransomware" means any software that:

- a. encrypts "electronic data" held within a "computer system"; or
- b. disables a system service or process; or
- c. locks the display at system startup;

and demands or requires a "ransom payment" to decrypt and restore such "electronic data," re-enable the service or process, or unlock the display.

27. "Regulatory proceeding" means an investigation, demand or proceeding 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.

28. "Security breach" means the acquisition of "personal information" held within a "computer system" or in nonelectronic format while in the care, custody or control of the Insured or authorized "third party" by a person:

- a. who is not authorized to have access to such information; or
- b. who is authorized to have access to such information but whose access results in the unauthorized disclosure of such information.

29. "Security breach expenses" means:

- a. costs to establish whether a "security breach" has occurred or is occurring;
- b. costs to investigate the cause, scope and extent of a "security breach" and to identify any affected parties;
- c. costs to determine any action necessary to correct or remediate the conditions that led to or resulted from a "security breach";
- d. costs to notify all parties affected by a "security breach";
- e. overtime salary paid to "employees" assigned to handle inquiries from the parties affected by a "security breach";
- f. fees and costs an insured pays to a company hired by you for the purpose of operating a call center to handle inquiries from the parties affected by a "security breach";
- g. post-event credit monitoring costs for the parties affected by a "security breach," for up to one year from the date of notification to those affected parties of such "security breach." Credit monitoring means monitoring changes in a victim's credit file;
- h. the costs of fraud monitoring for victims of a "security breach," for up to one year from the date of the "security breach." Fraud monitoring means electronic notification to individuals of changes in their personal identifying information in monitored databases; and
- i. any other reasonable expenses incurred by you with our written consent, in connection with a "security breach."

"Security breach expenses" do not include any costs or expenses associated with upgrading, maintaining, improving, repairing, or remediating any "computer system" as a result of, or to prevent, a "security breach."

30. **"Subsidiary"** means any organization in which more than 50% of the outstanding shares or voting rights representing the present right to vote for the election of directors, trustees, managers (if a limited liability company) or persons serving in a similar capacity, is owned, in any combination, by one or more named insureds shown in the Declarations.
31. **"Suit"** means a civil proceeding in which damages to which either Insuring Agreement **1. Web Site Publishing Liability** or **2. Security Breach Liability** applies are claimed against an insured. "Suit" includes:
- an arbitration proceeding in which such damages are claimed and to which the Insured must submit or does submit with our consent; or
 - any other alternative dispute resolution proceeding in which such damages are claimed and to which the Insured submits with our consent.

"Suit" does not include any proceeding seeking recognition and/or enforcement of a foreign judgment.

32. **"Third party"** means any entity that you engage under the terms of a written contract to perform services for you.
33. **"Virus"** means any kind of malicious code designed to damage or destroy any part of a "computer system" (including "electronic data" in or on the "computer system") or disrupt its normal functioning.

34. **"Wrongful act"** means:

- With respect to Insuring Agreement **1. Web Site Publishing Liability**:

Any actual or alleged error, misstatement or misleading statement posted or published by an insured on its web site that results in:

- (1) any type of infringement of another's copyright, title, slogan, trademark, trade name, trade dress, service mark or service name ;
- (2) any form of defamation against a person or organization; or
- (3) a violation of a person's right of privacy.

- With respect to Insuring Agreement **2. Security Breach Liability**:

Any actual or alleged neglect, breach of duty or omission by an insured that results in:

- (1) a "security breach"; or
- (2) a "computer system's" transmitting, by e-mail or other means, a "virus" to another person or organization.

IV. The **SAFEPAK® COMMON POLICY CONDITIONS** apply to **PART THREE - SAFEPAK® INFORMATION SECURITY PROTECTION COVERAGE FORM**.

Except as expressly stated above, this Endorsement does not change any other provision of the Policy.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

VIRTUAL OR ON-LINE PEER TO PEER MEDIUMS OF EXCHANGE EXCLUSION

This endorsement modifies insurance provided under the following:

**SAFEPAK® BUSINESSOWNERS POLICY SPECIAL FORM
PART ONE-SAFEPAK® SPECIAL PROPERTY COVERAGE FORM**

- A. The following is added to PART ONE - SAFEPAK® SPECIAL PROPERTY COVERAGE FORM, B. Exclusions:**

Virtual or On-Line Peer to Peer Mediums of Exchange

We will not pay for loss of any virtual or on-line peer to peer mediums of exchange. This includes but is not limited to loss of virtual or on-line peer to peer mediums of exchange used to pay for goods or services, or held for investment, which can be purchased and which can be exchanged into "money."

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - UNMANNED AIRCRAFT

This endorsement modifies insurance provided under the following:

SAFEPAK® BUSINESSOWNERS POLICY SPECIAL FORM
PART TWO - SAFEPAK® LIABILITY COVERAGE FORM

- A. EXCLUSIONS B.1.g** of **PART TWO - SAFEPAK® LIABILITY COVERAGE FORM** is replaced by the following:

This insurance does not apply to:

g. Aircraft, Auto Or Watercraft

(1) Unmanned Aircraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft". Use includes operation and "loading or unloading".

This Paragraph **g.(1)** 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 that is an "unmanned aircraft".

(2) Aircraft (Other Than Unmanned Aircraft), Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft (other than "unmanned aircraft"), "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This Paragraph **g.(2)** 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 (other than "unmanned aircraft"), "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This Paragraph **g.(2)** does not apply to:

- (a)** A watercraft while ashore on premises you own or rent;
- (b)** A watercraft you do not own that is:
 - (i)** Less than 51 feet long; and

- (ii) Not being used to carry persons or property for a charge;
- (c) 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;
- (d) liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- (e) "Bodily injury" or "property damage" arising out of the operation of any of the following equipment:
 - (i) cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - (ii) air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.
- (f) an aircraft that is:
 - (i) not owned by any insured, and
 - (ii) hired, chartered or loaned with a paid crew.

However, the exception stated in subparagraph (f) does not apply if the Insured has any other insurance for such "bodily injury" or "property damage," whether the other insurance is primary, excess, contingent or on any other basis.

B. The following is added to paragraph B.1.p Personal and Advertising Injury Exclusion of PART TWO - SAFEPAK® LIABILITY COVERAGE FORM:

This insurance does not apply to:

p. Personal and Advertising Injury

Arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft". 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 offense which caused the "personal and advertising injury" involved the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft".

This exclusion does not apply to:

- (a) the use of another's advertising idea in your "advertisement"; or
- (b) Infringing upon another's copyright, trade dress or slogan in your "advertisement".

C. The following definition is added to the Definitions section:

"Unmanned aircraft" means an aircraft that is not

- a. Designed;

b. Manufactured; or

c. Modified after manufacture;

to be controlled directly by a person from within or on the aircraft.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION - CHAPTER OR CLUB ACTIVITIES
SCHEDULED EXCEPTIONS**

This endorsement modifies insurance provided under the following:

SAFEPAK® BUSINESSOWNERS POLICY SPECIAL FORM
PART TWO - SAFEPAK® LIABILITY COVERAGE FORM

SCHEDULE

<p>Name of Person(s) or Organization(s):</p> <p>LIST OF CHAPTERS:</p> <p>1 - CCAPA CENTRAL</p> <p>2 - CCAPA NORTHERN</p> <p>3 - CCAPA ORANGE COUNTY</p> <p>4 - CCAPA LOS ANGELES</p> <p>5 - CCAPA SACRAMENTO VALLEY</p> <p>6 - CCAPA SAN DIEGO</p> <p>7 - CCAPA CENTRAL COAST</p> <p>8 - CCAPA INLAND EMPIRE</p>

The following additional exclusion is hereby added to **B.1., Exclusions Applicable to Business Liability Coverage:**

This insurance does not apply to "bodily injury" or "property damage," arising out of any act, omission, premises, or operations of any one or more of your:

1. members;
2. affiliates;
3. associated chapters;
4. clubs; or
5. similar entity;

or of any member, officer, director, trustee, shareholder, or manager of **1.** through **5.**, above.

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However, this exclusion does not apply to "bodily injury" or "property damage" arising out of:

- a. operations performed by you; or
- b. any act, omission, premises, or operations of any person(s) or organization(s) shown in the above schedule.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - DESIGNATED ACTIVITIES

This endorsement modifies insurance provided under the following:

SAFEPAK® BUSINESSOWNERS POLICY SPECIAL FORM
PART TWO - SAFEPAK® LIABILITY COVERAGE FORM

The following exclusion is hereby added to **B., Exclusions**, and is applicable to both Business Liability Coverage and Medical Expenses Coverage:

This insurance does not apply to:

1. "Bodily injury" for any person while practicing or training for, or participating in, any sport or athletic contest or exhibition.
2. "Bodily injury" or "property damage" arising out of any:
 - a. fireworks or pyrotechnic display;
 - b. musical concert;
 - c. ownership, maintenance, use, or entrustment to others of any:
 - i. aircraft,
 - ii. balloon used in, or designed or intended for use in, any balloon ride or ascent, or
 - iii. amusement ride or device powered by any form of electricity, any mechanical or internal combustion engine, or any form of animal power;
 - d. rodeo, animal race, animal act, animal show or exhibition, animal ride, or animal-powered ride or device;
 - e. "auto", motorcycle, all-terrain vehicle, go-kart or other motor powered vehicle ride, race, competition, or stunting activity;
 - f. bicycle ride, race, competition, or stunting activity;
 - g. bungee jumping, rock wall, rock climbing, Velcro wall, wall climbing, traverse wall, trapeze, zip line, rope course;
 - h. sky diving, parachuting, hang gliding, parasailing;
 - i. bounce house, trampoline, inflatable;
 - j. skiing, snowboarding, sledding, luge, tobogganing or snow tubing;
 - k. skate boarding, roller skating or in-line skating;
 - l. paintball activity, activity involving firearms, archery;
 - m. event or activity that is conducted or takes place, in whole or in part, in, on, or above any naturally-occurring and/or man-made body of water, including but not limited to any swimming pool.

Exclusion **2.c.iii.**, above in this endorsement, does not apply to an amusement ride or device powered solely by its human riders, such as a swing or see-saw.

Exclusion **2.m.** does not apply to permanently installed bridges, walkways, docks or piers while being used for ingress or egress.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA CHANGES

This endorsement modifies insurance provided under the following:

SAFEPAK® BUSINESSOWNERS POLICY SPECIAL FORM

A. PART ONE - SAFEPAK® SPECIAL PROPERTY COVERAGE FORM is amended as follows:

1. With respect to an "open policy", the following is added to any provision which uses the term actual cash value:
 - a. In the event of a total loss to a building or structure, actual cash value is calculated as the Limit of Insurance applicable to that building or structure or the fair market value of the building or structure, whichever is less.
 - b. In the event of a partial loss to a building or structure, actual cash value is calculated as **b.(1)** or **b.(2)**, whichever is less:
 - (1) The amount it would cost to repair, rebuild or replace the property less a fair and reasonable deduction for physical depreciation of the components of the building or structure that are normally subject to repair or replacement during its useful life. Physical depreciation is based upon the condition of the property at the time of loss;
 - (2) The Limit of Insurance applicable to the property.
 - c. In the event of a partial or total loss to Covered Property other than a building or structure, actual cash value is calculated as **c.(1)** or **c.(2)**, whichever is less:
 - (1) The amount it would cost to repair or replace the property less a fair and reasonable deduction for physical depreciation, based on the condition of the property at the time of loss;
 - (2) The Limit of Insurance applicable to the property.
 - d. An "open policy" is a policy under which the value of Covered Property is not fixed at policy inception, but is determined at the time of loss in accordance with policy provisions on valuation.

B. Paragraph E. PROPERTY LOSS CONDITIONS, 2. Appraisal is replaced by the following:

2. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written request for an appraisal of the loss. If the request is accepted, each party will select a competent and impartial appraiser. Each party shall notify the other of the appraiser selected within 20 days of the request. The two appraisers will select an umpire. If they cannot agree within 15 days, 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:

- 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.

C. Paragraph **E. PROPERTY LOSS CONDITIONS, 5. Loss Payment, d.(1)(a)** is deleted.

D. Paragraphs **E. PROPERTY LOSS CONDITIONS, 5. Loss Payment, d.(1)(b)** and **d.(6)** are replaced as follows:

(b) We will not pay on a replacement cost basis for any loss or damage until the lost or damaged property is actually repaired or replaced. Prior to such repair or replacement, we will pay the actual cash value of the lost or damaged property as described in Paragraph **A.1.** of this Endorsement. If the actual cash value does not exhaust the applicable Limit of Insurance, we will then pay the difference between the actual cash value and the replacement cost, provided that the repair or replacement is completed:

- (i) Within 12 months after we pay the actual cash value; or
- (ii) Within 24 months after we pay the actual cash value if the loss or damage relates to a state of emergency as described in Section 8558 of the Government Code; unless we extend the time period for good cause.

Nothing in this Paragraph **(D.)** constitutes a waiver of our right to deny the claim for any valid reason or to restrict payment in cases of suspected fraud.

(6) Tenants' improvements and betterments at:

- (a) Replacement cost in accordance with the terms set forth in Paragraph **(D.)** above.
- (b) A proportion of your original cost if the property is not repaired or replaced. We will determine the proportionate value as follows
 - (i) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
 - (ii) Divide the amount determined in (i) above by the number of days from the installation of improvements to the expiration of the lease. If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.
- (c) Nothing if others pay for repairs or replacement.

E. **SAFEPAK® COMMON POLICY CONDITIONS, A. CANCELLATION**, paragraph **2.** and **3.** are amended as follows:

2. All Policies In Effect For 60 Days Or Less

If this Policy has been in effect for 60 days or less, and is not a renewal of a policy we have previously issued, we may cancel this Policy by mailing or delivering to the first Named Insured at the mailing address shown in the Policy and to the producer of record, advance written notice of cancellation, stating the reason for cancellation, at least:

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- a. 10 days before the effective date of cancellation if we cancel for:
 - (1) Nonpayment of premium; or
 - (2) Discovery of fraud by:
 - (a) Any insured or his or her representative in obtaining this insurance; or
 - (b) You or your representative in pursuing a claim under this Policy.
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. All Policies In Effect For More Than 60 Days
- a. If this Policy has been in effect for more than 60 days, or is a renewal of a policy we issued, we may cancel this Policy only upon the occurrence, after the effective date of the Policy, of one or more of the following:
 - (1) Nonpayment of premium, including payment due on a prior policy we issued and due during the current policy term covering the same risks.
 - (2) Discovery of fraud or material misrepresentation by:
 - (a) Any insured or his or her representative in obtaining this insurance; or
 - (b) You or your representative in pursuing a claim under this Policy.
 - (3) A judgment by a court or an administrative tribunal that you have violated a California or federal law, having as one of its necessary elements an act which materially increases any of the risks insured against.
 - (4) Discovery of willful or grossly negligent acts or omissions, or of any violations of state laws or regulations establishing safety standards, by you or your representative, which materially increase any of the risks insured against.
 - (5) Failure by you or your representative to implement reasonable loss control requirements, agreed to by you as a condition of policy issuance, or which were conditions precedent to our use of a particular rate or rating plan, if that failure materially increases any of the risks insured against.
 - (6) A determination by the Commissioner of Insurance that the:
 - (a) Loss of, or changes in, our reinsurance covering all or part of the risk would threaten our financial integrity or solvency; or
 - (b) Continuation of the policy coverage would:
 - (i) Place us in violation of California law or the laws of the state where we are domiciled; or
 - (ii) Threaten our solvency.
 - (7) A change by you or your representative in the activities or property of the commercial or industrial enterprise, which results in a materially added, increased or changed risk, unless the added, increased or changed risk is included in the Policy.

b. We will mail or deliver advance written notice of cancellation, stating the reason for cancellation, to the first Named Insured, at the mailing address shown in the Policy, and to the producer of record, at least:

- (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium or discovery of fraud; or
- (2) 30 days before the effective date of cancellation if we cancel for any other reason listed in Paragraph 3.a.

F. The following provision is added to **SAFEPAK® COMMON POLICY CONDITIONS**, paragraph **A. CANCELLATION**:

Residential Property

This provision applies to coverage on real property which is used predominantly for residential purposes and consisting of not more than four dwelling units, and to coverage on tenants' household personal property in a residential unit. If such coverage has been in effect for 60 days or less and is not a renewal of coverage we previously issued, we may cancel this coverage for any reason, except that we may not cancel this Policy solely because:

- a. Corrosive soil conditions exist on the premises; or
- b. The first Named Insured has:
 - (1) Accepted an offer of earthquake coverage; or
 - (2) Cancelled or did not renew a policy issued by the California Earthquake Authority (CEA) that included an earthquake policy premium surcharge.

However, we shall cancel this Policy if the first Named Insured has accepted a new or renewal policy issued by the CEA that includes an earthquake policy premium surcharge but fails to pay the earthquake policy premium surcharge authorized by the CEA.

G. **SAFEPAK® COMMON POLICY CONDITIONS**, paragraph **C. CONCEALMENT, MISREPRESENTATION OR FRAUD** is replaced by the following with respect to loss or damage caused by fire:

We do not provide coverage to the insured who, whether before or after a loss, has committed fraud or intentionally concealed or misrepresented any material fact or circumstance concerning:

- a. This Policy;
- b. The Covered Property;
- c. That insured's interest in the Covered Property; or
- d. A claim under this Policy.

H. **SAFEPAK® COMMON POLICY CONDITIONS**, paragraph **C. CONCEALMENT, MISREPRESENTATION OR FRAUD** is replaced by the following with respect to loss or damage caused by a Covered Cause of Loss other than fire:

This Policy is void if any insured, whether before or after a loss, has committed fraud or intentionally concealed or misrepresented any material fact or circumstance concerning:

- a. This Policy;
 - b. The Covered Property;
 - c. An insured's interest in the Covered Property; or
 - d. A claim under this Policy.
5. Under **SAFEPAK® COMMON POLICY CONDITIONS**, the following paragraph is added and supersedes any provisions to the contrary:

NONRENEWAL

1. Subject to the provisions of Paragraphs 2. and 3. below, if we elect not to renew this Policy, we will mail or deliver written notice stating the reason for nonrenewal to the first Named Insured shown in the Declarations and to the producer of record, at least 60 days, but not more than 120 days, before the expiration or anniversary date.

We will mail or deliver our notice to the first Named Insured, and to the producer of record, at the mailing address shown in the Policy.

2. Residential Property

This provision applies to coverage on real property used predominantly for residential purposes and consisting of not more than four dwelling units, and to coverage on tenants' household property contained in a residential unit.

We may elect not to renew such coverage for any reason, except that we will not refuse to renew such coverage solely because:

- a. The first Named Insured has accepted an offer of earthquake coverage.

However, the following applies only to insurers who are associate participating insurers as established by Cal. Ins. Code Section 10089.16. We may elect not to renew such coverage after the first Named Insured has accepted an offer of earthquake coverage, if one or more of the following reasons applies:

- (1) The nonrenewal is based on sound underwriting principles that relate to the coverages provided by this Policy and that are consistent with the approved rating plan and related documents filed with the Department of Insurance as required by existing law;
- (2) The Commissioner of Insurance finds that the exposure to potential losses will threaten our solvency or place us in a hazardous condition. A hazardous condition includes, but is not limited to, a condition in which we make claims payments for losses resulting from an earthquake that occurred within the preceding two years and that required a reduction in policyholder surplus of at least 25% for payment of those claims; or
- (3) We have:
 - (a) Lost or experienced a substantial reduction in the availability or scope of reinsurance coverage; or
 - (b) Experienced a substantial increase in the premium charged for reinsurance coverage of our residential property insurance policies; and

SAFEPAK® GENERAL ENDORSEMENT

Additional Insured

Riverside County Regional Park & Open-Space district, Park, County of Riverside and their
Respective directors, officers, elected officials, employees, agents & representatives

4600 Crestmore Road,
Riverside, CA 92509

SAFEPAK® GENERAL ENDORSEMENT

Long Name Additional Insured

Alex Theatre/Glendale Arts/City of Glendale/Glendale Successor Agency, its officers, directors, agents,

SAFEPAK® GENERAL ENDORSEMENT

Long Name Additional Insured

City and County of San Francisco and the San Francisco Performing Arts Center Foundation and their officers, agents and employees are included as additional insureds.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ABUSE OR MOLESTATION EXCLUSION

This endorsement modifies insurance provided under the following:

SAFEPAK[®] BUSINESSOWNERS POLICY SPECIAL FORM

This insurance does not apply to "bodily injury," "property damage," or "personal and advertising injury" arising out of:

- (a) the actual, threatened, or alleged abuse, molestation, harassment or sexual conduct by anyone of any person; or
 - (b) the negligent:
 - (i) employment;
 - (ii) investigation;
 - (iii) supervision;
 - (iv) reporting to the proper authorities, or failure to so report;
 - (v) retention; or
 - (vi) referral;
- of a person for whom any insured is or ever was legally responsible and whose conduct would be excluded by (a) above.

This endorsement does not change any other provision of the Policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WELFARE AND PENSION PLAN ERISA COMPLIANCE

Provision 1. of this endorsement applies to all crime coverages forming part of the Policy. The other provisions of this endorsement apply only to the Employee Dishonesty Coverage in the **SafePak® Businessowners Policy Special Form** as contained in **PART ONE, SAFEPAK SPECIAL PROPERTY COVERAGE FORM, 5. Additional Coverages, jj. Employee Dishonesty.**

Provisions

In compliance with certain provisions of the Employee Retirement Income Security Act (ERISA):

1. "Employee" also includes any natural person who is:
 - a. a trustee, an officer, employee, administrator or a manager, except an administrator or a manager who is an independent contractor, of any Employee Welfare or Pension Benefit Plan (hereafter called Plan) insured under this insurance, and
 - b. your director or trustee while that person is handling funds or other property of any Plan insured under this insurance.
2. If any Plan is insured jointly with any other entity under this insurance, you or the Plan Administrator must select a Limit of Insurance

for the Employee Dishonesty Coverage Form that is sufficient to provide an amount of insurance for each Plan that is at least equal to that required if each Plan were separately insured.

3. If the Insured first named in the Declarations is an entity other than a Plan, any payment we make to that Insured for loss sustained by any Plan will be held by that Insured for the use and benefit of the Plan(s) sustaining the loss.
4. If two or more Plans are insured under this insurance, any payment we make for loss:
 - a. sustained by two or more Plans or
 - b. of commingled funds or other property of two or more Plansthat arises out of one "occurrence," is to be shared by each Plan sustaining loss in the proportion that the amount of insurance required for each such plan under ERISA provisions bears to the total of those amounts.
6. The Deductible provision of **The SafePak Policy** does not apply to loss sustained by any Plan subject to ERISA which is insured under this insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TANNING FACILITIES EXCLUSION

This endorsement modifies insurance provided under the following:

SAFEPAK[®] BUSINESSOWNERS POLICY SPECIAL FORM

The following exclusion is added to the **SafePak Policy**, Part Two, Liability Coverage Form, **B. Exclusions:**

"Bodily injury" or "personal injury" arising out of or in any way connected with, the use of, or exposure to tanning beds, tanning facilities or tanning services.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED LOCATION(S) GENERAL AGGREGATE LIMIT

This endorsement modifies insurance provided under the following:

SAFEPAK® BUSINESSOWNERS POLICY SPECIAL FORM
PART TWO - SAFEPAK® LIABILITY COVERAGE FORM

SCHEDULE

Designated Location(s):

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

- A.** For all sums which the Insured becomes legally obligated to pay as damages caused by "occurrences" under **A. COVERAGES, 1. Business Liability**, and for all medical expenses caused by accidents under **A. COVERAGES, 2. Medical Expenses**, which can be attributed only to operations at a single designated "location" shown in the Schedule above:
1. A separate Designated Location General Aggregate Limit applies to each designated "location," and that limit is equal to the amount of the General Aggregate Limit shown in the Declarations.
 2. The Designated Location General Aggregate Limit is the most we will pay for the sum of all damages under **A. COVERAGES, 1. Business Liability**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard," and for medical expenses under **A. COVERAGES, 2. Medical Expenses**, regardless of the number of:
 - a. insureds;
 - b. claims made or "suits" brought; or
 - c. persons or organizations making claims or bringing "suits."
 3. Any payments made under **A. COVERAGES, 1. Business Liability** for damages or **A. COVERAGES, 2. Medical Expenses** for medical expenses shall reduce the Designated Location General Aggregate Limit for that designated "location." Such payments shall not reduce the General Aggregate Limit shown in the Declarations nor shall they reduce any other Designated Location General Aggregate Limit for any other designated "location" shown in the Schedule above.
 4. The limits shown in the Declarations for Each Occurrence, Damage to Premises Rented to You, and Medical Expense continue to apply. However, instead of being subject to the General Aggregate Limit shown in the Declarations, such limits will be subject to the applicable Designated Location General Aggregate Limit.

- B.** For all sums which the Insured becomes legally obligated to pay as damages caused by "occurrences" under **A. COVERAGES, 1. Business Liability**, and for all medical expenses caused by accidents under **A. COVERAGES, 2. Medical Expenses**, which cannot be attributed only to operations at a single designated "location" shown in the Schedule above:
1. any payments made under **A. COVERAGES, 1. Business Liability** for damages or **A. COVERAGES, 2. Medical Expenses** for medical expenses shall reduce the amount available under the General Aggregate Limit or the Products-Completed Operations Aggregate Limit, whichever is applicable; and
 2. such payments shall not reduce any Designated Location General Aggregate Limit.
- C.** When coverage for liability arising out of the "products-completed operations hazard" is provided, any payments for damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard" will reduce the Products-Completed Operations Aggregate Limit, and not reduce the General Aggregate Limit nor the Designated Location General Aggregate Limit.
- D.** For the purposes of this endorsement, **F. LIABILITY AND MEDICAL EXPENSES DEFINITIONS** is amended by the addition of the following definition:
- 24. "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.
- E.** The provisions of **D. LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE** not otherwise modified by this endorsement shall continue to apply as stipulated.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - ASBESTOS

This endorsement modifies insurance provided under the following:

SAFEPAK[®] BUSINESSOWNERS POLICY SPECIAL FORM

This insurance does not apply to "bodily injury," "property damage," or "personal and advertising injury" arising out of or related in any way to asbestos or asbestos-containing materials.

We shall not have the duty to defend any such claim or "suit."

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOSS ADJUSTMENT ENDORSEMENT - COMMERCIAL PROPERTY COVERAGE

This endorsement modifies insurance provided under the following:

SAFEPAK[®] SPECIAL PROPERTY COVERAGE FORM

- A.** This endorsement is intended to facilitate payment of insurance proceeds in the event of loss or damage to Covered Property from a loss that is covered by:
1. this **SAFEPAK[®] SPECIAL PROPERTY COVER FORM**; and
 2. Equipment Breakdown insurance; and
- there is a disagreement between the insuring companies as to the amount of the loss to be paid by each company.
- B.** The provisions of item C. of this endorsement apply only if all of the following requirements are met:
1. The Equipment Breakdown insurance carried by the Named Insured, insuring the Covered Property, contains a provision with substantially the same requirements, procedures and conditions as contained in this endorsement.
 2. The damage to the Covered Property was caused by a loss for which both we and the Equipment Breakdown insuring company(s) admit to some liability for payment under the respective policies.
 3. The total amount of the loss is agreed to by you, us and the Equipment Breakdown insuring company(s).
 4. We and the Equipment Breakdown insuring company(s) disagree as to the amount of loss that each of us should pay that is attributable to:
 - a. a cause of loss covered under this Commercial Property coverage; and
 - b. an "accident" covered under the Equipment Breakdown insurance.
- C.** If the requirements listed in B. above are satisfied, we and the Equipment Breakdown insuring company(s) will make payments to the extent, and in the manner, described in the following:
1. We will pay, after your written request, the entire amount of loss that we have agreed as being covered by this Commercial Property coverage and one-half (1/2) the amount of loss that is in disagreement.
 2. The Equipment Breakdown insuring company(s) will pay, after your written request, the entire amount of loss that they have agreed as being covered by the Equipment Breakdown insurance and one-half (1/2) the amount of loss that is in disagreement.
 3. The amount in disagreement to be paid by us under this endorsement shall not exceed the amount payable under the equivalent Loss Adjustment Endorsement(s) of the Equipment Breakdown insurance company(s).
 4. The amount to be paid under this endorsement shall not exceed the amount we would have paid had no Equipment Breakdown insurance been in effect at the time of loss.

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5. Acceptance by you of sums paid under this endorsement does not alter, waive or surrender any other rights against us.

6. ADDITIONAL CONDITIONS

a. We and the Equipment Breakdown insuring company(s) agree to submit our differences to arbitration with 90 days after loss payment made under the terms of this endorsement.

b. You agree to cooperate with any arbitration procedures. There will be three arbitrators: one will be appointed by us, and another will be appointed by the Equipment Breakdown insuring company(s). The two arbitrators will select a third arbitrator. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. A decision agreed to by two of the three arbitrators will be binding on both parties. Judgment on any award can be entered in any court that has jurisdiction.

Except as stated above, this Endorsement does not change any other provision of the Policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - LIABILITY ARISING OUT OF LEAD

This endorsement modifies insurance provided under the following:

SAFEPAK[®] BUSINESSOWNERS POLICY SPECIAL FORM
PART TWO - SAFEPAK[®] LIABILITY COVERAGE FORM

This insurance does not apply to:

1. "bodily injury," "property damage," or "personal and advertising injury" arising out of, resulting from, or in any way caused by or related to the actual, alleged or threatened ingestion, inhalation, absorption, or exposure to lead in any form from any source; or
2. any loss, cost, expense, liability or other type of obligation arising out of or resulting from, or in any way related to, any:
 - a. claim, suit, request, demand, directive, or order by or on behalf of any person, entity, or governmental authority that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify, neu-

tralize, or in any way respond to, or assess the effects of lead in any form from any source, or to any

- b. claim or suit by or on behalf of any person, entity, or governmental authority for damages or any other relief or remedy because of testing for, monitoring, cleaning up, removing, containing, treating or detoxifying or neutralizing, or in any way responding to, or assessing the effects of lead in any form.

We shall not be obligated to investigate on behalf of an insured or to defend or indemnify an insured or any person or entity claiming any right under the policy for the matters excluded in this endorsement.

Policy: SPP 6365149 12 00

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - DESIGNATED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

SAFEPAK® BUSINESSOWNERS POLICY SPECIAL FORM
PART TWO - SAFEPAK® LIABILITY COVERAGE FORM

SCHEDULE

Name of Person or Organization:
City and County of San Francisco Attn: Samantha Allen/ Mitise Watts 401 Van Ness, Rm 110 San Francisco, CA 94102

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

PART TWO - SAFEPAK LIABILITY COVERAGE FORM, C. Who Is an Insured is amended to include as an Additional Insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury," "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

- A. in the performance of your ongoing operations; or
- B. in connection with your premises owned by or rented to you.

Policy: SPP 6365149 12 00

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - DESIGNATED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

SAFEPAK® BUSINESSOWNERS POLICY SPECIAL FORM
PART TWO - SAFEPAK® LIABILITY COVERAGE FORM

SCHEDULE

Name of Person or Organization:
Riverside County Regional Park & Open-Space district 4600 Crestmore Road Riverside, CA 92509

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

PART TWO - SAFEPAK LIABILITY COVERAGE FORM, C. Who Is an Insured is amended to include as an Additional Insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury," "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

- A. in the performance of your ongoing operations; or
- B. in connection with your premises owned by or rented to you.

Policy: SPP 6365149 12 00

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - DESIGNATED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

SAFEPAK® BUSINESSOWNERS POLICY SPECIAL FORM
PART TWO - SAFEPAK® LIABILITY COVERAGE FORM

SCHEDULE

Name of Person or Organization:
Alex Theatre/Glendale Arts/City of Glendale Glendale Successor Agency, its officers, directors, agents, 116 West California Avenue Glendale, CA 91203

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

PART TWO - SAFEPAK LIABILITY COVERAGE FORM, C. Who Is an Insured is amended to include as an Additional Insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury," "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

- A. in the performance of your ongoing operations; or
- B. in connection with your premises owned by or rented to you.

SAFEPAK®
BUSINESSOWNERS POLICY SPECIAL FORM

READ YOUR POLICY CAREFULLY

Beginning on Page

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PART ONE - SAFEPAK® SPECIAL 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 Paragraph **G - PROPERTY 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, includes Buildings as described under Paragraph **a.** below, Business Personal Property as described under Paragraph **b.** below, or both, depending on whether a Limit of Insurance is shown in the Declarations for that type of property. Regardless of whether coverage is shown in the Declarations for Buildings, Business Personal Property, or both, there is no coverage for property described under Paragraph **2. Property Not Covered**.

- a.** Buildings, meaning the buildings and structures at the premises described in the Declarations, including:
- (1)** completed additions;
 - (2)** all garages, storage buildings and other structures that pertain to your business;
 - (3)** fixtures, including outdoor fixtures;
 - (4)** permanently installed:
 - (a)** machinery; and
 - (b)** equipment;
 - (5)** your personal property in apartments or rooms furnished by you as landlord;
 - (6)** personal property owned by you that is used to maintain or service the buildings or structures or the premises, including:
 - (a)** fire extinguishing equipment;
 - (b)** outdoor furniture;
 - (c)** floor coverings;
 - (d)** appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;

- (e) lobby and hallway furnishings;
 - (f) lawn maintenance and snow removal equipment; and
 - (g) alarm systems.
- (7) if not covered by other insurance:
- (a) additions under construction, alterations and repairs to the buildings or structures;
 - (b) materials, equipment, supplies and temporary structures, on or within 1,000 feet of the described premises, used for making additions, alterations or repairs to the buildings or structures.
- b. Business Personal Property located in or on the buildings or structures at the described premises or in the open (or in a vehicle) within 1,000 feet of the buildings or structures or within 1,000 feet of the premises described in the Declarations, whichever distance is greater, including:
- (1) property you own that is used in your business;
 - (2) property of others that is in your care, custody or control, except as otherwise provided in **E. PROPERTY LOSS CONDITIONS, 5. Loss Payment, d.(3)**;
 - (3) tenants' 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;
 - (4) leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under paragraph **A.1.b.(2)**; and
 - (5) tools and equipment owned by your employees, which are used in your business "operations".

2. Property Not Covered

Covered Property does not include:

- a. aircraft, automobiles, motor trucks and other vehicles subject to motor vehicle registration;
- b. "money" or "securities" except as provided in the:
 - (1) **"Money" and "Securities" Additional Coverage**; or
 - (2) **Employee Dishonesty (including ERISA) Additional Coverage**;
- c. contraband, or property in the course of illegal transportation or trade;
- d. land (including land on which the property is located), water, growing crops or lawns (other than lawns which are part of a vegetated roof);
- e. the following property while outside of buildings:

- (1) fences, trees, shrubs, and plants (other than trees, shrubs or plants held for sale or sold but not delivered or which are part of a vegetated roof);
- (2) outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers; or
- (3) signs

except as provided in the:

- (a) Additional Coverage for **Outdoor Signs**; or
 - (b) Coverage Extension for **Outdoor Property**;
- f. watercraft (including motors, equipment and accessories) while afloat;
- g. accounts, bills, deeds, food stamps, other evidences of debt, accounts receivable or "valuable papers and records", except as otherwise provided in the Additional Coverage for **"Valuable Papers and Records"** or elsewhere in this Policy;
- h. the cost to research, replace or restore the information on "valuable papers and records", including those which exist on electronic or magnetic media, except as provided in the Additional Coverages for **"Valuable Papers and Records"** and **Loss Data Preparation**;
- i. exterior and interior glass, except:
- (1) glass building blocks; and
 - (2) as provided in the Additional Coverage for **Building Glass**;
- j. animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings.
- k. electronic "data", except as provided under Additional Coverages - Electronic Data. This Paragraph k. 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.

3. Covered Causes of Loss

Direct physical loss unless the loss is excluded or limited under the **SAFEPAK® SPECIAL PROPERTY COVERAGE FORM**.

4. Limitations

- a. We will not pay for loss of or damage to:
- (1) The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
 - (a) the building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
 - (b) the loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

- (2) Animals and then only if they are killed, or their destruction is made necessary and the loss or damage is caused by the "specified causes of loss", building glass breakage or they are stolen.
 - (3) 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.
 - (4) 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.
 - (5) Property that is missing, but there is no physical evidence to show what happened to it, such as shortage disclosed on taking inventory. This limitation does not apply to the Additional Coverage for "**Money**" and "**Securities**".
 - (6) Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
 - (7) Lawns, trees, shrubs or plants which are part of a vegetated roof, caused by or resulting from:
 - (a) dampness or dryness of atmosphere or of soil supporting the vegetation;
 - (b) changes in or extremes of temperature;
 - (c) disease;
 - (d) frost or hail; or
 - (e) rain, snow, ice or sleet.
- b. We will not pay for loss of or damage to fragile articles such as glassware, statuary, marbles, chinaware and porcelains, if broken, unless caused by the "specified causes of loss" or building glass breakage. This restriction does not apply to:
- (1) glass that is part of the interior of a building or structure;
 - (2) containers of property held for sale; or
 - (3) photographic or scientific instrument lenses.
- c. For loss or damage by theft, the following types of property are covered only up to the limits shown:
- (1) \$2,500 for furs, fur garments and garments trimmed with fur.
 - (2) \$5,000 for jewelry, watches, watch movements, jewels, pearls, precious and semiprecious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$500 or less per item.

(3) \$2,500 for patterns, dies, molds and forms.

5. Additional Coverages

Unless otherwise stated, payments made under the following Additional Coverages will not increase the applicable Limits of Insurance.

a. Accounts Receivable

(1) This Additional Coverage applies only when a Limit of Insurance for Business Personal Property is shown in the Declarations. We will pay:

- (a) all amounts due from your customers that you are unable to collect;
- (b) interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
- (c) collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and
- (d) other reasonable expenses that you incur to reestablish your records of accounts receivable;

that result from direct physical loss or damage by any Covered Cause of Loss to your records of accounts receivable.

(2) The most we will pay under this Additional Coverage for the sum of all loss and damage resulting from any one occurrence per described premises is \$25,000, unless a higher Limit of Insurance for accounts receivable is shown in the Declarations.

For accounts receivable not at the described premises, the most we will pay is \$25,000 in any one occurrence.

(3) Section **B. Exclusions** of this Coverage Form does not apply to this Coverage Extension except for:

- (a) paragraph **B.1.c., Governmental Action**;
- (b) paragraph **B.1.d., Nuclear Hazard**;
- (c) paragraph **B.1.f., War and Military Action**;
- (d) paragraph **B.2.g., Dishonesty**;
- (e) paragraph **B.2.h., False Pretenses**;
- (f) paragraph **B.3.**; and
- (g) the **Accounts Receivable** and "**Valuable Papers and Records**" Exclusions.

b. Arson and Theft Reward

We will pay a reward of \$10,000 for information leading to:

- (1) an arson conviction in connection with a covered fire or explosion loss; or

- (2) a theft conviction in connection with a covered theft loss.

This is the most we will pay for any one occurrence under this Policy or any combination of policies.

c. Collapse

The coverage provided under this Additional Coverage-Collapse applies only to abrupt collapse as described and limited in Paragraphs **c.(1)** through **c.(7)**.

- (1) For the purpose of the 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 an abrupt collapse of a building or any part of a building insured under this Policy, if such collapse is caused by one or more of the following:
- (a) building decay that is hidden from view, unless the presence of such 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:
 - (i) a cause of loss listed in Paragraphs **(2)(a)** or **(2)(b)**;
 - (ii) one or more of the "specified causes of loss";
 - (iii) breakage of building glass;
 - (iv) weight of people or personal property; or
 - (v) weight of rain 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)** awnings;
- (b)** gutters and downspouts;
- (c)** yard fixtures;
- (d)** outdoor swimming pools;
- (e)** piers, wharves and docks;
- (f)** beach or diving platforms or appurtenances;
- (g)** retaining walls; and
- (h)** 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 such loss or damage is a direct result of the abrupt collapse of a building insured under this Policy and the property is Covered Property under this Policy.

(5) If personal property abruptly falls down or caves in and such collapse is **not** the result of abrupt collapse of a building, 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 Paragraphs **(2)(a)** through **(2)(d)** of this Additional Coverage;
- (b)** the personal property which collapses is inside a building; and
- (c)** the property which collapses is not of a kind listed in Paragraph **(4)** regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph **(5)** does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by 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 settling, cracking, shrinkage, sagging, bending, leaning, bulging or expansion.
- (7)** This Additional Coverage-Collapse will not increase the Limits of Insurance provided in this Policy.
- (8)** The term Covered Cause of Loss includes Additional Coverage-Collapse as described in Paragraphs **c.(1)** through **c.(7)**.

d. Debris Removal

- (1) Subject to Paragraphs (2), (3) and (4), we will pay your expense to remove debris of Covered Property and other debris that is on the described premises, when such debris is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- (2) This Additional Coverage does not apply to costs to:

 - (a) remove debris of property of yours that is not insured under this Policy, or property in your possession that is not Covered Property;
 - (b) remove debris of property owned by or leased to the landlord of the building where your described premises are located, unless you have a contractual responsibility to insure such property and it is insured under this Policy;
 - (c) remove any property that is Property Not Covered, including property addressed under the Outdoor Property Coverage Extension;
 - (d) remove property of others of a type that would not be Covered Property under this Policy;
 - (e) remove deposits of mud or earth from the grounds of the described premises;
 - (f) extract "pollutants" from land; or
 - (g) 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 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 Paragraph (3)(a) above, the amount we will pay for debris removal expense is 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage. However, if no Covered Property has sustained direct physical loss or damage, the most we will pay for removal of debris of "other property" (if such removal is covered under this Additional Coverage) is \$5,000 at each location.
- (4) We will pay up to an additional \$25,000 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 Paragraphs **(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 \$25,000.

(5) Examples

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	\$40,000
Debris Removal Expense Payable	
Basic Amount	\$10,500
Additional Amount	\$25,000

The basic amount payable for debris removal expense under the terms of Paragraph **(3)** is calculated as follows: \$80,000 (\$79,500 + \$500) x .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 (\$40,000) exceeds 25% of the loss payable plus the deductible (\$40,000 is 50% of \$80,000), and because the sum of the loss payable and debris removal expense (\$79,500 + \$40,000 = \$119,500)

would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$25,000, the maximum payable under paragraph (4). Thus, the total payable for debris removal expense in this example is \$35,500; \$4,500 of the debris removal expense is not covered.

e. 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 \$15,000, for service at each premises described in the Declarations. Such limit is the most we will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed .

This Additional Coverage applies to your liability for fire department service charges:

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

f. Hand-Held Fire Extinguisher and Fire Extinguisher System Recharge Expense

(1) Hand-Held Fire Extinguishers

We will pay to cover your expenses for recharge, of your hand-held fire extinguishers when they are emptied while fighting fire.

(2) Fire Extinguisher Systems

- (a) We will pay:
 - (i) the cost of recharging or replacing, whichever is less, your fire extinguishing systems (including hydrostatic testing if needed) if they are discharged on or within 1,000 feet of the described premises; and
 - (ii) for loss or damage to Covered Property if such loss or damage is the result of an accidental discharge
- (b) No coverage will apply if the fire extinguishing system is discharged during installation or testing.
- (c) The most we will pay under this Additional Coverage is \$5,000 in any one occurrence.

g. "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 directly from:
 - (a) theft, meaning any act of stealing;
 - (b) disappearance; or
 - (c) destruction.

- (2) In addition to the Limitations and Exclusions applicable to property coverage, we will not pay for loss:
 - (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 limit shown in the Declarations for Inside the Premises for "money" and "securities" while:
 - (i) in or on the described premises; or
 - (ii) within a bank or savings institution; and
 - (b) the limit shown in the Declarations for Outside the Premises 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.

h. 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 of 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.

i. Theft Damage to Building

We will pay for loss or damage directly resulting from theft or burglary to a building you occupy as a tenant, and for such loss or damage to the following kinds of property in that building:

- (1) covered personal property that is used to maintain or service the building; and
- (2) covered personal property, if you are legally liable for such loss or damage.

But, we will not pay for such loss or damage:

- (3) caused by or resulting from fire or explosion;
- (4) to property away from the described premises; or
- (5) to glass (other than glass building blocks), glass lettering or glass ornamentation.

This Additional Coverage applies only to premises you occupy both:

- (a) as a tenant; and
- (b) under a lease that makes you responsible for such loss or damage.

j. Water Damage, Other Liquids, Powder or Molten Material Damage

If loss or damage caused by or resulting from a 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.

We will not pay the cost to repair any defect that caused the loss or damage; but we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:

- (1) results in discharge of any substance from an automatic fire protection system; or
- (2) is directly caused by freezing.

k. Business Income

(1) Business Income

- (a) We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises includes the area within 1,000 feet of such premises.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of a building, your premises mean:

- (i) the portion of the building which you rent, lease or occupy;
- (ii) the area within 1,000 feet of the building or within 1,000 feet of the premises described in the Declarations, whichever distance is greater (with respect to loss of or damage to personal property in the open or personal property in a vehicle); and
- (iii) any area within the building or at the described premises, if that area services, or is used to gain access to, the portion of the building which you rent, lease or occupy.

(b) We will only pay for loss of Business Income that you sustain during the "period of restoration" and that occurs within 12 consecutive months after the date of direct physical loss or damage.

(c) Business Income means the:

(i) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses; and

(ii) continuing normal operating expenses incurred, including payroll.

(2) Extended Business Income.

(a) If the necessary "suspension" of your "operations" produces a Business Income loss payable under this Policy, we will pay for the actual loss of Business Income you incur during the period that:

(i) begins on the date property except finished "stock" is actually repaired, rebuilt or replaced and "operations" are resumed; and

(ii) ends on the earlier of:

i. the date you could restore your "operations", with reasonable speed, to the level which would generate the Business Income amount that would have existed if no direct physical loss or damage had occurred; or

ii. 60 consecutive days after the date determined in (a)(i) 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.

(b) 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.

(3) This Additional Coverage is not subject to the Limits of Insurance.

I. Business Income Extension for Web sites

We will pay for loss of Business Income you sustain due to the necessary interruption of business "operations" on your Web site, caused by or resulting from direct physical loss of or damage to the premises of a vendor acting as your Web site's host or your internet service provider.

Such interruption must be caused by or result from a Covered Cause of Loss.

We will only pay for loss you sustain during the seven (7) day period immediately following the first twelve (12) hours after the Covered Cause of Loss occurs.

This coverage applies only:

- (1) if you have a back-up copy of your Web site stored at a location other than that of either the Web site's host or the internet service provider; and
- (2) to the extent that Business Income is permanently lost.

The most we will pay under this Additional Coverage, for the sum of all loss and damage as a result of any one occurrence, is \$10,000.

m. Extra Expense

- (1) We will pay necessary Extra Expense you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 1,000 feet of such premises.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of a building, your premises mean:

- (a) the portion of the building which you rent, lease or occupy;
 - (b) the area within 1,000 feet of the building or within 1,000 feet of the premises described in the Declarations, whichever distance is greater (with respect to loss of or damage to personal property in the open or personal property in a vehicle); and
 - (c) any area within the building or at the described premises, if that area services, or is used to gain access to, the portion of the building which you rent, lease or occupy.
- (2) Extra Expense means expense incurred:
 - (a) to avoid or minimize the "suspension" of business and to continue "operations":
 - (i) at the described premises; or
 - (ii) at replacement premises or at temporary locations, including relocation expenses, and costs to equip and operate the replacement or temporary locations. These costs do not include costs necessary to repair or replace damaged "stock" and equipment.
 - (b) to minimize the "suspension" of business if you cannot continue "operations".
 - (c) to:
 - (i) repair or replace any property; or
 - (ii) research, replace or restore the lost information on damaged "valuable papers and records"

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

- (3) We will only pay for Extra Expense that occurs within 12 consecutive months after the date of direct physical loss or damage. This Additional Coverage is not subject to the Limits of Insurance.

n. Business Income From Dependent Properties

- (1) We will pay for the actual loss of Business Income you sustain due to physical loss or damage at the premises of a dependent property or secondary dependent property caused by or resulting from any Covered Cause of Loss.

The most we will pay under this Additional Coverage, for the sum of all loss of Business Income as a result of any one occurrence, is \$25,000.

- (2) We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume "operations", in whole or in part, by using any other available:
- (a) source of materials; or
 - (b) outlet for your products.
- (3) 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) Dependent property means property owned by others whom you depend on to:
- (a) deliver materials or services to you, or to others for your account. But services does not mean water supply services, wastewater removal services, communication supply services or power supply services;
 - (b) accept your products or services;
 - (c) manufacture your products for delivery to your customers under contract for sale; or
 - (d) attract customers to your business.

The dependent property must be located in the coverage territory of this Policy.

- (5) Secondary dependent property means an entity which is not owned or operated by a dependent property and which:
- (a) delivers materials or services to a dependent property, which in turn are used by the dependent property in providing materials or services to you; or
 - (b) accepts materials or services from a dependent property, which in turn accepts your materials or services.

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

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

- (i) water supply services;

- (ii) wastewater removal services;
- (iii) communication supply services; or
- (iv) power supply services.

The secondary dependent property must be located in the coverage territory of this Policy.

- (6) The coverage period for Business Income under this Additional Coverage:
- (a) begins 72 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the premises of the dependent property or secondary dependent property; and
 - (b) 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.
- (7) The Business Income coverage period, as stated in paragraph (6), does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:
- (a) regulates the construction, use or repair, or requires the tearing down of any property; or
 - (b) requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

The expiration date of this Policy will not reduce the Business Income coverage period.

- (8) The definition of Business Income contained in the Business Income Additional Coverage also applies to this Business Income from Dependent Properties Additional Coverage.

o. 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" from the land or water.

The most we will pay for each location under this Additional Coverage is \$25,000 for the sum of all such expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this Policy.

p. Civil Authority

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

- (1) access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage and the described premises are within that area but are not more than one mile from the damaged property; and
- (2) the action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority coverage for Business Income will begin immediately after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to 30 consecutive days from the date on which such coverage began.

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

- (1) 30 consecutive days after the date of that action; or
- (2) when your Civil Authority coverage for Business Income ends;

whichever is later.

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

q. "Money" Orders and Counterfeit Paper Currency

We will pay for loss resulting directly from your having accepted in good faith, in exchange for merchandise, "money" or services:

- (1) any United States or Canadian post office, express company, or national or state (or Canadian) chartered bank "money" order that is not paid upon presentation to the issuer; or
- (2) counterfeit United States or Canadian "money" that is acquired during the regular course of business.

The most we will pay for any loss under this additional coverage is \$10,000.

r. Forgery and Alteration

- (1) We will pay for loss resulting directly from forgery or alteration of any check, draft, promissory note, bill of exchange or similar written promise of payment in "money" that you or your agent has issued, or that was issued by someone who impersonates you or your agent.

- (2) If you are sued for refusing to pay the check, draft, promissory note, bill of exchange or similar written promise of payment in "money", on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur in that defense.
- (3) For the purpose of this coverage, check includes a substitute check as defined in the Check Clearing for the 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, under this Additional Coverage is \$25,000.

s. Ordinance or Law

(1) Coverages

(a) Coverage A - Coverage for Loss to the Undamaged Portion of the Building or Tenants' Improvements and Betterments

If a Covered Cause of Loss occurs to a covered building property or business personal property, we will pay for loss to the undamaged portion of the building or tenants' improvements and betterments caused by a requirement to comply with an ordinance or law that:

- (i) requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;
- (ii) regulates the construction or repair of buildings or tenants' improvements and betterments, or establishes zoning or land use requirements at the described premises; and
- (iii) is in force at the time of loss.

Coverage A is included within the Limit of Insurance applicable to the covered building property or business personal property shown in the Declarations. This is not additional insurance.

(b) Coverage B - Demolition Cost Coverage

If a Covered Cause of Loss occurs to covered building property or business personal property, we will pay the cost to demolish and clear the site of undamaged parts of the property caused by enforcement of building, zoning or land use ordinance or law.

(c) Coverage C - Increased Cost of Construction Coverage

If a Covered Cause of Loss occurs to covered building property or business personal property, we will pay the increased cost to repair, rebuild or construct the property caused by a requirement to comply with the minimum standards of building, zoning or land use or ordinance or law. If the property is repaired or rebuilt, it must be intended for a similar occupancy as the current property, unless otherwise required by zoning or land use ordinance or law.

However, we will not pay for the increased cost of construction if the building or tenants' improvements and betterments is not repaired or replaced.

- (2) We will not pay under this coverage for:
- (a) enforcement of or compliance with any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread of any activity of "fungi", wet rot or dry rot; or
 - (b) any costs associated with the enforcement of or compliance with an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungi", wet rot or dry rot.
- (3) Under **Coverage A - Coverage for Loss to the Undamaged Portion of the Building or Tenant's Improvements and Betterments:**
- (a) If the Replacement Cost Coverage Option applies and the property is repaired or replaced, on the same or another premises, we will not pay more for loss or damage to Covered Property, including loss caused by enforcement of an ordinance or law, than the lesser of:
 - (i) the amount you actually spend to repair, rebuild or reconstruct the building or tenants' improvements and betterments, but not for more than the amount it would cost to restore the building or tenants' improvements and betterments on the same premises and to the same height, floor area, style and comparable quality to the original property insured; or
 - (ii) the Limit of Insurance applicable to the covered Building Property or Business Personal property.
 - (b) (i) if the Replacement Cost Coverage Option applies and the property is not repaired or replaced; or
 - (ii) if the Replacement Cost Coverage Option does not apply:

we will not pay more for loss or damage to Covered Property, including loss caused by enforcement of an ordinance or law, than the lesser of:

 - i. add a period the actual cash value of the building or tenants' improvements and betterments at the time of loss; or
 - ii. add a period the Limit of Insurance applicable to the covered building property or business personal property.
- (4) We will not pay more under **Coverage B - Demolition Cost Coverage** than the lesser of the following:
- (a) the amount you actually spend to demolish and clear the site of the described premises; or
 - (b) \$25,000.
- (5) (a) We will not pay under **Coverage C - Increased Cost of Construction Coverage:**
- (i) until the property is actually repaired or replaced, at the same or another premises; and

- (ii) unless the repairs or replacements 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 or tenants' improvements and betterments is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage **C** is the lesser of:
 - (i) the increased cost of construction at the same premises; or
 - (ii) \$25,000.
- (c) If the ordinance or law requires relocation to another premises, the most we will pay under Coverage **C** is the lesser of:
 - (i) the increased cost of construction at the same premises; or
 - (ii) \$25,000.
- (6) The terms of this Additional Coverage apply separately to each building or business personal property to which this policy applies.
- (7) This Additional Coverage does not apply to buildings insured on an Actual Cash Value (ACV) basis.

t. Building Glass

We will pay for direct physical loss of or damage to glass, including all lettering and ornamentation, that is:

- (1) part of the exterior of a covered building or structure at the described premises; or
- (2) permanently affixed to the interior walls, floors or ceilings at the described premises.

This **Building Glass** Additional Coverage does not include coverage for Stained Glass.

- (1) The glass must be owned by you, or owned by others but in your care, custody or control. We will also pay for necessary:
 - (a) expenses incurred to put up temporary plates or board up openings;
 - (b) repair or replacement of encasing frames; and
 - (c) expenses incurred to remove or replace obstructions.
- (2) Paragraph **A.3.**, **Covered Causes of Loss**, and Section **B.**, **Exclusions**, do not apply to this Additional Coverage, except for:
 - (a) paragraph **B.1.b.**, **Earth Movement**;
 - (b) paragraph **B.1.c.**, **Government Action**;
 - (c) paragraph **B.1.d.**, **Nuclear Hazard**;
 - (d) paragraph **B.1.f.**, **War and Military Action**; and

(e) paragraph **B.1.g., Water**.

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

- (a) wear and tear;
- (b) hidden or latent defect;
- (c) corrosion; or
- (d) rust.

(4) The most we will pay under this Additional Coverage is the Building Limit of Insurance shown in the Declarations.

However, if you are a tenant and no Limit of Insurance is shown in the Declarations for Building Property, the most we will pay under this Additional Coverage is \$25,000.

u. Water Backup And Sump Overflow

(1) We will pay for direct physical loss or damage to Covered Property, covered under the **SAFEPAK® SPECIAL PROPERTY COVERAGE FORM**, caused by or resulting from:

- (a) water or waterborne material which backs up through or overflows or is otherwise discharged from a sewer or drain; or
- (b) water or waterborne material which overflows or is otherwise discharged from a sump, sump pump or related equipment, even if the overflow or discharge results from mechanical breakdown of a sump pump or its related equipment.

However, with respect to Paragraph **u.(1)(b)**, we will not pay the cost of repairing or replacing a sump pump or its related equipment in the event of mechanical breakdown.

(2) The coverage described in Paragraph **u.(1)** does not apply to loss or damage resulting from an insured's failure to:

- (a) keep a sump pump or its related equipment in proper working condition; or
- (b) perform the routine maintenance or repair necessary to keep a sewer or drain free from obstructions.

This coverage is included within the Covered Property Limits of Insurance.

For the purposes of this endorsement, the term drain includes a roof drain and related fixtures.

THIS IS NOT FLOOD INSURANCE. We will not pay for water or other materials that back up or overflow from any sewer or drain or sump pump as a direct or indirect result of any flood. This exclusion applies regardless of the cause, duration, and extent of the flood, and regardless of its proximity to Covered Property. As used in this Additional Coverage, flood includes any accumulation of surface water, waves, tides, tidal waves, overflow of streams or other bodies of water, or their spray, all whether driven by wind or not, that enters, impedes, obstructs, deposits debris or sediment in, or overloads a sewer or drain system or sump pump.

v. Electronic "Data" Processing Equipment Coverage

- (1) This Additional Coverage applies to loss or damage by a Covered Cause of Loss anywhere in the Coverage Territory to:
 - (a) your electronic "data" processing, electronic word processing and electronic telecommunications equipment, including their component parts;
 - (b) electronic "data" processing, recording or storage "media" such as films, tapes, disks, drums or cells;
 - (c) "data" stored on such "media", including your costs to research, replace or restore "data" or "software" which exists or existed on electronic or magnetic "media" that is lost or damaged as a result of direct physical loss or damage to business "computers" at the described premises; and
 - (d) programming records, used for electronic "data" processing or electronically controlled equipment.
- (2) **Electrical Apparatus Exclusion B.2.a.** and **Mechanical Breakdown Exclusion B.2.d.(6)** in the Policy do not apply to this Additional Coverage - Electronic Data Processing Equipment Coverage, however a deductible of \$500 per occurrence applies to losses resulting from:
 - (a) mechanical failure, faulty construction, or error in design of the Covered Property;
 - (b) short circuit, blow-out or other electric or magnetic disturbance, other than lightning, within electrical equipment, apparatus or devices;
 - (c) any repairing, servicing or processing operation; or
 - (d) damage to the "data" or "media" when "data" processing equipment or word processing equipment breaks down or malfunctions while "data" or "media" is being run through the system.
- (3) With respect to the coverage provided under this Additional Coverage - Electronic Data Processing Equipment Coverage, the Covered Causes of Loss are subject to the following:
 - (a) Any Business Income coverage that may be available under this Additional Coverage - Electronic Data Processing Equipment Coverage is limited to the "specified causes of loss" and Collapse.
 - (b) If the Safepak Businessowners Policy Special 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 Processing Equipment Coverage.
 - (c) The Covered Causes of Loss include a "computer" virus, harmful code or similar instruction introduced into or enacted on a "computer" system (including "electronic data") or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a "computer" system (including "electronic

data") by any employee, including a temporary or leased employee, or by an entity retained by you, or for you, to inspect, design, install, modify, maintain, repair or replace that system.

- (4) This Additional Coverage - Electronic Data Processing Equipment Coverage does not apply to your "stock" of prepackaged software, or to electronic "data" which is integrated in and operates or controls a building's elevator, lighting, heating, ventilation, air conditioning or security system.
- (5) 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 paragraph (3)(a) of this endorsement.

The most we will pay under this Additional Coverage - Electronic Data Processing Equipment Coverage is \$25,000 in any one occurrence at each described location. This amount is in addition to the Limits of Insurance.

w. Claim Data Preparation Expense

The insurance under this Additional Coverage will be in addition to the applicable Limits of Insurance.

In the event of covered loss or damage, we will pay the reasonable expenses you incur in preparing claim data when we require it. This includes the cost of taking inventories, making appraisals, preparing income tax statements, claim or suit investigation costs (not including attorneys' fees or other litigation costs), auditing of business records and preparing other documentation to show the extent of loss.

The most we will pay for loss data preparation under this Additional Coverage is \$10,000. We will not pay for any expenses incurred, directed or billed by or payable to claim adjusters, or lawyers or their associates or subsidiaries or any costs provided by **E. PROPERTY LOSS CONDITION, 2.Appraisal.**

x. Brands and Labels

If branded or labeled merchandise that is Covered Property is damaged by a Covered Cause of Loss, and we take all or part of that property at an agreed or appraised value, we will pay for:

- (1) Expenses you incur to:
 - (a) stamp the word "salvage" on the merchandise or its containers, if the stamp will not physically damage the merchandise; or
 - (b) remove the brands and labels to comply with applicable law, if doing so will not physically damage the merchandise or its containers.
- (2) Any reduction in the salvage value of the physically damaged merchandise as the result of the removal of the brand or label.

The payment of these expenses under this Additional Coverage is included within the Business Personal Property Limit of Insurance.

y. "Computer" Fraud

We will pay for direct physical loss of or damage to "money", "securities" and "other property" resulting directly from the use of any "computer" to cause a fraudulent transfer of that property from inside your premises or from a "banking premises", to a person (other than a "messenger") outside those premises or to a place outside the premises.

The most we will pay for this Additional Coverage is \$5,000 in any one occurrence. This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this Policy for this Coverage.

z. Fine Arts

We will pay for physical loss of or damage to Covered Property that is Fine Arts, directly caused by a Covered Cause of Loss, if the Fine Arts are:

- (1) your Covered Property; or
- (2) property of others which is in your care, custody or control.

Fine Arts means paintings, etchings, pictures, tapestries, art glass windows, valuable rugs, statuary, marbles, bronzes, antique silver, manuscripts, porcelains, rare glass, bric-a-brac and similar property of rarity, historical value or artistic merit.

For purposes of this Additional Coverage, Fine Arts will be valued at their market value at the time the loss or damage occurs. The most we will pay under this Additional Coverage is \$10,000 for the sum of all loss and damage as a result of any one occurrence, at each described premises.

aa. Laptop "Computers" - Worldwide Coverage

We will pay for direct physical loss of or damage to laptop, palmtop, and similar portable "computer" equipment and their accessories anywhere in the world, including while in transit, if such loss or damage results directly from a Covered Cause of Loss.

However, we will not pay under this Additional Coverage for any loss or damage caused by, resulting from, or arising out of the loss or theft of any property while it is in transit as checked baggage.

The most we will pay under this Additional Coverage for the sum of all loss and damage resulting from any one occurrence is \$5,000.

bb. Utility Services

(1) Direct Damage

We will pay for direct physical loss or damage to Covered Property caused by the interruption of water supply service, communication service or power supply service to a covered premises described in the Declarations. To be insured under this Additional Coverage, the interruption must result from direct physical loss or damage by a Covered Cause of Loss to one or more of the following kinds of property not on the described premises:

- (a) Water Supply Service Property, meaning the following types of property supplying water to the described premises:

- (i) pumping stations; and
 - (ii) water mains.
- (b) Communication Service Property, meaning property supplying communication services, including telephone, radio, microwave, or television services, to the described premises. Communication Service Property includes:
- (i) communication transmission lines, including optic fiber transmission lines;
 - (ii) coaxial cables; and
 - (iii) microwave radio relays.

However, Communication Service Property does not include any satellites.

- (c) Power Supply Service Property, meaning the following types of property supplying electricity, steam or gas power to the described premises:
- (i) power generating plants;
 - (ii) switching stations;
 - (iii) substations;
 - (iv) transformers; and
 - (v) transmission lines, conduit, and pipe.

The most we will pay under this Additional Coverage, for the sum of all loss and damage, resulting from any one occurrence is \$10,000.

(2) Business Income

We will pay for actual loss of Business Income you sustain due to an interruption of water supply service, communication service or power supply service to a covered premises described in the Declarations. To be insured under this Additional Coverage, the interruption must result from direct physical loss or damage by a Covered Cause of Loss to one or more of the following kinds of property not on the described premises:

- (a) Water Supply Service Property, meaning the following types of property supplying water to the described premises:
- (i) pumping stations; and
 - (ii) water mains.
- (b) Communication Service Property, meaning property supplying communication services, including telephone, radio, microwave, or television services, to the described premises. Communication Service Property includes:
- (i) communication transmission lines, including optic fiber transmission lines;
 - (ii) coaxial cables; and

(iii) microwave radio relays.

However, Communication Service Property does not include any satellites.

(c) Power Supply Service Property, meaning the following types of property supplying electricity, steam or gas power to the described premises:

(i) power generating plants;

(ii) switching stations;

(iii) substations;

(iv) transformers; and

(v) transmission lines, conduit, and pipe.

The most we will pay under this Additional Coverage, for the sum of all loss and damage, resulting from any one occurrence is \$25,000.

cc. Pairs or Sets

We will pay for any reduction in value of the undamaged parts of pairs or sets, if pairs or sets of "stock" are damaged by a Covered Cause of Loss. This Additional Coverage is included within the Business Personal Property Limit of Insurance.

dd. Personal Property of Others

We will pay for personal property of others that is in your care, custody or control. 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.

The most we will pay under this Additional Coverage is \$10,000 for the sum of all loss and damage as the result of any one occurrence, at each described premises.

ee. Certain Property at Other Premises

The insurance that applies to your Business Personal Property and your "Valuable Papers and Records" is hereby extended to apply:

(1) at any premises not described in the Declarations; and

(2) to property you have sold under an installation agreement and for which your responsibility for risk of loss continues until the property is accepted by the customer.

This Additional Coverage does not apply to:

(a) property in the care, custody or control of your salespersons;

(b) property at any fair or exhibition;

(c) property in transit; or

(d) property temporarily stored at any premises not described in the Declarations.

The most we will pay for this Additional Coverage is \$10,000 for the sum of all loss and damage resulting from a single occurrence. This Limit of Insurance is in addition to any other Limit of Insurance that may apply to the same loss or damage.

ff. Salespersons' Samples

We will pay for physical loss of or damage to:

- (1) samples of your "stock" in trade (including its containers); and
- (2) samples of others' "stock" in trade;

but only if the loss or damage is directly caused by a Covered Cause of Loss while such property is in:

- (a) your physical custody and control while acting as a sales representative or agent;
- (b) the physical custody and control of your sales representative or agent.

The most we will pay under this Additional Coverage for the sum of all loss or damage as a result of a single occurrence is \$5,000. This Limit of Insurance is in addition to any other Limit of Insurance that may apply to the same loss or damage.

gg. Loss of Refrigeration, Change in Temperature or Humidity

(1) Limit of Insurance

The most we will pay under this Additional Coverage for the sum of all loss and damage resulting from any one occurrence is \$10,000.

(2) Coverage

We will pay for physical loss of or damage to Business Personal Property caused by change in temperature or humidity resulting directly from any of the following:

- (a) fluctuation or total interruption of electrical power on the insured premises, resulting from conditions beyond your control.
- (b) mechanical breakdown of any refrigerating or cooling apparatus or equipment, including the blowing of any fuse, fuses or circuit breakers.
- (c) the freezing of perishable "stock" resulting from the faulty operation of any stationary heating plant, when such perishable "stock" is within a building on the insured premises.

(3) Exclusions

In addition to the exclusions in **B. Exclusions**, of **PART ONE - SAFEPAK® SPECIAL PROPERTY COVERAGE FORM**, we will not pay under this Additional Coverage for loss caused directly or indirectly by any of the following:

- (a) explosion, rupture or bursting of:
 - (i) water pipes; or

- (ii) steam boilers, steam pipes, steam turbines or steam engines if owned or leased by you, or if operated by you or under your direction or control;
- (b) the actual disconnection of any refrigeration units from the source of electrical power, or the termination of electrical power caused by throwing or turning-off of any switch or other device on the insured premises usual to the shutting-off of electrical current or electrical power;
- (c) the leaking or escape of refrigerant from any cause, including the rupture or bursting of any refrigerant pipe or line;
- (d) the cracking or breaking of any glass that is a permanent part of any refrigeration unit;
- (e) insufficient fuel or complete lack of fuel used in the normal operation of a stationary heating plant; or
- (f) interruption of business or other indirect or consequential loss beyond direct physical loss or damage to your property.

hh. Transportation in Custody of a "Carrier" or Bailee for Hire

We will pay for direct physical loss of or damage to Covered Property from any of the Covered Causes of Loss when the Covered Property is in due course of transit at your risk, in the custody of a "carrier" or bailee for hire.

For purposes of this Additional Coverage, coverage applies until the property is delivered at its destination. If the property is not delivered, we will pay the cost of returning the property to you. This Additional Coverage also applies to the property while held temporarily by the receiver or "carrier", awaiting return to you.

Under this Additional Coverage, Covered Property does not include:

- (1) accounts, bills, currency, deeds, evidences of debt, "money", notes, "securities", or other commercial papers or documents of value;
- (2) bullion, gold, silver, platinum or other precious alloys or metals; furs, fur garments; jewelry, watches, precious or semi-precious stones, works of art or similar valuable property;
- (3) any vehicle carrying the property, or any intermodal container containing the property;
- (4) live animals, birds or fish;
- (5) property while afloat or waterborne (other than while on regular ferries or railroad car floats);
- (6) property while covered by Ocean Marine Insurance, whether such insurance is collectible or not;
- (7) property in the care, custody or control of your salespersons.

The most we will pay under this Additional Coverage is \$10,000 for the sum of all loss and damage as a result of a single occurrence. This Limit of Insurance is in addition to any other Limit of Insurance that may apply to the same loss or damage.

ii. Outdoor Signs

- (1) We will pay for direct physical loss of or damage to each outdoor sign at each premises described in the Declarations, up to the respective full value of each lost or damaged outdoor sign, if the outdoor sign is:
 - (a) owned by you; or
 - (b) owned by others but in your care, custody or control.
- (2) Paragraph **B., Exclusions**, do not apply to this Additional Coverage, except for:
 - (a) paragraph **B.1.c., Governmental Action**;
 - (b) paragraph **B.1.d., Nuclear Hazard**; and
 - (c) paragraph **B.1.f., War and Military Action**.
- (3) In addition to the exclusions specified in (2), above, we also will not pay for loss or damage caused by or resulting from:
 - (a) wear and tear;
 - (b) hidden or latent defect;
 - (c) rust;
 - (d) corrosion; or
 - (e) mechanical breakdown.
- (4) The most we will pay for loss or damage in any one occurrence is the Limit of Insurance for Outdoor Signs shown in the Declarations.

jj. Employee Dishonesty (including ERISA)

- (1) We will pay for direct loss of or damage to Business Personal Property and "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:
 - (i) any employee; or
 - (ii) any other person or organization.
- (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 Paragraph (1)), "managers" or directors:

 - (i) whether acting alone or in collusion with other persons; or
 - (ii) while performing services for your or otherwise.
- (c) the only proof of which as to its existence or amount is:

 - (i) an inventory computation; or
 - (ii) a profit and loss computation.
- (3) The most we will pay for loss or damage in any one occurrence is \$10,000, unless a higher Limit of Insurance for Employee Dishonesty is shown in the Declarations. This includes ERISA coverage.
- (4) All loss or damage:

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

is considered one occurrence.
- (5) 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 Additional Coverage does not apply to any employee immediately upon discovery by:

 - (a) you; or
 - (b) any of your partners, 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 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 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 Additional Coverage, provided:

 - (a) this Additional 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 Additional 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 Additional Coverage and is limited to the lesser of the amount recoverable under:

- (a) this Additional Coverage as of its effective date; or
- (b) the prior insurance, had that prior insurance remained in effect.

(10) With respect to this Additional Coverage employee means:

- (a) any natural person:
 - (i) while in your service or for 30 days after termination of service;
 - (ii) who you compensate directly by salary, wages or commissions; and
 - (iii) who you have the right to direct and control while performing services for you.
- (b) any natural person who is furnished temporarily to you:
 - (i) to substitute for a permanent employee as defined in Paragraph (a) above, who is on leave; or
 - (ii) to meet seasonal or short-term work load 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.

kk. Limited Coverage for "Fungi", Wet Rot Or Dry Rot

(1) The coverage described in Paragraphs **kk.(2)** and **kk.(6)** only applies when the "fungi", wet rot or dry rot is the result of a "specified cause of loss" (other than fire or lightning) that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.

This Additional Coverage does not apply to lawns, trees, shrubs or plants which are part of a vegetated roof.

- (2) We will pay for loss or damage by "fungi", wet rot or dry rot. As used in this Limited Coverage, the term loss or damage means:

 - (a) direct physical loss or damage to Covered Property caused by "fungi", wet rot or dry rot, including the cost of removal of the "fungi", wet rot or dry rot;
 - (b) the cost to tear out and replace any part of the building or "other property" as needed to gain access to the "fungi", wet rot or dry rot; and
 - (c) the cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungi", wet rot or dry rot is present.
- (3) The coverage described under this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungi", wet rot or dry rot, we will not pay more than the total of \$15,000 even if the "fungi", wet rot or dry rot continues to be present or active, or recurs, in a later policy period.
- (4) The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungi", wet rot or dry rot, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property. If there is covered loss or damage to Covered Property, not caused by "fungi", wet rot or dry rot, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungi", wet rot or dry rot causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.
- (5) The terms of this Limited Coverage do not increase or reduce the coverage provided under the Water Damage, Other Liquids, Powder Or Molten Material Damage or Collapse Additional Coverages.
- (6) The following applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the suspension of "operations" satisfies all the terms and conditions of the applicable Business Income and/or Extra Expense Additional Coverage.

 - (a) If the loss which resulted in "fungi", wet rot or dry rot does not in itself necessitate a suspension of "operations", but such suspension is necessary due to loss or damage to property caused by "fungi", wet rot or dry rot, then our payment under the Business Income and/or Extra Expense Additional Coverages is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
 - (b) If a covered suspension of "operations" was caused by loss or damage other than "fungi", wet rot or dry rot, but remediation of "fungi", wet rot or dry rot prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

6. Coverage Extensions

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

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

a. Garages, Storage Buildings and Other Structures - Business Personal Property

You may extend the insurance that applies to Business Personal Property to Business Personal Property located in garages, portable storage units, storage buildings and other structures at the described premises.

The most we will pay for loss or damage under this Coverage Extension is \$5,000 at each described premises.

b. Newly Acquired or Constructed Property

(1) You may extend the insurance that applies to Buildings to apply to:

- (a) your new buildings or additions while being built on the described premises, or newly acquired premises, including materials, equipment, supplies and temporary structures, on or within 1,000 feet of the premises; and
- (b) buildings you acquire at locations other than the described premises intended for:
 - (i) similar use as Building described in the Declarations; or
 - (ii) use as a warehouse.

The most we will pay for loss or damage under this Coverage Extension is 25% of your Building Limits shown in the Declarations, but not more than \$1,000,000 at each building, whichever is less.

(2) You may extend the insurance that applies to Business Personal Property to apply to:

- (a) Business Personal Property, including such property that you newly acquire, at a location you acquire; or
- (b) 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.

The most we will pay for the sum of all loss and damage resulting from any one occurrence under this Coverage Extension is \$500,000 at each premises.

(3) Business Income and Extra Expense

You may extend the insurance that applies to Business Income and Extra Expense to apply to your business income and/or extra expense at any premises you acquire.

The most we will pay for the sum of all loss of Business Income and Extra Expense resulting from any one occurrence under this Coverage Extension at each premises is \$500,000.

(4) Insurance under this Coverage Extension for each newly acquired or constructed property will end when any of the following first occurs:

- (a) this Policy expires;
- (b) 90 days expire after you acquire or begin construction at the new premises; or
- (c) you report values to us.

We will charge you additional premium for values reported from the day construction begins or you acquire the property.

c. Personal Effects

You may extend the insurance that applies to Business Personal Property to cover the personal effects that belong to you, your officers, partners or "members", your "managers" or employees, including temporary or leased employees. This extension does not apply to:

- (1) tools or equipment used in your business; or
- (2) loss or damage by theft.

Such property must be located on a premises described in the Declarations. This property is not covered if it is already insured elsewhere. If this protection is used to cover someone else's property, we can settle all losses with you and make all payments to you.

The most we will pay under this Coverage Extension for the sum of all loss and damage resulting from any one occurrence at each described premises is \$25,000.

d. Personal Property Off Premises

You may extend the insurance that applies to Business Personal Property to apply to covered Business Personal Property, other than Accounts Receivable, "Valuable Papers and Records", or "money" and "securities", while:

- (1) at any premises not described in the Declarations;
- (2) to property you have sold under an installation agreement and for which your responsibility for risk of loss continues until the property is accepted by the customer;
- (3) it is in course of transit; or
- (4) temporarily at a premises you do not own, lease or operate;
- (5) in or on, but not permanently attached to or installed in, motor vehicles operated by your employees in the course of your business "operations".
- (6) at any fair or exhibition;
- (7) temporarily stored at any premises not described in the Declarations.

This Coverage Extension does not apply to property in the care, custody or control of your salespersons.

The most we will pay for the sum of all loss and damage resulting from a single occurrence under this section of the Coverage Extension is \$25,000. This Limit of Insurance is in addition to any other Limit of Insurance that may apply to the same loss or damage.

e. Outdoor Property

(1) You may extend the insurance provided by this Policy to apply to your outdoor fences, 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:

- (a) fire;
- (b) lightning;
- (c) explosion;
- (d) riot or civil commotion; or
- (e) aircraft.

The most we will pay for the sum of all loss and damage resulting from any one occurrence under this Coverage Extension is \$25,000, and not more than \$1,000 for any one tree, shrub or plant, whichever is less.

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) You may extend the insurance provided by this Policy to apply to your radio and television antennas (including satellite dishes) including debris removal expense, caused by or resulting from:

- (a) fire;
- (b) lightning;
- (c) windstorm;
- (d) ice, snow, sleet or hail;
- (e) explosion;
- (f) riot or civil commotion; or
- (g) aircraft.

The most we will pay for loss or damage under this Extension is \$5,000.

f. "Valuable Papers and Records"

- (1) You may extend the insurance that applies to Business Personal Property to apply to direct physical loss or damage to "valuable papers and records" that you own, or that are in your care, custody or control caused by or resulting from a Covered Cause of Loss. This Coverage Extension includes the cost to research lost information on "valuable papers and records" for which duplicates do not exist.
- (2) The most we will pay under this Coverage Extension for the sum of all loss and damage to "valuable papers and records" in any one occurrence at the described premises is \$25,000 unless a higher Limit of Insurance for "valuable papers and records" is shown in the Declarations.

For "valuable papers and records" not at the described premises, the most we will pay for the sum of all loss and damage as a result of any one occurrence is \$25,000.

- (3) Section **B. Exclusions** of this Coverage Form does not apply to this Coverage Extension except for:
 - (a) paragraph **B.1.c., Governmental Action**;
 - (b) paragraph **B.1.d., Nuclear Hazard**;
 - (c) paragraph **B.1.f., War and Military Action**;
 - (d) paragraph **B.2.g., Dishonesty**;
 - (e) paragraph **B.2.h., False Pretense**; and
 - (f) the **Accounts Receivable** and **"Valuable Papers and Records"** Exclusions.

g. Water Under the Ground

We will pay for the loss or damage caused by or resulting from water under the ground surface, pressing on or flowing or seeping through:

- (1) foundations, walls, floors or paved surfaces;
- (2) basements, whether paved or not; or
- (3) doors, windows or other openings.

The most we will pay for all loss or damage under this Coverage Extension in any one occurrence is \$25,000.

THIS IS NOT FLOOD INSURANCE. We will not pay for loss or damage caused by or resulting from water under the ground surface that is the direct or indirect result of any flood. This exclusion applies regardless of the cause, duration, and extent of the flood, and regardless of its proximity to Covered Property. As used in this Coverage Extension, flood includes any accumulation of surface water, waves, tides, tidal waves, overflow of streams or other bodies of water, or their spray, all whether driven by wind or not.

h. 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.
- (4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

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;
- (2) requiring the tearing down of any property, including the cost of removing the debris.

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

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

This exclusion does not apply to the extent that coverage is provided in the Additional Coverage **Ordinance or Law**.

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 paragraphs (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 of or damage to Covered 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 Policy.

d. Nuclear Hazard

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

e. Utility Services Failure

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.

This exclusion does not apply to the extent that coverage is provided in the Utility Services Additional Coverage.

f. War and Military Action

- (1) war, including undeclared or civil war;
- (2) warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

g. Water

- (1) flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
- (2) mudslide or mud flow;
- (3) waterborne material carried or otherwise moved by any of the water referred to in Paragraph (1), or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above in paragraphs (1) through (3), 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 (3), results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

h. "Fungi", Wet Rot Or Dry Rot

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

But if "fungi", wet rot or dry rot 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 "fungi", wet rot or dry rot results from fire or lightning; or

- (2) to the extent that coverage is provided in the Limited Coverage for "Fungi", Wet Rot Or Dry Rot Additional Coverage, with respect to loss or damage by a cause of loss other than fire or lightning.

i. Virus or Bacteria

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

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

a. Electrical Apparatus

Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:

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

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

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

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

b. Consequential Losses

Delay, loss of use or loss of market.

c. Smoke, Vapor, Gas

Smoke, Vapor or Gas from agricultural smudging or industrial "operations".

d. Other Types of Loss

- (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; or
- (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 **B.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. Steam Apparatus

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

f. Frozen Plumbing

Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:

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

g. Dishonesty

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

This exclusion:

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

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

This exclusion does not apply to the extent that coverage is provided under the Employee Dishonesty (including ERISA) Additional Coverage.

h. False Pretense

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

i. Exposed Property

Rain, snow, sand, dust, ice or sleet to personal property in the open, except to the extent coverage is provided under the **Outdoor Property** Coverage Extension.

j. Collapse

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

- (a) an abrupt falling down or caving in;
- (b) loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
- (c) any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to Paragraph **j.(1)(a)** or **j.(1)(b)**.

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

(2) This Exclusion **j.**, 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.

k. Pollution

We will not pay for loss or damage caused by or resulting from the discharge, or dispersal, seepage, migration, release or escape of "pollutants" unless the release, discharge or dispersal 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".

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

a. Weather Conditions

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

b. Acts or Decisions

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

c. Negligent Work

Faulty, inadequate or defective:

- (1) planning, zoning, development, surveying, siting;
- (2) design, specifications, workmanship, 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. Business Income and Extra Expense Exclusions

We will not pay for:

- a.** any Extra Expense, or increase of Business Income loss, caused by or resulting from:

- (1) 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
- (2) 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".

- b.** any other consequential loss.

5. Accounts Receivable and "Valuable Papers and Records" Exclusions

The following exclusions apply to the Accounts Receivable and to the "Valuable Papers and Records" Coverage Extension:

- a.** We will not pay for loss or damage caused by or resulting from electrical or magnetic injury, disturbance or erasure of electronic recordings that is caused by or results from:

- (1) programming errors or faulty machine instructions;

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(2) faulty installation or maintenance of "data" processing equipment or component parts;

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

b. Applicable to "Valuable Papers and Records" Coverage Extension only:

We will not pay for loss or damage caused by or resulting from errors or omissions in processing or copying. But we will pay for direct loss or damage caused by resulting fire or explosion.

c. Applicable to Accounts Receivable Coverage Extension only:

We will not pay for:

(1) 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.

(2) loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions.

(3) any loss or damage that requires any audit of records or any inventory computation to prove its factual existence.

C. LIMITS OF INSURANCE

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

2. The Limits of Insurance applicable to the Coverage Extensions, and to the Additional Coverages for **Fire Department Service Charge, Hand-Held Fire Extinguisher and Fire Extinguisher System Recharge Expense** and **Pollutant Cleanup and Removal** are in addition to the Limits of Insurance shown in the Declarations.

3. Building Limit - Automatic Increase

a. The Limit of Insurance for Buildings will automatically increase by the annual percentage shown in the Declarations.

b. The amount of increase will be:

(1) the Limit of Insurance for Building 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 for Building, 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 for Building, divided by 365.

Example:

If: The applicable Building limit 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
 $\$100,000 \times .08 \times 146/365 = \$3,200.$

4. Business Personal Property Limit - Seasonal Increase

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

D. DEDUCTIBLES

1. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance.
2. Except as otherwise provided in 4., below, and unless another Deductible amount is shown in the Declarations, the most we will deduct from any loss or damage under all the Additional Coverages and Coverage Extensions in connection with any one occurrence is \$100.

But this \$100 Deductible will not increase the deductible amount shown in the Declarations. This \$100 Deductible will be applied towards the Deductible amount shown in the Declarations.

3. No deductible applies to the following Additional Coverages and Coverage Extensions:
 - a. **Hand-Held Fire Extinguisher and Fire Extinguisher System Recharge Expense;**
 - b. **Preservation of Property;**
 - c. **Fire Department Service Charge;**
 - d. **Business Income, Extra Expense, Civil Authority and Extended Business Income;**
 - e. **Arson and Theft Reward;**
 - f. **Fine Arts.**
4. The deductible applicable to the Additional Coverage for "**Money**" and "**Securities**" is \$250.
5. Subject to 2., above, each deductible shall be applied separately to the respective coverage specified, and the total deductible for the sum of all loss and damage as the result of any one occurrence shall be the highest deductible amount that applies to that occurrence.

E. PROPERTY LOSS CONDITIONS

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

If we and you disagree on the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. 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 loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. pay its chosen appraiser; and
- b. bear the other expenses of the appraisal and umpire equally.

If we submit to an appraisal, we will still retain our right to deny the claim.

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 expense 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 and records 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.

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(9) 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.

4. Legal Action Against Us

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

- a. there has been full compliance with all of the terms of this insurance; and
- b. the action is brought within 2 years after the date on which the direct physical loss or damage occurred.

5. Loss Payment

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

- a. At our option, we will either:
- (1) pay the value of lost or damaged property;
 - (2) pay the cost of repairing or replacing the lost or damaged property;
 - (3) take all or any part of the property at an agreed or appraised value; or
 - (4) repair, rebuild or replace the property with "other property" of like kind and quality, subject to **d.(1)(e)** below.
- b. We will give notice of our intentions within 30 days after we receive the sworn statement of loss.
- c. We will not pay you more than your financial interest in the Covered Property.
- d. Except as provided in (2) through (10) below, we will determine the value of Covered Property as follows:
- (1) At replacement cost (without deduction for depreciation) subject to the following:
 - (a) We will pay the cost to repair or replace, after application of the deductible and without deduction for depreciation, but not more than the least of the following amounts:
 - (i) the Limit of Insurance under this Policy that applies to the lost or damaged property;
 - (ii) the cost to replace, on the same premises, the lost or damaged property with "other property";
 - i. of comparable material and quality; and
 - ii. used for the same purpose; or

- (ii) divide the amount determined in (i) above by the number of days from the installation of improvements to the expiration of the lease.

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

- (c) nothing if others pay for repairs or replacement.
- (7) "Valuable Papers and Records" including those which exist on electronic or magnetic "media" (other than prepackaged software programs), at the cost of:
- (a) blank materials for reproducing the records; and
 - (b) the reasonable cost to research, replace or restore the lost information.
- (8) "Money" and "securities":
- (a) "money" and "securities":
 - (i) "money" at its face value; and
 - (ii) "securities" at their value at the close of business on the day the loss is discovered.
- (9) The value of United States Government Internal Revenue taxes and custom duties and refundable state and local taxes paid or fully determined on the following property held for sale will not be considered in determining the value of Covered Property:
- (a) distilled spirits;
 - (b) wines;
 - (c) rectified products; or
 - (d) beer.
- (10) Applicable to only Accounts Receivable:
- (a) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage:
 - (i) we will determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and
 - (ii) we will adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.
 - (b) The following will be deducted from the total amount of the accounts receivable, however that amount is established:
 - (i) the amount of the accounts for which there is no loss or damage;
 - (ii) the amount of the accounts that you are able to re-establish or collect;

- (iii) an amount to allow for probable bad debts that you are normally unable to collect; and
 - (iv) all unearned interest and service charges.
- e. Our payment for loss of or damage to personal property of others will only be for the account of the owners of the property. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
 - 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, provided you have complied with all of the terms of this Policy, and
 - (1) we have reached agreement with you on the amount of loss; or
 - (2) an appraisal award has been made.

6. Recovered Property

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

7. Resumption of "Operations"

In the event of loss or damage at the described premises you must resume all or part of your "operations" as quickly as possible.

We will reduce the amount of your:

- a. 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.
- b. Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

8. Vacancy

a. Description of Terms

- (1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in (a) and (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 of a building, building means the entire building. Such building is vacant when 70% or more of its total square footage:

(i) is not rented; or

(ii) is not used 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 **(f)** above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

F. PROPERTY GENERAL CONDITIONS

1. 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 Form 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.

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 our claim because of your acts or because you have failed to comply with the terms of this Policy, the mortgageholder will still have the right to receive loss payment if the mortgageholder:

- (1) pays any premium due under this Policy at our request if you have failed to do so;
- (2) submits a signed sworn statement of loss within 60 days after receiving notice from us of your failure to do so; and
- (3) has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

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

e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Policy:

- (1) the mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
- (2) the mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

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

f. If we cancel this Policy, we will give written notice to the mortgageholder at least:

- (1) 10 days before the effective date of cancellation if we cancel for your non-payment of premium; or
- (2) 30 days before the effective date of cancellation if we cancel for any other reason.

g. If we do not renew this Policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this Policy.

3. No Benefit to Bailee

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

4. Policy Period, Coverage Territory

Under this form:

a. We will cover loss or damage commencing:

- (1) during the policy period shown in the Declarations; and
- (2) within the coverage territory or, with respect to property in transit, while it is between points in the coverage territory.

b. The coverage territory is:

- (1) the United States of America (including its territories and possessions);

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(2) Puerto Rico; and

(3) Canada.

G. PROPERTY DEFINITIONS

1. **"Banking premises"** means the interior of that portion of any building occupied by a banking institution or similar safe depository.
2. **"Carrier"** means a person or organization providing motor, rail or air transportation for compensation.
3. **"Computer"** means:
 - a. programmable electronic device that can 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.

4. **"Electronic media and records"** means the following, if owned by you or licensed to you and used in your business:
 - a. "Media", meaning disks, tapes, film, drums, cells or other media which are used with electronically controlled equipment.
 - b. "Data", meaning information or facts stored on "media" described in paragraph a. above. "Data" includes "valuable papers and records" converted to "data".
 - c. "Computer" program, meaning a set of related electronic instructions which direct the "operations" and functions of a "computer" or a device connection to it, which enable the "computer" or device to receive, process, store, retrieve or send "data".
 - d. "Software", including systems and applications software.
5. **"Fungi"** means any type or form of fungus, including mold or mildew, any mycotoxins, spores, scents or byproducts produced or released by "fungi".
6. **"Manager"** means a person serving in a directorial capacity for a limited liability company.
7. **"Member"** means an owner of a limited liability company represented by its membership interest, who may also serve as a "manager".
8. **"Money"** means:
 - a. currency, coins and bank notes, whether or not in current use; and
 - b. travelers checks, registered checks and "money" orders held for sale to the public.
9. **"Operations"** means your business activities occurring at the described premises and tenability of the described premises.
10. **"Other property"** means any tangible property, other than "money" and "securities", that has intrinsic value, but does not include any property excluded under this insurance.

11. "Period of Restoration" means the period of time that:

- a. begins with the date of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and
- b. ends on the earlier of:
 - (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, cleanup, 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".

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

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

- a. tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter), whether or not in current use; and
- b. evidences of debt issued in connection with credit or charge cards, which cards are not issued by you.

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

14. "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 the cost of filling sinkholes.
- b. Falling objects does not include loss of or damage to:
 - (1) Personal Property in the open; or
 - (2) the interior of a building or a 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 any part of a system or appliance (other than a sump pump system including its related equipment and parts) containing water or steam.
15. **"Stock"** means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing and shipping.
16. **"Valuable papers and records"** means:
- a. Inscribed, printed, or written:
- (1) documents;
 - (2) manuscripts; and
 - (3) records;
- Including abstracts, books, deeds, drawings, films, maps or mortgages.
- b. "Electronic media and records".
- But "valuable papers and records" does not mean "money" or "securities".

PART TWO - SAFEPAK® LIABILITY COVERAGE FORM

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

Throughout this Coverage Form, 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 Paragraph **C - WHO IS AN INSURED**.

Other words and phrases that appear in quotation marks have special meaning. Refer to Paragraph **F - LIABILITY AND MEDICAL EXPENSES DEFINITIONS**.

A. COVERAGES

1. Business Liability

- a. We will pay those sums that the Insured becomes legally obligated to pay as damages because of "bodily injury", "property damage", or "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 "bodily injury", "property damage", or "personal and advertising injury" to which this insurance does not apply. We may at our discretion, investigate any "occurrence" or offense and settle any claim or "suit" that may result. But:
- (1) the amount we will pay for damages is limited as described in Paragraph **D - LIABILITY AND MEDICAL EXPENSES 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 or medical expenses.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **Coverage Extension - Supplementary Payments**.

b. This insurance applies to:

- (1) "Bodily injury" and "property damage" only if:

- (a) the "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
- (b) the "bodily injury" or "property damage" occurs during the policy period; and
- (c) prior to the policy period, no Insured listed under paragraph 1. of **C - 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" had occurred, in whole or in part, 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) "Personal and advertising injury" caused by an offense arising out of your business, but only if the offense is committed in the "coverage territory" during 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 an Insured listed under paragraph 1. of **C - 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 **C - 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" includes damages claimed by any person or organization for care, loss of services or death resulting at any time from, the "bodily injury".

f. **Incidental Medical Malpractice**

- (1) "Bodily injury" arising out of the rendering of or failure to render professional health care services as a physician, dentist, nurse, emergency medical technician or paramedic shall be deemed to be caused by an "occurrence", but only if:

- (a) the physician, dentist, nurse, emergency medical technician or paramedic is employed by you to provide such services; and
 - (b) you are not engaged in the business or occupation of providing such services.
- (2) For the purpose of determining the limits of insurance for incidental medical malpractice, any act or omission together with all related acts or omissions in the furnishing of these services to any one person will be considered one "occurrence".

g. Coverage Extension - Supplementary Payments

- (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 \$1,000 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Business Liability Coverage for "bodily injury" applies. We do not have to furnish these bonds.
 - (c) the cost of appeal bonds or bonds to release attachments, but only for bond amounts within our 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 the actual loss of earnings up to \$500 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 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 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:
 - (i) agrees in writing to:
 - i cooperate with us in the investigation, settlement or defense of the "suit";
 - ii immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
 - iii notify any other insurer whose coverage is available to the indemnitee; and
 - iv cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
 - (ii) provides us with written authorization to:
 - i obtain records and other information related to the "suit"; and
 - ii conduct and control the defense of the indemnitee in such "suit".
- (3) 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 in Supplementary Payments. Notwithstanding the provisions of paragraph **B.1.b.(2)** of Exclusions, 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 end when:

- a. we have used up the applicable Limit of Insurance in the payment of judgments or settlements; or
- b. the conditions set forth above, or the terms of the agreement described in paragraph **(2)(f)** above are no longer met.

2. Medical Expenses

- 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 three years 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 Limits of Insurance of the **SAFEPAK® LIABILITY COVERAGE FORM**. 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.

B. EXCLUSIONS

1. Applicable to Business Liability Coverage

This insurance does not apply to:

a. Expected or Intended Injury

- (1) "Bodily injury" or "property damage" expected or intended from the standpoint of the Insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property; or
- (2) "Personal and advertising injury" arising out of an offense committed by, at the direction of or with the consent of the Insured with the expectation of inflicting "personal and advertising injury".

b. Contractual Liability

"Bodily injury", "property damage", or "personal and advertising injury" 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) "bodily injury" or "property damage" 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;

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- (2) the furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims allege negligence or other wrongdoing in:

- (a) the supervision, hiring, employment, training or monitoring of others by an insured; or
- (b) providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the "occurrence" which caused the "bodily injury" or "property damage", involved that which is described in Paragraph (1), (2) or (3) above.

However, this exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation and Similar Laws

Any obligation of the Insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

- (1) an "employee" of the Insured arising out of and in the course of:
 - (a) employment by the Insured; or
 - (b) performing duties related to the conduct of the Insured's business; or
- (2) the spouse, child, parent, brother or sister of that "employee" as a consequence of paragraph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the Insured under an "insured contract".

f. Pollution

- (1) "Bodily injury", "property damage", or "personal and advertising injury" arising out of the actual, alleged, or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- (a) at or from or into 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 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;
- (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 contractor or subcontractor working directly or indirectly on an Insured's behalf are performing operations if the operations are to test for, monitor, cleanup, 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, cleanup, 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 of 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 51 feet long; and
 - (b) not being used to carry persons for a charge;
- (3) parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the Insured;
- (4) liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- (5) "bodily injury" or "property damage" arising out of:
 - (a) the operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where it is licensed or principally garaged;

(b) the operation of any of the machinery or equipment listed in paragraph f.(1) or f.(3) of the definition of "mobile equipment".

(6) an aircraft that is:

(a) not owned by any Insured, and

(b) hired, chartered or loaned with a paid crew.

However, the exception stated in subparagraph (6) does not apply if the Insured has any other insurance for such "bodily injury" or "property damage", whether the other insurance is primary, excess, contingent or on any other basis.

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", "property damage" or "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 or revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

j. Professional Services

"Bodily injury", "property damage", or "personal and advertising injury" arising out of the rendering or failure to render any professional service, including but not limited to:

(1) legal, accounting or advertising services;

(2) preparing or approving maps, drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications;

(3) inspection services;

(4) architectural or engineering services;

(5) medical, surgical, dental, X-ray or nursing services, treatment, advice or instruction;

(6) any health or therapeutic service, treatment, advice or instruction;

(7) any nutrition service, treatment, advice or instruction;

- (8) any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming;
- (9) optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;
- (10) optometry or optometric services including but not limited to examination of the eyes and the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products;
- (11) any:
 - (a) body piercing (not including ear piercing); and
 - (b) tattooing; including but not limited to the insertion of pigments into or under the skin;
- (12) services in the practice of pharmacy;
- (13) veterinary medicine services;
- (14) mortician services; and
- (15) computer consulting, design or programming services, including web site design.

Paragraphs (5), (6), and (7) of this exclusion do not apply to the Incidental Medical Malpractice coverage afforded under Paragraph f. in **A. COVERAGES, 1. Business Liability**.

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

k. 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 contractor or subcontractor working directly or indirectly on your behalf is performing operations, if the "property damage" arises out of those operations; or

- (6) that particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of seven or fewer consecutive days. A separate Limit of Insurance applies to Damage to Property Rented to You as described in Paragraph D. **LIABILITY AND MEDICAL EXPENSES 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.

Paragraphs (3) and (4) of this exclusion do not apply to "property damage" to borrowed equipment while not being used to perform operations at a job site.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

I. Damage to "Your Product"

"Property damage" to "your product" arising out of it or any part of it.

m. 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.

n. 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.

o. 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.

p. "Personal and Advertising Injury"

"Personal and advertising injury":

- (1) 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";
- (2) arising out of oral or written publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity;
- (3) arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period;
- (4) arising out of a criminal act committed by or at the direction of the insured.
- (5) arising out of any breach of contract, except an implied contract to use another's advertising idea in your "advertisement";
- (6) arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";
- (7) arising out of the wrong description of the price of goods, products or services stated in your "advertisement";
- (8) committed by an insured whose business is:
 - (a) advertising, broadcasting, publishing or telecasting;
 - (b) designing or determining content of web-sites for others; or
 - (c) an Internet search, access, content or service provider.

However, this exclusion does not apply to paragraphs **a.**, **b.**, and **c.** of "personal and advertising injury" under paragraph **F. LIABILITY AND MEDICAL EXPENSES DEFINITIONS.**

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, by itself, is not considered the business of advertising, broadcasting, publishing or telecasting;

- (9) arising out of an electronic chat room or bulletin board the Insured hosts, owns or over which the Insured exercises control;
- (10) 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;

- (11) arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatags, or any other similar tactics to mislead another's potential customers;
- (12) arising out of the violation of a person's right to privacy created by any state or federal act. However, this exclusion does not apply to liability for damages that the Insured would have in the absence of such state or federal act;
- (13) arising out of:
 - (a) any "advertisement" on your web site for another person's or organization's goods or services;
 - (b) any link on your web site to another person's or organization's web site; or
 - (c) any content from another person's or organization's web site, displayed within a frame or border on your web site. Content includes information, code, text, sounds, graphics and/or images;
 - (d) any computer code, software or programming used to enable:
 - (i) your web site; or
 - (ii) the presentation or functionality of an "advertisement" or other content on your web site.
- (14) arising out of a violation of any anti-trust law.
- (15) arising out of any fluctuation in the price or value of any stock, bond, or other security;
- (16) arising out of any discrimination or any humiliation, committed by or at the direction of any "executive officer", director, stockholder, partner, or member of the insured.

q. Access Or Disclosure Of Confidential Or Personal Information And Data-Related Liability-With Limited "Bodily Injury" Exception

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

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

However, unless paragraph (1) above applies, this exclusion does not apply to damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or 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.

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

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

r. Employment-Related Practices

"Bodily injury" or "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;
 - (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" or "personal and advertising injury" to the person at whom any of the employment-related practices described in paragraph (1)(a), (1)(b) or (1)(c) above is directed.

This exclusion applies:

- (1) whether the injury-causing event described in paragraphs (1)(a), (1)(b) or (1)(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.

s. Recording And Distribution Of Material Or Information In Violation Of Law

"Bodily injury", "property damage" or "personal and advertising injury" arising directly or indirectly out of any act 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 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.

Exclusions **c.**, **d.**, **e.**, **f.**, **g.**, **h.**, **i.**, **k.**, **l.**, **m.**, **n.** and **o.** do not apply to damage by fire, lightning or explosion to premises while rented to you, or temporarily occupied by you with permission of the owner. A separate Damage to Premises Rented to You Limit of Insurance applies to this coverage as described in Paragraph **D. LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE.**

2. Applicable to Medical Expenses Coverage

We will not pay expenses for "bodily injury":

- a. to any insured, except "volunteer workers".
- b. to a person hired to do work for or on behalf of any insured or a tenant of any insured.
- c. to a person injured on that part of premises you own or rent that the person normally occupies.
- d. 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. to a person injured while practicing, instructing or participating in any physical exercises or games, sports or athletic contests.
- f. included within the "products-completed operations hazard".
- g. excluded under Business Liability Coverage.

3. Applicable to Both Business Liability Coverage and Medical Expenses Coverage - Nuclear Energy Liability Exclusion

This insurance does not apply:

- a. under Business 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 or Nuclear Insurance Association of Canada, 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

- (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;

- (4) "Nuclear material" means "source material", "special nuclear material" or "byproduct material".
- (5) "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.
- (6) "Property damage" includes all forms of radioactive contamination of property.
- (7) "Source material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof.
- (8) "Special nuclear material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof.
- (9) "Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".
- (10) "Waste" means any waste material:
- (a) containing "byproduct 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".

C. 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 your stockholders.
- e. a trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as your trustees.

2. Each of the following is also an insured:

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- 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), or to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
- (b)** to the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of paragraph **(1)(a)** above;
- (c)** for which there is any obligation to share damages with or repay someone else who must pay damages of the injury described in paragraphs **(1)(a)** or **(1)(b)** above; or
- (d)** arising out of his or her providing or failing to provide professional health care services.

If you are not in the business of providing professional health care services, paragraph **(1)(d)** does not apply to any of your "employees" who is a physician, dentist, nurse, emergency medical technician or paramedic employed by you to provide such 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 Policy.
- e. any subsidiary corporation of which you own more than 50% of the voting stock at both:
- (1)** the beginning of the policy period of this Policy; and

(2) either:

(a) the date when the "bodily injury" or "property damage" occurs; or

(b) the date of the offense causing "personal and advertising injury",

whichever applies.

However, no such subsidiary corporation that is not specifically identified in the Declarations as a named insured is an insured with respect to any "bodily injury", "property damage", or "personal and advertising injury" for which that subsidiary is an insured under any other insurance, or for which that subsidiary would be an insured under other insurance but for that other insurance's termination or exhaustion of its applicable Limit of Insurance.

3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and of which you own more than 50% of the voting stock, will qualify as an insured if there is no other similar insurance available to that organization. However:

a. coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier;

b. coverage under this provision does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and

c. coverage under this provision does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

4. With respect to "mobile equipment" registered in your name or under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:

a. "bodily injury" to a co-"employee" of the person driving the equipment; or

b. "property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

5. With respect to a watercraft you do not own that is less than 51 feet long and is not being used to carry persons for a charge, any person is an insured while operating such watercraft:

a. with your permission; and

b. in connection with the conduct of your business.

Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the watercraft in connection with the conduct of your business, and only if no other insurance of any kind is available to that person or organization for such liability.

However, no person or organization is an insured with respect to:

a. "bodily injury" to a co-"employee" of the person operating the watercraft; or

- b. "property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this Policy.

6. "Additional Insureds" When Required by Written Contract, Written Agreement or Permit

- a. The persons or organizations described in paragraphs **b.** through **g.** below are also insureds (and may also be referred to below as "additional insureds"), but only if:

(1) either:

- (a) you have agreed, in a written contract to have such person or organization added as an "additional insured" under this Policy; or
- (b) a permit issued to you by a state or political subdivision requires such person or organization to be added as an "additional insured" under this Policy;

and

- (2) the "bodily injury", "property damage", or offense causing "personal and advertising injury" occurs subsequent to execution of the contract or agreement, or issuance of the permit.

A person's or organization's status as an "additional insured" under paragraphs **b.** through **g.** ends at the earlier of:

- (1) the end of the minimum period of time required by the contract or permit, or
- (2) the expiration of the policy period of this Policy.

No person or organization is an "additional insured" under paragraphs **b.** through **g.** if such person or organization is an insured by virtue of an endorsement issued by us and attached to this Coverage Form.

b. Vendors

- (1) Subject to **a.**, above, any person or organization that distributes or sells "your product" in the regular course of that person's or organization's business (referred to below as vendor) as an "additional insured", but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business, and only if this Coverage Form provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

However:

- (a) the insurance afforded to such vendor only applies to the extent permitted by law; and
 - (b) the insurance afforded to such vendor will not be broader than that which you are required by the contract or agreement to provide for such vendor.
- (2) No vendor is an insured with respect to any:

- (a) "bodily injury" or "property damage" for which the vendor 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 that the vendor would have in the absence of the contract or agreement;
- (b) express warranty unauthorized by you;
- (c) physical or chemical change in the product made intentionally by the vendor;
- (d) repackaging, except when "your product" is unpacked solely for the purpose of inspection, demonstration, testing or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
- (e) failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the product;
- (f) demonstration, installation, servicing or repair of "your product", except such operations performed at the vendor's premises in connection with the sale of the product;
- (g) product which, after distribution or sale by you, has been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or
- (h) "bodily injury" or "property damage" arising out of the sole negligence of:
 - (i) the vendor for its own acts or omissions; or
 - (ii) the vendor's "employees" or anyone else acting on its behalf.

However, paragraph (h) does not apply to:

- (i) the exceptions contained in subparagraphs (d) or (f); or
 - (ii) such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.
- (3) The coverage afforded for vendors under paragraph b. does not apply to any person or organization from whom you have acquired either such products, or any ingredient, part or container, entering into, accompanying or containing such products.

c. Lessors of Equipment

- (1) Subject to a., above, any person or organization from whom you lease equipment is an "additional insured", but only with respect to liability arising out of your maintenance, operation or use of equipment you lease from that person or organization.

However:

- (a) the insurance afforded to such "additional insured" only applies to the extent permitted by law; and

(b) the insurance afforded to such "additional insured" will not be broader than that which you are required by the contract or agreement to provide for such "additional insured".

(2) No such person or organization is an "additional insured" as respects any:

(a) "occurrence" which takes place before the equipment lease begins or after the equipment lease expires, or

(b) "bodily injury", "property damage", or "personal and advertising injury" arising out of the sole negligence of such person(s) or organization(s).

d. Lessors of Land or Premises

(1) Subject to **a.**, above, any person or organization from whom you lease land or premises is an "additional insured", but only with respect to liability arising out of the ownership, maintenance or use of that part of the land or premises leased to you.

However:

(a) the insurance afforded to such "additional insured" only applies to the extent permitted by law; and

(b) the insurance afforded to such "additional insured" will not be broader than that which you are required by the contract or agreement to provide for such "additional insured".

(2) No such person or organization is an "additional insured" as respects any:

(a) "occurrence" that takes place before you lease that land or premises; or

(b) "occurrence" that takes place after your lease ends; or

(c) structural alteration, new construction or demolition operation performed by or on behalf of such person(s) or organization(s).

e. Architects, Engineers or Surveyors

(1) Subject to **a.**, above, any person or organization you engage as an architect, engineer, or surveyor is an "additional insured", but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf in connection with your premises or in the performance of your ongoing operations:

However:

(a) the insurance afforded to such "additional insured" only applies to the extent permitted by law; and

(b) the insurance afforded to such "additional insured" will not be broader than that which you are required by the contract or agreement to provide for such "additional insured".

f. Permits Or Authorizations Relating To Premises Issued By State Or Governmental Agency Or Subdivision Or Political Subdivision

(1) Subject to **a.**, above, any federal, state, or local government or governmental agency or subdivision or political subdivision that issues you a permit or authorization with respect to the following hazards in connection with premises you own, rent, or control and to which this insurance applies, is an "additional insured" as respects such activity(ies) at the premises:

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

g. Any Other Party

(1) Subject to **a.**, above, any person or organization described neither:

- (a) as an insured in **C.1.** through **C.5.**, nor
- (b) as an "additional insured" in **b.** through **f.** above,

is an "additional insured", but only with respect to liability for "bodily injury", "property damage", or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

- (i) in the performance of your ongoing operations;
- (ii) in connection with premises owned by or rented to you; or
- (iii) in connection with "your work" and included within the "products-completed operations hazard",

But (iii) applies only if this Coverage Form provides coverage for "bodily injury" or "property damage" within the "products-completed operations hazard".

However:

- (a) the insurance afforded to such "additional insured" only applies to the extent permitted by law; and
- (b) the insurance afforded to such "additional insured" will not be broader than that which you are required by the contract or agreement to provide for such "additional insured".

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.

D. LIABILITY AND MEDICAL EXPENSES 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 most we will pay for the sum of all damages because of all:

- a. "bodily injury", "property damage" and medical expenses arising out of any one "occurrence"; and
- b. "personal and advertising injury" sustained by any one person or organization;

is the Liability and Medical Expenses limit shown in the Declarations. But the most we will pay for all medical expenses because of "bodily injury" sustained by any one person is the Medical Expenses limit shown in the Declarations.

- c. For all sums which the Insured becomes legally obligated to pay as damages caused by an "occurrence" under Coverage a, section **1. Business Liability**, and for all medical expenses caused by accident under Coverage A, section **2. Medical Expenses**, a separate Liability and Medical Expenses Limit of Insurance applies to each designated "location" owned by or rented to you.

"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.

3. The most we will pay under Business Liability Coverage for damages because of "property damage" to any one premises while rented to you, or in the case of fire, lightning or explosion while rented to you or temporarily occupied by you with permission of the owner is the applicable Damage to Premises Rented to You limit shown for that premises in the Declarations. For a premises temporarily occupied by you, the applicable limit will be the highest Damage To Premises Rented To You limit shown in the Declarations.

4. Aggregate Limits

The most we will pay for:

- a. all "bodily injury" and "property damage" that is included in the "products-completed operations hazard" is twice the Liability and Medical Expenses limit.
- b. all:
 - (1) "bodily injury" and "property damage", except damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard";
 - (2) plus medical expenses;

(3) plus all "personal and advertising injury" caused by offenses committed;

is twice the Liability and Medical Expenses limit.

Subject to paragraphs 4.a. or 4.b. above, whichever applies, the Damage To Premises Rented To You Limit is the most we will pay for damages because of "property damage" to any premises, while rented to you, or in the case of fire, while rented to you or temporarily occupied by you with permission of the owner.

5. How Limits Apply to "Additional Insured's"

The most we will pay on behalf of any "additional insured" described in C.6., above, is the amount of insurance:

- a. required by contract or agreement; or
- b. available under the applicable Limits of Insurance shown in the Declarations

whichever is less.

Such amounts shall not increase the applicable Limits of Insurance shown in the Declarations.

The Limits of Insurance of the **PART TWO - SAFEPAK® LIABILITY COVERAGE FORM** 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.

E. LIABILITY AND MEDICAL EXPENSES GENERAL 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 and any other involved insured must see to it that we are notified as soon as practicable of any "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.

Failure of the insured to give first report of a claim to us shall not invalidate coverage under this Policy if the loss was inadvertently reported to another insurer. However, you shall report any such "occurrence" to us as soon as practicable once you become aware of such an error.

- 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 that 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.

e. Knowledge of an "Occurrence", Offense, Claim or "Suit"

Paragraphs **a.** and **b.** apply to any involved insured when the "occurrence", offense, claim or "suit" is known to:

- (1) that Insured, if the involved Insured is an individual;
- (2) any partner, if the involved Insured is a partnership;
- (3) any manager, if the involved Insured is a limited liability company;
- (4) any "executive officer", risk manager, or insurance manager, if the involved Insured is a corporation;
- (5) any trustee, if the involved Insured is a trust; or
- (6) any elected or appointed official, if the involved Insured is a governmental entity, or a subdivision or agency of a governmental entity.

This paragraph **e.** applies separately to each involved insured.

3. Financial Responsibility Laws

- a.** When this Policy is certified as proof of financial responsibility for the future under the provisions of any motor vehicle financial responsibility law, the insurance provided by the Policy for "bodily injury" liability and "property damage" liability will comply with the provisions of the law to the extent of the coverage and Limits of Insurance required by that law.
- b.** With respect to "mobile equipment" to which this insurance applies, we will provide any liability uninsured motorists, underinsured motorists, nofault or other coverage required by any motor vehicle law. We will provide the required limits for those coverages.

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4. Legal Action Against Us

No person or organization has a right under this Policy:

- a. to join us as a party or otherwise bring us into a "suit" asking for damages from an insured;
or
- b. to sue us on this Policy unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Policy or that are in excess of the applicable Limit of Insurance. An agreed settlement means a settlement and release of liability signed by us, the Insured and the claimant or the claimant's legal representative.

5. Separation of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Policy to the first Named Insured, this insurance applies:

- a. as if each named insured were the only named insured; and
- b. separately to each insured against whom claim is made or "suit" is brought.

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.

If you unintentionally fail to disclose all hazards relating to the conduct of your business at the inception date of this Policy, we shall not deny coverage under this Policy because of such unintentional failure, but only if you promptly make full disclosure of all such hazards upon discovery of any such unintentional failure to disclose.

7. Other Insurance

If there is other insurance covering the same loss or damage, we will pay as follows:

a. Primary Insurance

This insurance is primary except when **b.** below applies. If the other insurance is also primary, 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, contributory, non-contributory, contingent, or on any other basis;

- (i) that is Fire, Lightning, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
 - (ii) that is fire, lightning or explosion 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 **PART TWO - SAFEPAK® LIABILITY COVERAGE FORM.**
 - (v) that arises out of "property damage" to borrowed equipment or the use of an elevator, to the extent not subject to exclusion **1.k.** of section **B. Exclusion.**
- (2) Any other 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"; or
- (3) (a) Any other insurance available to any person or organization that is an "additional insured" under this Policy. However, this insurance is primary if you have so agreed in a written contract, or if a written permit so requires. If the "additional insured's" other insurance is also primary, we will share with such other insurance by the method described in **c.** below;
- (b) If you have so agreed in a written contract, or if a written permit so requires, this insurance is primary and non-contributory with the "additional insured's" own insurance. In that case, this insurance is primary and we will not seek contribution from that other insurance;
- (c) If (b) does not apply, and if a claim or "suit" we cover under this insurance may also be covered by other insurance available to an "additional insured", then that "additional insured" must also submit the claim or "suit" to the other insurer for defense and indemnity.

Paragraphs (a) and (b) do not apply to other insurance to which an "additional insured" under this Policy has been added as an "additional insured".

- (4) When this insurance is excess, we will have no duty under this Policy 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.
- (5) 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.
- (6) 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 Policy.

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.

8. Transfer of Rights of Recovery Against Others to Us

a. Transfer of Rights of Recovery

If the Insured has rights to recover all or part of any payment, including supplementary payments, we have made under this Policy, those rights are transferred to us. The Insured must do nothing after loss to impair them. At our request, the Insured will bring "suit" or transfer those rights to us and help us enforce them. This condition does not apply to **Medical Expense Coverage**.

b. Waiver of Rights of Recovery (Waiver of Subrogation)

If the Insured waives any right of recovery against any person or organization for all or part of any payment, including supplementary payments, we make under this Policy, we also waive that right, provided the Insured waives such right of recovery against such person or organization in a written contract or written permit executed before the "occurrence", "bodily injury", "property damage", offense, or "personal and advertising injury" that took place.

F. LIABILITY AND MEDICAL EXPENSES 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 purpose 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. "Additional insured" means:

- a.** when referring to an "additional insured" under this insurance:
 - (1)** a person or organization that is neither a named insured nor described in paragraphs **1.** through **5.** of Section **C - WHO IS AN INSURED**, but is an insured under this insurance only by virtue of:
 - (a)** paragraph **6.** of Section **C - WHO IS AN INSURED**; or
 - (b)** an endorsement we issue.

b. when referring to an "additional insured" under any other insurance, a person or organization that is, under that other insurance, neither a Named Insured nor within that Policy's general description of who is an insured, but is nevertheless protected under that Policy as an insured pursuant to a policy provision or endorsement describing an "additional insured".

3. **"Auto"** means:

- a. a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
- b. any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

4. **"Bodily injury"** means "bodily injury", sickness or disease sustained by a person, including mental anguish or death resulting from any of these at any time.

5. **"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;
- c. all other parts of the world if the injury or damage arises out of:
 - (1) goods or products made or sold by you in the territory described in paragraph a. above; or
 - (2) the activities of a person whose home is in the territory described in paragraph a. above, but is away for a short time on your business; or
 - (3) "personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication.

provided the Insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in a. above or in a settlement we agree to.

6. **"Employee"** includes a "leased worker". "Employee" does not include a "temporary worker".

7. **"Executive officer"** means a person holding any of the officer positions created by your charter, constitution, by laws or any other similar governing document.

8. **"Hostile fire"** means one which becomes uncontrollable or breaks out from where it was intended to be.

9. **"Impaired property"** means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:

- a. it incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or

b. you have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.

10. "Insured contract" means:

- a. a contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b. a sidetrack agreement;
- c. any easement or license agreement, except in connection with construction or demolition operations 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, or engineering activities.

11. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

12. "Loading or unloading" means the handling of property:

- a. after it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";

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- b. while it is in or on an aircraft, watercraft or "auto"; or
- c. while it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

13. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a. bulldozers, 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 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 a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1) equipment designed primarily for:
 - (a) snow removal;
 - (b) road maintenance, but not construction or resurfacing; or
 - (c) street cleaning;
- (2) cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a

compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

14. **"Occurrence"** means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
15. **"Personal and advertising injury"** means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
 - a. false arrest, detention or imprisonment;
 - b. malicious prosecution;
 - c. the wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
 - d. oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - e. oral or written publication, in any manner, of material that violates a person's right of privacy.
 - f. the use of another's advertising idea in your "advertisement"; or
 - g. infringing upon another's copyright, trade dress or slogan in your "advertisement".
16. **"Pollutants"** 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.
17. **"Products-completed operations hazard"**:
 - a. includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
 - (1) products that are still in your physical possession; or
 - (2) work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
 - (a) when all of the work called for in your contract has been completed.
 - (b) when all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
 - (c) when that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

The "bodily injury" or "property damage" must occur away from premises you own or rent, unless your business includes the selling, handling or distribution of "your product" for consumption on premises you own or rent.

- 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

18. **"Property damage"** means:

- a. physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For 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.

19. **"Suit"** means a civil proceeding in which damages because of "bodily injury", "property damage", or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a. an arbitration proceeding in which such damages are claimed and to which the Insured must submit or does submit with our consent; or
- b. any other alternative dispute resolution proceeding in which such damages are claimed and to which the Insured submits with our consent.

20. **"Temporary worker"** means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

21. **"Volunteer worker"** means a person who is not your "employee", and who donates his or her work, acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

22. **"Your product"** means:

- a. means:
 - (1) any goods or products, other than real property, manufactured, sold handled, distributed or disposed of by:
 - (a) you;

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- (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 furnished in connection with such goods or products.
- b. includes:
- (1) warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
 - (2) the providing of or failure to provide warnings or instructions.
- c. does not include vending machines or other property rented to or located for the use of others but not sold.

23. "Your work" means:

- 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.

SAFEPAK® COMMON POLICY CONDITIONS

All coverages of this Policy are subject to the following conditions.

A. CANCELLATION

1. The first Named Insured shown in the Declarations may cancel this Policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this Policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 5 days before the effective date of cancellation if any one of the following conditions exists at any building that is Covered Property in this Policy.
 - (1) The building has been vacant or unoccupied 60 or more consecutive days. This does not apply to:
 - (a) seasonal unoccupancy; or

(b) buildings in the course of construction, renovation or addition.

Buildings with 65% or more of the rental units or floor area vacant or unoccupied are considered unoccupied under this provision.

(2) After damage by a covered cause of loss, permanent repairs to the building:

(a) have not started, and

(b) have not been contracted for

within 30 days of initial payment of loss.

(3) The building has:

(a) an outstanding order to vacate;

(b) an outstanding demolition order; or

(c) been declared unsafe by governmental authority.

(4) Fixed and salvageable items have been or are being removed from the building and are not being replaced. This does not apply to such removal that is necessary or incidental to any renovation or remodeling.

(5) Failure to:

(a) furnish necessary heat, water, sewer service or electricity for 30 consecutive days or more, except during a period of seasonal unoccupancy; or

(b) pay property taxes that are owing and have been outstanding for more than one year following the date due, except that this provision will not apply where you are in a bona fide dispute with the taxing authority regarding payment of such taxes.

b. 10 days before the effective date of cancellation if we cancel for nonpayment of premium.

c. 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. CONCEALMENT, MISREPRESENTATION OR FRAUD

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

1. this Policy;
2. the Covered Property;
3. your interest in the Covered Property; or
4. a claim under this Policy.

D. 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.

E. INSPECTIONS AND SURVEYS

We have the right but are not obligated to:

1. make inspections and surveys at any time;
2. give you reports on the conditions we find; and
3. recommend changes.

Any inspections, surveys, reports or recommendations 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:

1. are safe or healthful; or
2. comply with laws, regulations, codes or standards.

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.

F. 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.

G. LIBERALIZATION

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

H. PREMIUMS

1. The first Named Insured shown in the Declarations:

- a. is responsible for the payment of all premiums; and
 - b. will be the payee for any return premiums we pay.
2. The premium shown in the Declarations was computed based on rates in effect at the time the Policy was issued. On each renewal, continuation or anniversary of the effective date of this Policy, we will compute the premium in accordance with our rates and rules then in effect.
3. With our consent, you may continue this Policy in force by paying a continuation premium for each successive one-year period. The premium must be:
 - a. paid to us prior to the anniversary date; and
 - b. determined in accordance with paragraph 2. above.

Our forms then in effect will apply. If you do not pay the continuation premium, this Policy will expire on the first anniversary date that we have not received the premium.

4. Undeclared exposures or change in your business operation, acquisition or use of locations may occur during the policy period that are not shown in the Declarations. If so, we may require an additional premium. That premium will be determined in accordance with our rates and rules then in effect.

I. PREMIUM AUDIT

1. This Policy is subject to audit if a premium designated as an advance premium is shown in the Declarations. We will compute the final premium due when we determine your actual exposures.
2. Premium shown in this Policy as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. 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.
3. 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.

J. 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.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

SAFEPAK® BUSINESSOWNERS POLICY SPECIAL FORM

The following provisions are added to the **Businessowners Policy** and apply to Property and Liability Coverages:

United States or to influence the policy or affect the conduct of the United States Government by coercion.

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

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.

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

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:

SAFEPAK® BUSINESSOWNERS POLICY SPECIAL FORM

The following provisions are added to **PART TWO - SAFEPAK® LIABILITY COVERAGE FORM:**

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 Policy.

THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

Schedule - Part I

Terrorism Premium (Certified Acts) \$ 67.00

This premium is the total Certified Acts premium attributable to the following Coverage Part(s), Coverage Form(s) and/or Policy(ies):

Additional information, if any, concerning the terrorism premium:

Schedule - Part II

Federal share of terrorism losses	85% Year: 2015
	84% Year: 2016
	83% Year: 2017
	82% Year: 2018
	81% Year: 2019
	80% Year: 2020

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

A. Disclosure Of Premium

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations.

B. Disclosure Of Federal Participation In Payment Of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals a percentage (as shown in Part II of the Schedule of this endorsement or in the policy declarations) of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk

Insurance Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

C. Cap On Insurer Participation In Payment Of Terrorism Losses

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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FUNGI OR BACTERIA EXCLUSION

This endorsement modifies insurance provided under the following:

PART TWO - SAFEPAK® LIABILITY COVERAGE FORM

A. PART TWO - SAFEPAK® LIABILITY COVERAGE FORM, B. EXCLUSIONS is amended with the addition of the following:

t. Fungi or Bacteria

- (1) "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.
- (2) 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.

- (3) 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 by-products produced or released by fungi.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TOTAL POLLUTION EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

SAFEPAK[®] BUSINESSOWNERS POLICY SPECIAL FORM
PART TWO - SAFEPAK[®] LIABILITY COVERAGE FORM

1. PART TWO - SAFEPAK LIABILITY COVERAGE FORM, B. Exclusions, f. is deleted in its entirety and replaced with the following:

f. Pollution

(1) "Bodily injury," "property damage" or "personal and advertising injury" which would not have occurred in whole or in part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants," at any time.

Exclusion **f.(1)** does not apply to "bodily injury" which is sustained within a building that is at a premises, site or location which is or was at any time owned or occupied by, or rented or loaned to any insured, if caused by smoke, fumes, vapor or soot:

(a) produced by or originating from equipment that is used to heat, cool or dehumidify the building;
or

(b) equipment that is used to heat water for personal use, but the building's occupants or their guests.

Exclusion **f.(1)** does not apply to "bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire":

a. At or from any premises, site or location which is owned or occupied by or rented or loaned to any insured.

b. 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.

(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 assess the effects of "pollutants."

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SILICA OR RELATED DUST EXCLUSION

This endorsement modifies insurance provided under the following:

SAFEPAK® BUSINESSOWNERS POLICY SPECIAL FORM

A. The following exclusion is added to PART TWO - SAFEPAK LIABILITY COVERAGE FORM, B. EXCLUSIONS:

1. Applicable to Business Liability Coverage

t. Silica or Related Dust

- (1) Any "bodily injury" which would not have occurred, in whole or in part, but for the actual, alleged, threatened, or suspected inhalation or ingestion of, exposure to, or contact with, "silica" or dust that includes or contains "silica."
- (2) Any "property damage" which would not have occurred, in whole or in part, but for the actual, alleged, threatened, or suspected contact with, exposure to, existence of, or presence of, "silica" or dust that includes or contains "silica."
- (3) 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, "silica" or dust that includes or contains "silica," by any insured or by any other person or entity.

This exclusion applies regardless of:

- (1) the circumstances of or leading to such actual, alleged, threatened, or suspected inhalation, ingestion, exposure, contact, existence, or presence; and

- (2) whether the "silica" or dust that includes or contains "silica," is mixed or combined with, or also includes or contains, any other substance.

B. The following exclusion is added to PART TWO - SAFEPAK LIABILITY COVERAGE FORM, B. EXCLUSIONS, 1. Applicable to Business Liability Coverages, p. "Personal and Advertising Injury":

(16) Silica or Related Dust

- (a) Any "personal and advertising injury" which would not have taken place, in whole or in part, but for the actual, alleged, threatened, or suspected inhalation or ingestion of, contact with, exposure to, existence of, or presence of, "silica" or dust that includes or contains "silica."
- (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, "silica" or dust that includes or contains "silica," by any insured or by any other person or entity.

This exclusion applies regardless of:

(i) the circumstances of or leading to such actual, alleged, threatened, or suspected inhalation, ingestion, exposure, contact, existence, or presence; and

mixed or combined with, or also includes or contains, any other substance.

(ii) whether the "silica" or dust that includes or contains "silica," is

C. The following definition is added to **F. LIABILITY AND MEDICAL EXPENSES DEFINITIONS**:

24. "Silica" means silicon dioxide (SiO₂) in any form, from any source.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSUREDS - ASSOCIATION TRUSTEES AND COMMITTEE MEMBERS

This endorsement modifies insurance provided under the following:

SAFEPAK® BUSINESSOWNERS POLICY SPECIAL FORM - PART TWO - SAFEPAK®
LIABILITY COVERAGE FORM

Section **C. Who Is an Insured**, paragraph **1.**, is hereby amended by adding the following two sentences at the end of subparagraph **1.d.**:

Your committee members are also insureds, but only with respect to their duties as your committee members. Your trustees are also insureds, but only with respect to their duties as your trustees.

The insurance provided by this endorsement for your committee members and trustees is excess over any and all other insurance that applies to the same "occurrence," claim, or "suit," and is subject to the **Other Insurance** Condition in the Common Policy Conditions.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ASSOCIATION OFFICE PACKAGE EDGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

SAFEPAK[®] BUSINESSOWNERS POLICY SPECIAL FORM

A. PART ONE - SAFEPAK[®] SPECIAL PROPERTY COVERAGE FORM

1. Additional Blanket Coverage Limit for Specified Additional Coverages and Coverage Extensions

As described in section **A.1.** of this endorsement, we will pay up to \$150,000 as an additional Limit of Insurance for the Additional Coverages and Coverage Extensions specified below. This additional Limit of Insurance applies separately at each premises described in the Declarations, to the sum of all covered loss under the Additional Coverages and Coverage Extensions specified below that is directly caused by any one occurrence of a Covered Cause of Loss. You may apportion this additional Limit of Insurance among those specified Additional Coverages and Coverage Extensions as you choose.

This additional Limit of Insurance applies to only the following Covered Property, Additional Coverages and Coverage Extensions:

- (a) Accounts Receivable (see **SafePak[®] Special Property Coverage Form**);
- (b) Electronic Data Processing Equipment Coverage (see **SafePak[®] Special Property Coverage Form**);
- (c) Debris Removal (see **SafePak[®] Special Property Coverage Form**);
- (d) Loss of Refrigeration, Change in Temperature, Humidity (see **SafePak[®] Special Property Coverage Form**);

(e) Valuable Papers and Records (see **SafePak[®] Special Property Coverage Form**); and

(f) Property of Others (see **SafePak[®] Special Property Coverage Form, A. COVERAGE, 1. Covered Property, b. Business Personal Property, (2)**).

and does not apply to any other coverage, Additional Coverage, or Coverage Extension. This additional Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for the Additional Coverages and Coverage Extensions listed in (a) through (e), above, but is otherwise subject to all the respective terms, conditions, and provisions of each of those Additional Coverages and Coverage Extensions.

B. PART ONE - SAFEPAK[®] SPECIAL PROPERTY COVERAGE FORM, A. COVERAGE, 5. Additional Coverages, is amended by the addition of the following:

II. Contract Penalties

We will pay to cover contract penalties you are assessed due to your failure to provide your product or service which is the direct result of a Covered Cause of Loss to covered stock.

As used in this Additional Coverage, the term **stock** means merchandise held in storage or for sale, raw materials, and goods in-process or finished.

The most we will pay for the sum of all loss and damage as a result of any single occurrence is \$2,500.

mm. Tenant Building and Equipment Coverage - Required by Lease

We will pay for loss or damage to Building and Business Personal Property of your landlord, directly caused by a Covered Cause of Loss, but only if you have a contractual responsibility to insure that property under a written lease with that landlord. This Additional Coverage extends to the landlord's building, fixtures, machinery and equipment.

The most we will pay under this Additional Coverage for the sum of all loss or damage caused by any one occurrence is \$25,000. This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this Policy for this coverage.

nn. Consequential Loss to Stock

If a Covered Cause of Loss occurs to covered stock, we will pay any reduction in value of the remaining undamaged parts of covered stock.

Payment for any reduced value of stock is included within the applicable Limit of Insurance.

As used in this Additional Coverage, the term 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.

oo. Lost Key Replacement Coverage

We will pay at each premises described in the Declarations, to replace keys and locks, if such replacement is required because a master or grand master key is lost or damaged as a direct result of a Covered Cause of Loss. We will pay for:

- (1) the actual cost of replacement keys; and
- (2) the adjustment of locks to accept new keys; or
- (3) if required, new locks, including the cost of their installation.

The most we will pay under this Additional Coverage for the sum of all locks and keys requiring replacement as a result of any one occurrence is \$2,500 at each location described in the Declarations.

pp. Business Income - Ordinance or Law

(a) You may extend this insurance to actual loss of Business Income you sustain due to a necessary suspension of your "operations" that is required by enforcement of any law that regulates the construction, use, repair or requires the tearing down, of any property lost or damaged by a Covered Cause of Loss.

(b) The most we will pay for loss under this extension is \$10,000 for any one occurrence of loss and damage at each premises described in the Declarations.

This Additional Coverage does not apply to Extra Expense Coverage.

C. PART ONE - SAFEPAK® SPECIAL PROPERTY COVERAGE FORM, A. COVERAGE, 5. Additional Coverages, a. Accounts Receivable, (2), is deleted in its entirety and replaced by the following:

(2) The most we will pay under this Additional Coverage for the sum of all loss and damage as a result of any one occurrence per described premises is \$100,000, unless a higher Limit of Insurance for accounts receivable is shown in the Declarations.

For accounts receivable not at the described premises, the most we will pay is \$25,000 in any one occurrence.

D. PART ONE - SAFEPAK® SPECIAL PROPERTY COVERAGE FORM, A. COVERAGE, 5. Additional Coverages, g. Money and Securities, (3) is deleted in its entirety and replaced by the following:

(3) The most we will pay under this Additional Coverage for the sum of all loss and damage resulting from any one occurrence is:

(a) \$250,000 for Inside the Premises for "money" and "securities" while:

(i) in or on the described premises;
or

(ii) within a bank or savings institution; and

(b) \$250,000 for Outside the Premises for "money" and "securities" while anywhere else.

unless a higher Limit of Insurance for accounts receivable is shown in the Declarations.

E. PART ONE - SAFEPAK® SPECIAL PROPERTY COVERAGE FORM, A. COVERAGE, 5. Additional Coverages, k. Business Income, (2) Extended Business Income, (a)(ii)ii. is deleted in its entirety and replaced by the following:

ii. 90 consecutive days after the date determined in (a)(i) above.

F. PART ONE - SAFEPAK® SPECIAL PROPERTY COVERAGE FORM, A. COVERAGE, 5. Additional Coverages, l. Business Income Extension for Web Sites, the last sentence is deleted in its entirety and replaced by the following:

The most we will pay under this Additional Coverage, for the sum of all loss and damage as a result of any one occurrence, is \$50,000.

G. PART ONE - SAFEPAK® SPECIAL PROPERTY COVERAGE FORM, A. COVERAGE, 5. Additional Coverages, n. Business Income from Dependent Properties, last sentence of (1) is deleted in its entirety and replaced by the following:

The most we will pay under this Additional Coverage, for the sum of all loss of Business Income as a result of any one occurrence is \$50,000.

H. PART ONE - SAFEPAK® SPECIAL PROPERTY COVERAGE FORM, A. COVERAGE, 5. Additional Coverages, r. Forgery and Alterations, (4) is deleted in its entirety and replaced by the following:

(4) The most we will pay for any loss, including legal expenses, under this Additional Coverage is \$250,000.

I. PART ONE - SAFEPAK® SPECIAL PROPERTY COVERAGE FORM, A. COVERAGE, 5. Additional Coverages, v. Electronic Data Processing Equipment, the last sentence is deleted in its entirety and replaced by the following:

The most we will pay under this Additional Coverage is \$50,000 in any one occurrence at each described location. This amount is in addition to the Limits of Insurance.

J. PART ONE - SAFEPAK® SPECIAL PROPERTY COVERAGE FORM, A. COVERAGE, 5. Additional Coverages, z. Fine Arts, the last paragraph is deleted in its entirety and replaced by the following:

For purposes of this Additional Coverage, Fine Arts will be valued at their market value at the time the loss or damage occurs. The most we will pay under this Additional Coverage is \$25,000 for the sum of all loss and damage as a result of any one occurrence, at each described premises.

K. PART ONE - SAFEPAK® SPECIAL PROPERTY COVERAGE FORM, A. COVERAGE, 5. Additional Coverages, aa. Laptop Computers - Worldwide Coverage, the last sentence is deleted in its entirety and replaced by the following:

The most we will pay under this Additional Coverage for the sum of all loss and damage as a result of any one occurrence is \$10,000.

L. PART ONE - SAFEPAK® SPECIAL PROPERTY COVERAGE FORM, A. COVERAGE, 5. Additional Coverages, bb. Utility Services, (1) Direct Damage, the last sentence is deleted in its entirety and replaced by the following:

The most we will pay under this Additional Coverage, for the sum of all loss and damage, as a result of any one occurrence is \$25,000.

M. PART ONE - SAFEPAK® SPECIAL PROPERTY COVERAGE FORM, A. COVERAGE, 5. Additional Coverages, bb. Utility Services,

(2) Business Income, the last sentence is deleted in its entirety and replaced by the following:

The most we will pay under this Additional Coverage, for the sum of all loss and damage, as a result of any one occurrence is \$50,000.

N. PART ONE - SAFEPAK® SPECIAL PROPERTY COVERAGE FORM, A. COVERAGE, 5. Additional Coverages, gg. Loss of Refrigeration, Change in Temperature or Humidity, (1) Limit of Insurance is deleted in its entirety and replaced by the following:

(1) Limit of Insurance

The most we will pay under this Additional Coverage for the sum of all loss and damage as a result of any one occurrence is \$25,000.

O. PART ONE - SAFEPAK® SPECIAL PROPERTY COVERAGE FORM, A. COVERAGE, 5. Additional Coverages, hh. Transportation in Custody of a "Carrier" or Bailee for Hire, the last paragraph is deleted in its entirety and replaced by the following:

The most we will pay under this Additional Coverage is \$25,000 for the sum of all loss and damage as a result of any one occurrence. This Limit of Insurance is in addition to any other Limit of Insurance that may apply to the same loss or damage.

P. PART ONE - SAFEPAK® SPECIAL PROPERTY COVERAGE FORM, A. COVERAGE, 5. Additional Coverages, jj. Employee Dishonesty (including ERISA), (3) is deleted in its entirety and replaced by the following:

(3) The most we will pay for loss or damage in any one occurrence is \$250,000, unless a higher Limit of Insurance is shown in the Declarations. This includes ERISA coverage.

Q. PART ONE - SAFEPAK® SPECIAL PROPERTY COVERAGE FORM, A. COVERAGE, 6. Coverage Extensions, d. Personal Property Off Premises, (1), the last paragraph is deleted in its entirety and replaced by the following:

The most we will pay for the sum of all loss and damage as a result of any one occurrence under this section of the Coverage Extensions is \$250,000. This Limit of Insurance is in addition to any other Limit of Insurance that may apply to the same loss or damage.

R. SAFEPAK® SPECIAL PROPERTY COVERAGE FORM, A. COVERAGE, 5. Additional Coverages, kk. Limited Coverage for "Fungi", Wet Rot Or Dry Rot, (3) is deleted in its entirety and replaced by the following:

(3) The coverage described under this Limited Coverage is limited to \$50,000. Regardless of the number of claims, this limit is the most we will pay for the sum of all loss and 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 \$50,000 even if the "fungus," wet or dry rot or bacteria continues to be present or active, or recurs, in a later policy period.

S. The following is added to **PART ONE - SAFEPAK® SPECIAL PROPERTY COVERAGE FORM, A. COVERAGE, 5. Additional Coverages, jj. Employee Dishonesty (including ERISA)**:

With respect to this Additional Coverage, employee means any natural person who is a volunteer while performing duties related to the conduct of your business that are usual to the duties of an employee.

T. The following is added to **PART TWO - SAFEPAK® LIABILITY COVERAGE FORM, D. LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE**:

The most we will pay for all medical expenses because of "bodily injury" sustained by any one person is \$20,000 or the Medical Expenses limit shown in the Declarations if greater.

Except as stated above, this Endorsement does not change any other provision of the Policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION - ANTITRUST, RESTRAINT OF TRADE,
UNFAIR COMPETITION OR SIMILAR LAW OR REGULATION**

This endorsement modifies insurance provided under the following:

SAFEPAK[®] BUSINESSOWNERS POLICY SPECIAL FORM - PART TWO -
SAFEPAK[®] LIABILITY COVERAGE FORM

The following exclusion is hereby added to **B., Exclusions**, and is applicable to both Business Liability Coverage and Medical Expenses Coverage:

This insurance does not apply to "bodily injury," "property damage," "personal and advertising injury," or medical expenses arising out of any violation of any federal or state statute, regulation, common law or other law regarding:

1. antitrust;
2. restraint of trade;
3. unfair competition; or
4. any similar law or regulation.

All other terms and conditions remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - ASSOCIATION MEMBER, CHAPTER, OR CLUB "AUTOS"

This endorsement modifies insurance provided under the following:

SAFEPAK[®] BUSINESSOWNERS POLICY SPECIAL FORM - PART TWO -
SAFEPAK[®] LIABILITY COVERAGE FORM

The following exclusion is hereby added to **B., Exclusions**, and is applicable to both Business Liability Coverage and Medical Expenses Coverage:

This insurance does not apply to "bodily injury" or "property damage" arising out of the ownership, maintenance, use, or entrustment to others of any "auto" that is owned, leased, hired, rented, or borrowed by, or used in the business of, any person, chapter, club, association, or other entity affiliated with you under any chapter, license, franchise, affiliation, or other arrangement.

This exclusion applies even if the claim against any insured alleges negligence or other wrongdoing in the supervision, hiring, employment, training, or monitoring of others by that Insured.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - SETTING OF STANDARDS, WARNINGS, LICENSES OR CERTIFICATION

This endorsement modifies insurance provided under the following:

SAFEPAK[®] BUSINESSOWNERS POLICY SPECIAL FORM - PART TWO -
SAFEPAK[®] LIABILITY COVERAGE FORM

The following exclusion is hereby added to **B., Exclusions**, and is applicable to both Business Liability Coverage and Medical Expenses Coverage:

This insurance does not apply to "bodily injury," "property damage," "personal and advertising injury," or medical expenses arising out of any:

1. setting or failure to set, or enforcement or failure to enforce, any standard of performance, safety, or quality;
2. adequacy of or reliance upon any standard of a kind described in 1., above;
3. warning, or failure to give warning, of any danger of any product;
4. giving, or failure to give direction for the proper use of any product;
5. licensing, certification, guarantee, representation, or warranty that a product is suitable, safe, or effective for any purpose; or
6. activity of any insured which is alleged or perceived by any other party to be a license, certification, guarantee, representation, or warranty that a product is suitable, safe, or effective for any purpose.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BROADENED COVERAGE FOR DAMAGE TO PREMISES RENTED TO YOU

This endorsement modifies insurance provided under the following:

SAFEPAK® BUSINESSOWNERS POLICY SPECIAL FORM

With respect to the coverage provided under this endorsement, **PART TWO - SAFEPAK® LIABILITY COVERAGE FORM** is amended as follows:

A. The final paragraph of **B.1. Exclusions - Applicable to Business Liability Coverage** is deleted in its entirety and replaced by the following:

Exclusions **c., d., e., f., g., h., i., k., l., m., n.** and **o.** do not apply to "property damage" to premises while rented to you, or temporarily occupied by you with permission of the owner. A separate Damage to Premises Rented to

You Limit of Insurance applies to this coverage as described in section **D. Liability and Medical Expenses Limits of Insurance.**

B. Paragraph **D.3 Liability and Medical Expenses Limits of Insurance** is deleted in its entirety and replaced by the following:

The most we will pay under Business Liability Coverage for the sum of all damages because of all "property damage" to premises while rented to you or temporarily occupied by you with the permission of the owner is the Limit of Insurance shown in the Declarations.

Policy No. SPP 6365149 12 00

**SPECIAL FLOATER
DECLARATIONS PAGE**

NAMED INSURED: CALIFORNIA CHAPTER AMERICAN
PLANNING ASSOCIATION

POLICY PERIOD:
03/22/2020 to 03/22/2021

PREMIUM FOR THIS COVERAGE FORM:

\$ 250

LIMITS OF INSURANCE

The most we will pay is \$ 51,000 in any one "loss," but not more than the Limit of Insurance shown opposite each item described below or in the Schedule attached.

SCHEDULE OF COVERED PROPERTY

Item No.	Description	Limit of Insurance
1	Generator and supporting equipment	\$ 51,000

DEDUCTIBLE AMOUNT \$ 250

FORMS AND ENDORSEMENTS applicable to all Coverage Parts and made part of this policy at time of issue are listed on the attached Forms and Endorsements Schedule CM 88 01 (11/85).

EQUIPMENT BREAKDOWN COVERAGE PART DECLARATIONS NO. 1

NAMED INSURED: CALIFORNIA CHAPTER AMERICAN PLANNING ASSOCIATION	POLICY PERIOD: 03/22/2020 to 03/22/2021
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Identification Number: _____ Issue Date: 02/03/2020

These coverages apply to any location listed on the Schedule of Locations for **Equipment Breakdown Coverage Part Declarations No. 1.**

Coverages	Limits
Equipment Breakdown Limit	\$ 90,843
Property Damage	\$ INCLUDED
Off Premises Property Damage	\$ 50,000
Business Income	\$ INCLUDED
Extra Expense	\$ INCLUDED
Service Interruption	\$ 50,000
Contingent Business Income	\$ 50,000
Perishable Goods	\$ 50,000
Data Restoration	\$ 50,000
Demolition	\$ 50,000
Ordinance or Law	\$ 50,000
Expediting Expense	\$ 50,000
Hazardous Substances	\$ 50,000
Newly Acquired Locations	\$ INCLUDED
Green	Excluded
Mold	\$ 15,000
Civil Authority	INCLUDED
Public Relations	\$ 5,000

Deductibles

Combined Coverage Policy Deductible: \$ 500
 Separate Coverage Policy Deductible:

Other Conditions

Extended Period of Restoration: 5 days Newly Acquired Locations: 90 days
 Coinsurance - Property Damage: % Coinsurance - Business Income: %

Total Equipment Breakdown Premium: \$ 27.00

FORMS AND ENDORSEMENTS applicable to this Coverage Part and made a part of this Policy at the time of issue are listed on the attached Forms and Endorsements Schedule, BM 88 01.

FORMS AND ENDORSEMENTS SCHEDULE

It is hereby understood and agreed the following forms and endorsements are attached to and are a part of this policy:

	Form and Edition	Date Added * or Date Deleted	Form Description
1.	BM7210 03-17		Equipment Breakdown Coverage Part Declarations No. 1
2.	BM7211 03-17		Equipment Breakdown Coverage Form
3.	BM7266 09-12		California Changes
4.	BM7296 06-09		Equipment Breakdown - Schedule of Locations

* If not at inception

EQUIPMENT BREAKDOWN 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 **G. - Definitions**. Examples are shown for illustrative purposes only and do not represent predicted or expected outcomes.

A. Coverage

This Equipment Breakdown Coverage provides insurance for a Covered Cause of Loss as defined in **A.1.** below. In the event of a Covered Cause of Loss, we will pay for loss as described in **A.2.** below.

1. Covered Cause of Loss - "Accident" and "Electronic Circuitry Impairment"

The Covered Cause of Loss for this Equipment Breakdown Coverage is an "accident" or "electronic circuitry impairment." Without an "accident" or "electronic circuitry impairment", there is no Equipment Breakdown Coverage.

2. Coverages Provided

This section lists the coverages that may apply in the event of a Covered Cause of Loss. Each coverage is subject to a specific limit as shown in the Declarations. See paragraph **C.2.** for details.

These coverages apply only to the direct result of a Covered Cause of Loss. For each coverage, we will pay only for that portion of the loss, damage or expense that is solely attributable to the Covered Cause of Loss.

a. Property Damage

We will pay for physical damage to "covered property" that is at a location indicated in the Declarations at the time of the Covered Cause of Loss. We will consider "electronic circuitry impairment" to be physical damage to "covered equipment".

b. Off Premises Equipment Breakdown

(1) We will pay for physical damage to transportable "covered equipment" that, at the time of the Covered Cause of Loss, is not at a location indicated in the Declarations.

(2) We will also pay for your loss and expense as defined under Business Income coverage and Extra Expense coverage that is the result of **b.(1)** above, if such coverage is otherwise applicable under this Policy. This coverage is included within and subject to your Off Premises Equipment Breakdown limit.

(3) We will also pay for your loss and expense as defined under Data Restoration coverage that is the result of **b.(1)** above, if such coverage is otherwise applicable under this Policy. This coverage is included within and subject to your Off Premises Equipment Breakdown limit.

c. Business Income

(1) We will pay your actual loss of "business income" during the "period of restoration" that results directly from the necessary total or partial interruption of your business.

(2) We will also pay any necessary expenses you incur during the "period of restoration" to reduce

the amount of loss under this coverage. We will pay for such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

- (3) We will consider the actual experience of your business before the Covered Cause of Loss and the probable experience you would have had without the Covered Cause of Loss in determining the amount of our payment.

d. Extra Expense

We will pay the reasonable and necessary "extra expense" to operate your business during the "period of restoration."

e. Service Interruption

We will pay for your loss and expense as defined under Business Income coverage and Extra Expense coverage that is the result of an "interruption of service."

f. Contingent Business Income

We will pay for your loss and expense as defined under Business Income and Extra Expense coverages that results from an:

- (1) "Interruption of supply"; or
- (2) "Accident" at an "anchor location" that has been open for business for at least six months prior to the "accident" and is located within one mile of your scheduled location.

g. Perishable Goods

- (1) We will pay for physical damage to "perishable goods" due to "spoilage."
- (2) We will also pay for physical damage to "perishable goods" due to "spoilage" that is the result of an "interruption of service."

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

- (4) We will also pay any necessary expenses you incur during the "period of restoration" to reduce the amount of loss under this coverage. We will pay for such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this Perishable Goods coverage.

h. Data Restoration

- (1) We will pay for your reasonable and necessary cost to research, replace or restore lost "data."
- (2) We will pay for your reasonable and necessary cost to research, replace or restore "data" that is lost as the result of an "interruption of service."
- (3) Coverage under **h.(2)** above applies to "data" stored in "covered equipment."
- (4) Coverage under **h.(2)** above also applies to "data" stored in the equipment of a "cloud computing services" provider with whom you have a contract.
- (5) We will also pay for your loss and expense as defined under Business Income coverage and Extra Expense coverage that is the result of **h.(1)** and **h.(2)** above, if such coverage is otherwise applicable under this Policy. This coverage is included within and subject to your Data Restoration limit.

i. Demolition

- (1)** This coverage applies if a Covered Cause of Loss damages a building that is "covered property" and the loss is increased by an ordinance or law that:
 - (a)** requires the demolition of a building that is otherwise reparable;
 - (b)** is in force at the time of the Covered Cause of Loss; and
 - (c)** is not addressed under Hazardous Substances coverage or Mold coverage.
- (2)** We will pay for the following additional costs to comply with such ordinance or law:
 - (a)** your actual and necessary cost to demolish and clear the site of the undamaged parts of the building; and
 - (b)** your actual and necessary cost to reconstruct the undamaged parts of the building.
- (3)** As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no such ordinance or law been in force at the time of the Covered Cause of Loss.
- (4)** We will also pay for your loss and expense as defined under Business Income coverage and Extra Expense coverage that is the result of **i.(1)** above, if such coverage is otherwise applicable under this Policy. This coverage is included within and subject to your Demolition limit.

j. Ordinance or Law

- (1)** This coverage applies if a Covered Cause of Loss damages a building that is "covered property" and the loss is increased by an ordinance or law that:
 - (a)** regulates the construction or repair of buildings, including "building utilities";
 - (b)** is in force at the time of the Covered Cause of Loss; and
 - (c)** is not addressed under Demolition coverage, Hazardous Substances coverage or Mold coverage.
- (2)** We will pay for the following additional costs to comply with such ordinance or law:
 - (a)** your actual and necessary cost to repair the damaged portions of the building;
 - (b)** your actual and necessary cost to reconstruct the damaged portions of the building; and
 - (c)** your actual and necessary cost to bring undamaged portions of the building into compliance with the ordinance or law.
- (3)** As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no such ordinance or law been in force at the time of the Covered Cause of Loss.
- (4)** We will also pay for your loss and expense as defined under Business Income coverage and Extra Expense coverage that is the result of **j.(1)** above, if such coverage is otherwise applicable under this Policy. This coverage is included within and subject to your Ordinance or Law limit.

k. Expediting Expenses

With respect to your damaged "covered property," we will pay the reasonable extra cost to:

- (1) make temporary repairs; and
- (2) expedite permanent repairs or permanent replacement.

l. Hazardous Substances

- (1) We will pay for the additional cost to repair or replace "covered property" because of contamination by a "hazardous substance." This includes the additional expenses to clean up or dispose of such property. This does not include contamination of "perishable goods" by refrigerant, including but not limited to ammonia, which is addressed in **Perishable Goods, A.2.g.(3)**.
- (2) 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.
- (3) We will also pay for your loss and expense as defined under Business Income coverage and Extra Expense coverage that is the result of **l.(1)** above, if such coverage is otherwise applicable under this Policy. This coverage is included within and subject to your Hazardous Substances limit.

m. Newly Acquired Locations

- (1) You will notify us promptly of any newly acquired location that you have purchased or leased during the Policy period.
- (2) All coverages applicable to any scheduled location under this Equipment Breakdown Coverage are extended to a newly acquired location that you have purchased or leased during the Policy period.

(3) This coverage begins at the time you acquire the property. As respects newly constructed properties, we will only consider them to be acquired by you when you have fully accepted the completed project.

(4) This coverage ends when any of the following first occurs:

- (a) this Policy expires;
 - (b) the number of days specified in the Declarations for this coverage expires after you acquire the location;
 - (c) the location is incorporated into the regular coverage of this Policy; or
 - (d) the location is incorporated into the regular coverage of another Equipment Breakdown policy you have.
- (5) If limits or deductibles vary by location, the highest limits and deductibles will apply to newly acquired locations. However, the most we will pay for loss, damage or expense arising from any "one equipment breakdown" is the amount shown as the Newly Acquired Locations limit in the Declarations.
- (6) We will charge you additional premium for newly acquired locations from the date you acquire the property.

n. Course of Construction

This coverage is automatically included and does not need to be indicated in the Declarations.

- (1) You will notify us promptly of any expansion or rehabilitation of any location described in the Declarations.

- (2) All coverages applicable to any location described in the Declarations are extended to an expansion or rehabilitation of that location.
- (3) This coverage begins at the time you begin the expansion or rehabilitation project.
- (4) We will charge you additional premium for newly acquired equipment from the date the equipment is installed.

o. Civil Authority

We will pay for your loss and expense as defined under Business Income and Extra Expense coverages that results from a civil authority prohibiting access to a location described in the Declarations due solely to a Covered Cause of Loss that causes damage to property within one mile of such location, provided that such action is taken in response to dangerous physical conditions resulting from the Covered Cause of Loss, or to enable a civil authority to have unimpeded access to the damaged property.

p. Green

- (1) With respect to "covered property," we will pay for additional costs you incur:
 - (a) to repair damaged property using equipment, materials and service firms required or recommended by a "recognized environmental standards program," if repair is the least expensive option as described in Section **E. Loss Conditions, 10. Valuation**, paragraph **a.**;
 - (b) to replace damaged property using equipment, materials and service firms required or recommended by a "recognized environmental standards program," if replacement is the least expensive

option as described in Section **E. Loss Conditions, 10. Valuation**, paragraph **a.**;

- (c) to dispose of damaged property or equipment, if practicable, through a recycling process; and
- (d) to flush out reconstructed space with up to 100% outside air using new filtration media.

As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage in the absence of this Green coverage.

- (2) With respect to any building that is "covered property" which, at the time of the Covered Cause of Loss, was certified by a "recognized environmental standards program," we will pay for costs you incur:
 - (a) to prevent a lapse of such certification;
 - (b) to reinstate the certification or replace it with an equivalent certification;
 - (c) for an engineer authorized by a "recognized environmental standards program" to oversee the repair or replacement of the damaged "covered property"; and
 - (d) for a Professional Engineer to commission or re-commission your damaged mechanical, electrical, or electronic building systems.
- (3) We will also pay for your loss and expense as defined under Business Income coverage and Extra Expense coverage that is the result of **p.(1)** and **p.(2)** above, if such coverage is otherwise ap-

plicable under this Policy. This coverage is included within and subject to your Green limit.

(4) This Green coverage is subject to the following provisions:

(a) This coverage applies in addition to any coverage that may apply under Section **E. Loss Conditions, 10. Valuation**, paragraph **d. Environmental, Safety and Efficiency Improvements**, or any other applicable coverage.

(b) This coverage only applies to "covered property" that must be repaired or replaced as a direct result of a Covered Cause of Loss.

(c) This coverage does not apply to any property or equipment that is valued on an Actual Cash Value basis under this Policy.

q. Mold

(1) We will pay for the additional cost to repair or replace "covered property" because of contamination by mold, fungus, mildew or yeast, including any spores or toxins created or produced by or emanating from such mold, fungus, mildew or yeast, resulting from a Covered Cause of Loss. This includes the additional costs to clean up or dispose of such property. This does not include "spoilage" of personal property that is "perishable goods" to the extent that such "spoilage" is covered under Perishable Goods coverage.

(2) As used in this Mold coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no mold, fungus, mildew, yeast, spores or toxins been involved.

(3) We will also pay for your loss and expense as defined under Business Income coverage and Extra Expense coverage that is the result of **g.(1)** above, if such coverage is otherwise applicable under this Policy. This coverage is included within and subject to your Mold limit.

(4) We will also pay the cost of testing performed after repair or replacement of the damaged "covered property" is completed only to the extent that there is reason to believe there is the presence of mold, fungus, mildew, yeast, spores or toxins.

r. Public Relations

(1) This coverage only applies if you have sustained an actual loss of "business income" covered under this policy.

(2) We will pay for your reasonable costs for professional services to create and disseminate communications, when the need for such communications arises directly from the interruption of your business. This communication must be directed to one or more of the following:

(a) The media;

(b) The public; or

(c) Your customers, clients or members.

(3) Such costs must be incurred during the "period of restoration" or up to 30 days after the "period of restoration" has ended.

B. Exclusions

We will not pay for any excluded loss, damage or expense, even though any other cause or event contributes concurrently or in any sequence to the loss, damage or expense.

1. We will not pay for loss, damage or expense caused directly or indirectly by any of the following, whether or not caused by or resulting from a Covered Cause of Loss.

a. Fire and Explosion

- (1) Fire, including smoke from a fire.
- (2) Combustion explosion. This includes, but is not limited to, a combustion explosion of any steam boiler or other fired vessel.
- (3) Any other explosion, except as specifically provided in the definition of "accident."

b. Ordinance or Law

The enforcement of, or change in, any ordinance, law, regulation, rule or ruling regulating or restricting repair, replacement, alteration, use, operation, construction or installation, except as specifically provided in **A.2. Demolition, Ordinance or Law, Hazardous Substances and Mold coverages.**

c. Earth Movement

Earth movement, whether natural or human-made, including but not limited to earthquake, shock, tremor, subsidence, landslide, rock fall, earth sinking, sinkhole collapse or tsunami.

d. Nuclear Hazard

Nuclear reaction, detonation or radiation, or radioactive contamination, however caused.

e. 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, political violence or action taken by governmental authority in hindering or defending against any of these.

f. 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; or
- (3) water that backs up or overflows from a sewer, drain or sump.

However, if electrical "covered equipment" requires drying out because of the above, we will pay for the amount you actually expend to dry out such equipment, subject to the applicable Property Damage limit and Direct Coverage deductible. We will not pay more than the Actual Cash Value of the affected electrical "covered equipment."

We will not pay to replace such equipment or for any other loss, damage or expense.

g. Failure to Protect Property

Your failure to use all reasonable means to protect "covered property" from damage following a Covered Cause of Loss.

h. Fines

Fine, penalty or punitive damage.

i. Mold

Mold, fungus, mildew or yeast, including any spores or toxins created or produced by or emanating from such mold, fungus, mildew or yeast. This includes, but is not limited to, costs arising from clean-up, remediation, containment, removal or abatement of such mold, fungus, mildew, yeast, spores or toxins, except as specifically covered under Mold coverage. However, this exclusion does not ap-

ply to "spoilage" of personal property that is "perishable goods" to the extent that such "spoilage" is covered under Perishable Goods Coverage.

j. Vandalism

Vandalism, meaning a willful and malicious act that causes damage or destruction.

2. We will not pay for a Covered Cause of Loss caused by or resulting from any of the following causes of loss:

a. Lightning.

b. Windstorm or Hail. However, this exclusion does not apply when:

(1) "covered equipment" located within a building or structure suffers a Covered Cause of Loss that results from windblown rain, snow, sand or dust; and

(2) the building or structure did not first sustain wind or hail damage to its roof or walls through which the rain, snow, sand or dust entered.

c. Collision or any physical contact caused by a "vehicle." This includes damage by objects falling from aircraft. However, this exclusion does not apply to any unlicensed "vehicles" which you own or which are operated in the course of your business.

d. Riot or Civil Commotion.

e. Leakage or discharge of any substance from an automatic sprinkler system, including collapse of a tank that is part of the system.

f. Volcanic Action.

g. An electrical insulation breakdown test.

h. A hydrostatic, pneumatic or gas pressure test.

i. Water or other means intended to extinguish a fire, even when such an attempt is unsuccessful.

j. Elevator collision.

3. We will not pay for a Covered Cause of Loss caused by or resulting from any of the following perils, if such peril is a covered cause of loss under another coverage part or policy of insurance you have, whether collectible or not, and without regard to whether or not the other coverage part or policy of insurance provides the same coverage or scope of coverage as this Policy.

a. Falling Objects.

b. Weight of Snow, Ice or Sleet.

c. Water Damage, meaning discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance containing water or steam.

d. Collapse.

e. Breakage of Glass.

f. Freezing caused by cold weather.

g. Discharge of molten material from equipment, including the heat from such discharged material.

4. Exclusions 2. and 3. do not apply if all of the following are true:

a. the excluded peril occurs away from any location described in the Declarations and causes an electrical surge or other electrical disturbance;

b. such surge or disturbance is transmitted through utility service transmission lines to a described location;

c. at the described location, the surge or disturbance results in a Covered Cause of Loss to "covered equipment" that is owned or operated under the control of you or your landlord; and

d. the loss, damage or expense caused by such surge or disturbance is not a covered cause of loss under another coverage part or policy of insurance you have, whether collectible or not, and without regard to whether or not

the other coverage part or policy of insurance provides the same coverage or scope of coverage as this Policy.

5. With respect to Business Income, Extra Expense and Service Interruption Coverages, we will also not pay for:

a. loss associated with business that would not or could not have been carried on if the Covered Cause of Loss had not occurred;

b. loss caused by your failure to use due diligence and dispatch and all reasonable means to resume business;

c. that part of any loss that extends beyond or occurs after the "period of restoration." This includes, but is not limited to:

(1) "business income" that would have been earned after the "period of restoration," even if such loss is the direct result of the suspension, lapse or cancellation of a contract during the "period of restoration"; and

(2) "extra expense" to operate your business after the "period of restoration," even if such loss is contracted for and paid during the "period of restoration."

d. any increase in loss resulting from an agreement between you and your customer or supplier. This includes, but is not limited to, contingent bonuses or penalties, late fees, demand charges, demurrage charges and liquidated damages.

6. With respect to Off Premises Equipment Breakdown, Service Interruption, Civil Authority, Contingent Business Income, paragraph (2) of Data Restoration and paragraph (2) of Perishable Goods, we will also not pay for a Covered Cause of Loss caused by or resulting from any of the perils listed in Exclusion 3. above, whether or not such peril is a covered cause of loss under another coverage part or policy of insurance you have.

7. With respect to Data Restoration coverage, we will also not pay to reproduce:

a. software programs or operating systems that are not commercially available; or

b. "data" that is obsolete, unnecessary or useless to you.

8. With respect to Demolition and Ordinance or Law Coverages, we will also not pay for:

a. increased demolition or reconstruction costs until they are actually incurred; or

b. loss due to any ordinance or law that:

(1) you were required to comply with before the loss, even if the building was undamaged; and

(2) you failed to comply with;

whether or not you were aware of such non-compliance.

C. Limits of Insurance

Any payment made under this Equipment Breakdown Coverage will not be increased if more than one insured is shown in the Declarations or if you are comprised of more than one legal entity.

1. Equipment Breakdown Limit

The most we will pay for loss, damage or expense arising from any "one equipment breakdown" is the amount shown as the Equipment Breakdown Limit in the Declarations.

2. Coverage Limits

a. The limit of your insurance under each of the coverages listed in A.2. from loss, damage or expense arising from any "one equipment breakdown" is the amount indicated for that coverage in the Declarations. These limits are a part of, and not in addition to, the Equipment Breakdown Limit. If an amount of time is shown, coverage will continue for no more than that amount of time

immediately following the Covered Cause of Loss. If a coverage is shown as "Included," that coverage is provided up to the remaining amount of the Equipment Breakdown Limit. If no limit is shown in the Declarations for a coverage, or if a coverage is shown as Excluded in the Declarations, that coverage will be considered to have a limit of \$0.

- b. Loss arising from any "one equipment breakdown" may continue to be present or recur in a later policy period. This includes, but is not limited to, loss arising from mold, fungus, mildew or yeast as covered under Mold coverage. In such a case, the most we will pay for all loss, damage or expense arising out of any "one equipment breakdown" is the coverage limit applicable at the time of the Covered Cause of Loss.
- c. If two or more coverage limits apply to the same loss or portion of a loss, we will pay only the smallest of the applicable limits for that loss or portion of the loss. This means that if:

- (1) you have a loss under one of the coverages listed in **A.2.**; and
- (2) all or part of the loss is not covered because the applicable coverage is Excluded or has a limit that is less than the amount of your loss,

we will not pay the remaining amount of such loss under any other coverage.

Example 1

Property Damage Limit: \$7,000,000

Business Income Limit: \$1,000,000

Newly Acquired Locations Limit: \$500,000

There is a Covered Cause of Loss at a newly acquired location that results in a Property Damage loss of \$200,000 and a Business Income loss of \$800,000.

We will pay \$500,000, because the entire loss is subject to the Newly Acquired Locations Limit of \$500,000.

Example 2

Property Damage Limit: \$7,000,000

Business Income Limit: \$500,000

Hazardous Substances Limit: \$25,000

There is a Covered Cause of Loss that results in a loss of \$100,000. If no "hazardous substance" had been involved, the property damage loss would have been \$10,000 and the business income loss would have been \$20,000. The presence of the "hazardous substance" increased the loss by \$70,000 (increasing the clean up and repair costs by \$30,000 and increasing the business income loss by \$40,000).

We will pay \$55,000 (\$10,000 property damage plus \$20,000 business income plus \$25,000 hazardous substances).

D. Deductibles

1. Deductibles for Each Coverage

- a. Unless the Declarations indicate that your deductible is combined for all coverages, multiple deductibles may apply to any "one equipment breakdown."
- b. We will not pay for loss, damage or expense under any coverage until the amount of the covered loss or damage exceeds the deductible amount indicated for that coverage in the Declarations. We will then pay the amount of loss, damage or expense in excess of the applicable deductible amount, subject to the applicable limit indicated in the Declarations.
- c. If deductibles vary by type of "covered equipment" and more than one type of "covered equipment" is involved in any "one equipment breakdown," only the highest deductible for each coverage will apply.

- d. The following applies when a deductible is expressed as a function of the horsepower rating of a refrigerating or air conditioning system. If more than one compressor is used with a single system, the horsepower rating of the largest motor or compressor will determine the horsepower rating of the system.

2. Direct and Indirect Coverages

- a. Direct Coverages Deductibles and Indirect Coverages Deductibles may be indicated in the Declarations.
- b. Unless more specifically indicated in the Declarations:
 - (1) Indirect Coverages Deductibles apply to Business Income and Extra Expense loss, regardless of where such coverage is provided in this Equipment Breakdown Coverage; and
 - (2) Direct Coverages Deductibles apply to all remaining loss, damage or expense covered by this Equipment Breakdown Coverage.

Example

A Covered Cause of Loss results in covered losses as follows:

\$100,000 Total Loss (all applicable coverages)

\$35,000 Business Income Loss (including \$2,000 of business income loss payable under Data Restoration Coverage)

\$5,000 Extra Expense Loss

In this case, the Indirect coverages loss totals \$40,000 before application of the Indirect Coverage Deductible. The Direct coverages loss totals the remaining \$60,000 before application of the Direct Coverage Deductible.

3. Application of Deductibles

a. Dollar Deductibles

We will not pay for loss, damage or expense resulting from any "one equipment breakdown" until the amount of loss, damage or expense exceeds the applicable deductible or deductibles shown in the Declarations. We will then pay the amount of loss, damage or expense in excess of the applicable deductible or deductibles, subject to the applicable limits shown in the Declarations.

b. Time Deductibles

If a time deductible is shown in the Declarations, we will not be liable for any loss occurring during the specified number of hours or days immediately following the Covered Cause of Loss. If a time deductible is expressed in days, each day shall mean twenty-four consecutive hours.

c. Multiple of Average Daily Value (ADV) Deductibles

If a deductible is expressed as a number times ADV, that amount will be calculated as follows:

The ADV (Average Daily Value) will be the "business income" that would have been earned during the period of interruption had no Covered Cause of Loss occurred, divided by the number of working days in that period. 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 the Declarations will be multiplied by the ADV as determined above. The result will be used as the applicable deductible.

Example

Business is interrupted, partially or completely, for 10 working days. If there had been no Covered Cause of Loss the total "business income" at the affected location for those 10 working days would have been \$5,000. The Indirect Coverages Deductible is 3 times ADV.

$$\$5,000/10 = \$500 \text{ ADV}$$

$$3 \times \$500 = \$1,500 \text{ Indirect Coverages Deductible}$$

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.

E. Loss Conditions

The following conditions apply:

1. Abandonment

There can be no abandonment of any property to us.

2. Brands and Labels

a. If branded or labeled merchandise that is "covered property" is damaged by a Covered Cause of Loss but retains a salvage value, you may:

- (1) stamp the word **Salvage** on the merchandise or its containers if the stamp will not physically damage the merchandise; or
- (2) remove the brands or labels, if doing so will not physically damage the merchandise. You must re-label the merchandise or its containers to comply with the law.

b. We will pay for any reduction in value of the salvage merchandise resulting from either of the two actions listed in 2.a. above, subject to all applicable limits.

c. We will also pay the reasonable and necessary expenses you incur to perform either of the two actions described in 2.a. above. We will pay for such expenses to the extent that they do not exceed the amount recoverable from salvage.

d. If a Brands and Labels Limit is shown on the Declarations, we will not pay more than the indicated amount for coverage under this Condition.

3. Coinsurance - Business Income Coverage

a. If a coinsurance percentage is shown in the Declarations, Business Income coverage is subject to coinsurance. This means that we will not pay the full amount of any "business income" loss if the "business income actual annual value" is greater than the "business income estimated annual value" at the affected location at the time of the Covered Cause of Loss. Instead, we will determine the most we will pay using the following steps:

- (1) divide the "business income estimated annual value" by the "business income actual annual value" at the time of the Covered Cause of Loss;
- (2) multiply the total amount of the covered loss of "business income" by the amount determined in paragraph (1) above;
- (3) subtract the applicable deductible from the amount determined in paragraph (2) above;

The resulting amount, or the Business Income Limit, whichever is less, is the most we will pay. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

- b. Coinsurance applies separately to each insured location.
- c. If you report a single "business income estimated annual value" for more than one location, without providing information on how that amount should be distributed among the locations, we will distribute the amount evenly among all applicable locations.

Example 1 (Underinsurance)

When:

The "business income actual annual value" at the location of loss at the time of the Covered Cause of Loss is \$200,000.

The "business income estimated annual value" shown in the Declarations for the location of loss is \$100,000.

The actual loss of "business income" resulting from the Covered Cause of Loss is \$40,000.

The Business Income limit is \$100,000.

The Business Income deductible is \$5,000.

Step 1: $\$100,000 / \$200,000 = .5$

Step 2: $\$40,000 \times .5 = \$20,000$

Step 3: $\$20,000 - \$5,000 = \$15,000$

The total "business income" loss recovery, after deductible, would be \$15,000. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

We will also charge you an additional premium in recognition of the "business income actual annual value."

Example 2 (Adequate Insurance)

When:

The "business income actual annual value" at the location of loss at the time of the Covered Cause of Loss is \$200,000.

The "business income estimated annual value" shown in the Declarations for the location of loss is \$200,000.

The actual loss of "business income" resulting from the Covered Cause of Loss is \$40,000.

The Business Income limit is \$100,000.

The Business Income deductible is \$5,000.

Step 1: $\$200,000 / \$200,000 = 1$

Step 2: $\$40,000 \times 1 = \$40,000$

Step 3: $\$40,000 - \$5,000 = \$35,000$

The total "business income" loss recovery, after deductible, would be \$35,000.

4. Coinsurance - Coverages Other than Business Income

Coverages other than Business Income may be subject to coinsurance if so indicated in the Declarations. 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 the property subject to the coverage at the time of the Covered Cause of Loss times the Coinsurance percentage shown for it in the Declarations is greater than the applicable limit.

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

- (1) multiply the value of the property subject to the coverage at the time of the Covered Cause of Loss by the Coinsurance Percentage;
- (2) divide the applicable limit by the amount determined in step (1);
- (3) multiply the total amount of loss, before the application of any deductible, by the amount determined in step (2); and
- (4) subtract the deductible from the amount determined in step (3).

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

- b. Coinsurance applies separately to each insured location.

Example 1 (Underinsurance)

When:

The actual value of "perishable goods" at the location of loss at the time of the Covered Cause of Loss is \$200,000.

The Perishable Goods limit is \$100,000 @ 80% coinsurance.

The loss under Perishable Goods coverage resulting from the Covered Cause of Loss is \$60,000.

The Perishable Goods deductible is \$5,000.

Step 1: $\$200,000 \times 80\% = \$160,000$

Step 2: $\$100,000 / \$160,000 = .625$

Step 3: $\$60,000 \times .625 = \$37,500$

Step 4: $\$37,500 - \$5,000 = \$32,500$

The total Perishable Goods loss recovery, after deductible, would be \$32,500. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

Example 2 (Adequate Insurance)

When:

The actual value of "perishable goods" at the location of loss at the time of the Covered Cause of Loss is \$100,000.

The Perishable Goods limit is \$100,000 @ 80% coinsurance.

The loss under Perishable Goods Coverage resulting from the Covered Cause of Loss is \$60,000.

The Perishable Goods Deductible is \$5,000.

Step 1: $\$100,000 \times 80\% = \$80,000$

Step 2: $\$100,000 / \$80,000 = 1.25$

Coinsurance does not apply.

Step 3: $\$60,000 - \$5,000 = \$55,000$

The total Perishable Goods loss recovery, after deductible, would be \$55,000.

5. Defense

We have the right, but are not obligated, to defend you against suits arising from claims of owners of property in your care, custody or control. When we do this, it will be at our expense.

6. Duties in the Event of Loss or Damage

You must see that the following are done in the event of loss or damage:

- a. Give us a prompt notice of the loss or damage, including a description of the property involved.
- b. You must reduce your loss, damage or expense, if possible, by:
 - (1) protecting property from further damage. We will not pay for your failure to protect property, as stated in exclusion B.1.g.;
 - (2) resuming business, partially or completely at the location of loss or at another location;
 - (3) making up lost business within a reasonable amount of time. This includes working extra time or overtime at the location of loss or at another location. The reasonable amount of time does not necessarily end when the operations are resumed;
 - (4) using merchandise or other property available to you;
 - (5) using the property or services of others; and
 - (6) salvaging the damaged property.

- c. Allow us a reasonable time and opportunity to examine the property and premises before repair or replacement is undertaken or physical evidence of the Covered Cause of Loss is removed. But you must take whatever measures are necessary for protection from further damage.
- d. Make no statement that will assume any obligation or admit any liability, for any loss, damage or expense for which we may be liable, without our consent.
- e. Promptly send us any legal papers or notices received concerning the loss, damage or expense.
- f. As often as may be reasonably required, permit us to inspect your property, premises and records. Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
- g. If requested, permit us to examine you and any of your agents, employees and representatives under oath. We may examine any insured under oath while not in the presence of any other insured. Such examination:
 - (1) may be at any time reasonably required;
 - (2) may be about any matter relating to this insurance, your loss, damage or expense, or your claim, including, but not limited to, your books and records; and
 - (3) may be recorded by us by any methods we choose.
- h. Send us a signed, sworn proof of loss containing the information we request. You must do this within 60 days after our request.
- i. Cooperate with us in the investigation and settlement of the claim.

7. Errors and Omissions

- a. We will pay your loss covered by this Equipment Breakdown Coverage if such loss is otherwise not payable solely because of any of the following:
 - (1) any error or unintentional omission in the description or location of property as insured under this Policy;
 - (2) any failure through error to include any premises owned or occupied by you at the inception of this Policy; or
 - (3) any error or unintentional omission by you that results in cancellation of any premises insured under this Policy.
- b. No coverage is provided as a result of any error or unintentional omission by you in the reporting of values or the coverage you requested.
- c. It is a condition of this coverage that such errors or unintentional omissions shall be reported and corrected when discovered. The Policy premium will be adjusted accordingly to reflect the date the premises should have been added had no error or omission occurred.
- d. If an Errors and Omissions Limit is shown on the Declarations, we will not pay more than the indicated amount for coverage under this Condition.

8. Proving Your Loss

It is your responsibility, at your own expense, to provide documentation to us:

- a. demonstrating that the loss, damage or expense is the result of a Covered Cause of Loss covered under this Equipment Breakdown Coverage; and
- b. calculating the dollar amount of the loss, damage and expense that you claim is covered.

Your responsibility in **8.a.** above is without regard to whether or not the possible Covered Cause of Loss occurred at your premises or involved your equipment.

9. Salvage and Recoveries

When, in connection with any loss under this Equipment Breakdown Coverage, any salvage or recovery is received after the payment for such loss, the amount of the loss shall be refigured on the basis on which it would have been settled had the amount of salvage or recovery been known at the time the loss was originally determined. Any amounts thus found to be due either party from the other shall be paid promptly.

10. Valuation

We will determine the value of "covered property" as follows:

a. Except as specified otherwise, our payment for damaged "covered property" will be the smallest of:

- (1) the cost to repair the damaged property;
- (2) the cost to replace the damaged property on the same site; or
- (3) the amount you actually spend that is necessary to repair or replace the damaged property.

b. The amount of our payment will be based on the most cost-effective means to replace the function, capacity and remaining useful life of the damaged property. This may include the use of generic, used or reconditioned parts, equipment or property.

c. Except as described in **d.** below, you must pay the extra cost of replacing damaged property with property of a better kind or quality or of a different size or capacity.

d. Environmental, Safety and Efficiency Improvements

If "covered equipment" requires replacement due to a Covered Cause of Loss we will pay your additional cost to replace with equipment that we agree is better for the environment, safer for people or more energy or water efficient than the equipment being replaced, subject to the following conditions:

- (1) we will not pay more than 150% of what the cost would have been to replace with like kind and quality;
- (2) we will not pay to increase the size or capacity of the equipment;
- (3) this provision only applies to Property Damage Coverage;
- (4) this provision does not increase any of the applicable limits;
- (5) this provision does not apply to any property valued on an Actual Cash Value basis; and
- (6) this provision does not apply to the replacement of component parts.

e. The following property will be valued on an Actual Cash Value basis:

- (1) any property that does not currently serve a useful or necessary function for you;
- (2) any "covered property" that you do not repair or replace within 24 months after the date of the Covered Cause of Loss; and
- (3) any "covered property" for which Actual Cash Value coverage is specified in the Declarations.

Actual Cash Value includes deductions for depreciation.

f. If any one of the following conditions is met, property held for sale by you will be valued at the sales price as if

no loss or damage had occurred, less any discounts and expenses that otherwise would have applied:

- (1) the property was manufactured by you;
- (2) the sales price of the property is less than the replacement cost of the property; or
- (3) you are unable to replace the property before its anticipated sale.

g. Except as specifically provided for under Data Restoration coverage, "data" and "media" will be valued on the following basis:

- (1) For mass-produced and commercially available software, at the replacement cost.
- (2) For all other "data" and "media," at the cost of blank "media" for reproducing the records. We will not pay for "data" representing financial records based on the face value of such records.

h. Air conditioning or refrigeration equipment that utilizes a refrigerant containing CFC (chlorofluorocarbon) substances will be valued at the cost to do the least expensive of the following:

- (1) repair or replace the damaged property and replace any lost CFC refrigerant;
- (2) repair the damaged property, retrofit the system to accept a non-CFC refrigerant and charge the system with a non-CFC refrigerant; or
- (3) replace the system with one using a non-CFC refrigerant.

In determining the least expensive option, we will include any associated Business Income or Extra Expense loss. If option (2) or (3) is more expensive than (1), but you wish to retro-

fit or replace anyway, we will consider this better for the environment and therefore eligible for valuation under paragraph d., **Environmental, Safety and Efficiency Improvements**. In such case, 10.d.(1) above is amended to read: "We will not pay more than 150% of what the cost would have been to repair or replace with like kind and quality."

F. Additional Conditions

The following conditions apply in addition to the Loss Conditions:

1. Additional Insured

If a person or organization is designated in this Equipment Breakdown Coverage as an additional insured, we will consider them to be an insured under this Equipment Breakdown Coverage only to the extent of their interest in the "covered property."

2. Bankruptcy

The bankruptcy or insolvency of you or your estate will not relieve you or us of any obligation under this Equipment Breakdown Coverage.

3. Cancellation

a. The first Named Insured shown in the Declarations may cancel this Policy by mailing or delivering to us advance written notice of cancellation.

b. We may cancel this Policy 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 Policy is canceled, 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.

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

4. 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.

5. Concealment, Misrepresentation or Fraud

We will not pay for any loss and coverage will be void if you or any additional insured at any time:

a. intentionally cause or allow loss, damage or expense in order to collect on insurance; or

b. intentionally conceal or misrepresent a material fact concerning:

(1) this Equipment Breakdown Coverage;

(2) the "covered property";

(3) your interest in the "covered property"; or

(4) a claim under this Equipment Breakdown Coverage.

6. 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.

7. Inspections and Surveys

a. We have the right to:

(1) make inspections and surveys at any time;

(2) give you reports on the conditions we find; and

(3) recommend changes.

b. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions 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:

(1) are safe or healthful; or

(2) comply with laws, regulations, codes or standards.

c. Paragraphs a. and b. 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.

8. Jurisdictional Inspections

It is your responsibility to comply with any state or municipal boiler and pressure vessel regulations. If any "covered equipment" that is "covered property" requires inspection to comply with such regulations, at your option we agree to perform such inspection.

9. Legal Action Against Us

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

- a. there has been full compliance with all the terms of this Equipment Breakdown Coverage; and
- b. the action is brought within two years after the date of the Covered Cause of Loss; or
- c. we agree in writing that you have an obligation to pay for damage to "covered property" of others or until the amount of that obligation has been determined by final judgment or arbitration award. No one has the right under this Policy to bring us into an action to determine your liability.

10. Liberalization

If we adopt any standard form revision for general use that would broaden the coverage under this Equipment Breakdown Coverage without additional premium, the broadened coverage will apply to this Equipment Breakdown Coverage commencing on the date that such revision becomes effective in the jurisdiction where the Covered Cause of Loss occurs.

11. Loss Payable

- a. We will pay you and the loss payee shown in the Declarations for loss covered by this Equipment Breakdown Coverage, as interests may appear. The insurance covers the interest of the loss payee unless the loss results from conversion, secretion or embezzlement on your part or on the part of the loss payee.
- b. We may cancel the Policy as allowed by the **Cancellation** Condition. Cancellation ends this agreement as to the loss payee's interest. If we cancel, we will mail you and the loss payee the same advance notice.
- c. If we make any payment to the loss payee, we will obtain their rights against any other party.

12. Maintaining Your Property and Equipment

It is your responsibility to appropriately maintain your property and equipment. We will not pay your costs to maintain, operate, protect or enhance your property or equipment, even if such costs are to comply with our recommendations or prevent loss, damage or expense that would be covered under this Policy.

13. Mortgage Holders and Lender's Loss Payable

- a. The term mortgage holder includes trustee.
- b. We will pay for direct damage to "covered property" due to a Covered Cause of Loss to "covered equipment" to you and each mortgage holder and lender loss payee shown in the Declarations in their order of precedence, as interests in the "covered property" may appear.
- c. The mortgage holder and lender loss payee have the right to receive loss payment even if they have started foreclosure or similar action on the "covered property."
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Equipment Breakdown Coverage, the mortgage holder and lender loss payee will still have the right to receive loss payment, provided the mortgage holder and lender loss payee do all of the following:
 - (1) pay any premium due under this Equipment Breakdown Coverage at our request if you have failed to do so;
 - (2) submit a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so;

- (3) have notified us of any change in ownership or material change in risk known to the mortgage holder; and
- (4) have complied with all other terms and conditions of this Policy.

All of the terms of this Equipment Breakdown Coverage will then apply directly to the mortgage holder and lender loss payee.

- e. If we pay the mortgage holder and lender loss payee for any loss and deny payment to you because of your acts or because you have failed to comply with the terms of this Equipment Breakdown Coverage:

- (1) the rights of the mortgage holder and lender loss payee will be transferred to us to the extent of the amount we pay; and
- (2) the rights of the mortgage holder and lender loss payee to recover the full amount of their claim will not be impaired.

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

- f. If we cancel this Policy, we will give written notice to the mortgage holder and lender loss payee at least:
 - (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
- g. If we elect not to renew this Policy, we will give written notice to the mortgage holder and lender loss payee at least 10 days before the expiration date of this Policy.

- h. If we suspend coverage, it will also be suspended as respects the mortgage holder and lender loss payee. We will give written notice of the suspension to the mortgage holder and lender loss payee.

14. Other Insurance

If there is other insurance that applies to the same loss, damage or expense, this Equipment Breakdown Coverage shall apply only as excess insurance after all other applicable insurance has been exhausted.

15. Policy Period, Coverage Territory

Under this Equipment Breakdown Coverage:

- a. The Covered Cause of Loss must occur during the policy period, but expiration of the Policy does not limit our liability.
- b. The Covered Cause of Loss must occur within the following Coverage Territory:
 - (1) the United States of America (including its territories and possessions);
 - (2) Puerto Rico; and
 - (3) Canada.
- c. With respect to Off Premises Equipment Breakdown coverage only, the Covered Cause of Loss may occur in any country except one in which the United States has imposed sanctions, embargoes or similar restrictions on the provision of insurance.

16. Premiums

The first Named Insured shown in the Declarations:

- a. is responsible for the payment of all premiums; and
- b. will be the payee for any return premiums we pay.

17. Privilege to Adjust with Owner

In the event of loss, damage or expense involving property of others in your care, custody or control, we have the right to settle the loss, damage or expense with respect to such property with the owner of the property. Settlement with owners of that property will satisfy any claim of yours.

18. 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 a Covered Cause of Loss to that "covered equipment." This can be done by delivering or mailing 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" for the period of suspension. But the suspension will be effective even if we have not yet made or offered a refund.

19. 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.

20. Transfer of Rights of Recovery Against Others to Us

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

- a. Prior to Covered Cause of Loss.
- b. After Covered Cause of Loss only if, at time of the Covered Cause of Loss, that party is one of the following:
 - (1) someone insured by this Policy; or
 - (2) a business firm:
 - (a) owned or controlled by you; or
 - (b) that owns or controls you.

G. Definitions

1. "Accident"

- a. "Accident" means a fortuitous event that causes direct physical damage to "covered equipment." The event must be one of the following:
 - (1) mechanical breakdown, including rupture or bursting caused by centrifugal force;
 - (2) artificially generated electrical current, including electrical arcing, that damages electrical devices, appliances or wires;
 - (3) explosion, other than combustion explosion, of steam boilers, steam piping, steam engines or steam turbines;
 - (4) an event inside steam boilers, steam pipes, steam engines or steam turbines that damages such equipment;

- (5) an event inside hot water boilers or other water heating equipment that damages such equipment; or
- (6) bursting, cracking or splitting.
- b. None of the following is an "accident," however caused and without regard to whether such condition or event is normal and expected or unusual and unexpected. However, if an event as defined under 1.a. above results from any of the following, it will be considered an "accident."
- (1) depletion, deterioration, rust, corrosion, erosion, settling or wear and tear;
- (2) any gradually developing condition;
- (3) any defect, programming error, programming limitation, computer virus, malicious code, loss of "data," loss of access, loss of use, loss of functionality or other condition within or involving "data" or "media" of any kind;
- (4) contamination by a "hazardous substance"; or
- (5) misalignment, miscalibration, tripping off-line, or any condition which can be corrected by resetting, tightening, adjusting or cleaning, or by the performance of maintenance.
2. **"Anchor Location"** means a location, operated by others, upon which you depend to attract customers to your scheduled location.
3. **"Boilers and Vessels"** means:
- a. boilers;
- b. steam piping;
- c. piping that is part of a closed loop used to conduct heat from a boiler;
- d. condensate tanks; and
- e. unfired vessels which, during normal usage, operate under vacuum or pressure, other than the weight of contents.
- This term does not appear elsewhere in this Coverage Form, but may appear in the Declarations.
4. **"Building Utilities"** means "covered equipment" permanently mounted on or in a building and used to provide any of the following services within the building: heating, ventilating, air conditioning, electrical power, hot water, elevator or escalator services, central vacuum, natural gas service or communications. "Building utilities" does not include personal property or equipment used in manufacturing or processing.
5. **"Buried Vessels or Piping"** means any piping or vessel buried or encased in the earth, concrete or other material, whether above or below grade, or in an enclosure which does not allow access for inspection and repair.
6. **"Business Income"** means the sum of:
- a. the Net Income (net profit or loss before income taxes) that would have been earned or incurred; and
- b. continuing normal and necessary operating expenses incurred, including employee payroll.
7. **"Business Income Actual Annual Value"** means the "business income" for the current fiscal year that would have been earned had no Covered Cause of Loss occurred.
- In calculating the "Business Income Actual Annual Value," we will take into account the actual experience of your business before the Covered Cause of Loss and the probable experience you would have had without the Covered Cause of Loss.
8. **"Business Income Estimated Annual Value"** means the anticipated "business income" reported to us and shown in the Declarations. If no value is shown in the Declarations, the "Business Income Esti-

mated Annual Value" will be the most recent report of anticipated "business income" values on file with us.

9. "Cloud Computing Services" means professional, on-demand, self-service data storage or data processing services provided through the Internet or over telecommunications lines. This includes services known as IaaS (infrastructure as a service), PaaS (platform as a service), SaaS (software as a service) and NaaS (network as a service). This includes business models known as public clouds, community clouds and hybrid clouds. "Cloud computing services" include private clouds if such services are owned and operated by a third party.

10. "Covered Equipment"

a. "Covered Equipment," means the following:

(1) Unless specified otherwise in the Declarations:

(a) equipment that generates, transmits or utilizes energy, including electronic communications and data processing equipment; or

(b) equipment which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.

"Covered equipment" may utilize conventional design and technology or new or newly commercialized design and technology.

(2) Except as specifically provided for under Off Premises Equipment Breakdown, Service Interruption, Contingent Business Income, paragraph (2) of Data Restoration, paragraph (2) of Perishable Goods and Civil Authority, such equipment must be at a location described in the Declarations and must be owned or leased by you or operated under your control.

b. None of the following is "covered equipment":

(1) structure, including but not limited to the structural portions of buildings and towers, and scaffolding;

(2) foundation;

(3) cabinet, compartment, conduit or ductwork;

(4) insulating or refractory material;

(5) "buried vessels or piping";

(6) waste, drainage or sewer piping;

(7) piping, valves or fittings forming a part of a sprinkler or fire suppression system;

(8) water piping that is not part of a closed loop used to conduct heat or cooling from a boiler or a refrigeration or air conditioning system;

(9) "vehicle" or any equipment mounted on a "vehicle";

(10) satellite, spacecraft or any equipment mounted on a satellite or spacecraft;

(11) dragline, excavation or construction equipment;

(12) equipment manufactured by you for sale; or

(13) "data."

11. "Covered Property"

a. "Covered Property" means property that you own or property that is in your care, custody or control and for which you are legally liable. Such property must be at a location described in the Declarations except as provided under Off Premises Equipment Breakdown coverage.

b. None of the following is "covered property":

- (1) accounts, bills, currency, deeds or other evidences of debt, money, notes or securities;
- (2) fine arts, jewelry, furs or precious stones;
- (3) precious metal, unless forming a part of "covered equipment";
- (4) animals;
- (5) contraband, or property in the course of illegal transportation or trade;
- (6) land (including land on which the property is located), water, trees, growing crops or lawns; or
- (7) shrubs or plants, unless held indoors for retail sale.

12. "Data" means information or instructions stored in digital code capable of being processed by machinery.

13. "Electrical Generating Equipment"

a. "Electrical Generating Equipment" means equipment which converts any other form of energy into electricity. This includes, but is not limited to, the following:

- (1) boilers used primarily to provide steam for one or more turbine-generator units;
- (2) turbine-generators (including steam, gas, water or wind turbines);
- (3) engine-generators;
- (4) fuel cells or other alternative electrical generating equipment;
- (5) electrical transformers, switchgear and power lines used to convey the generated electricity; and

(6) associated equipment necessary for the operation of any of the equipment listed in (1) through (5) above.

b. "Electrical Generating Equipment" does not mean:

- (1) elevator or hoist motors that generate electricity when releasing cable; or
- (2) equipment intended to generate electricity solely on an emergency, back-up basis.

This term does not appear elsewhere in this Coverage Form, but may appear in the Declarations.

14. "Electronic circuitry" means microelectronic components, including but not limited to circuit boards, integrated circuits, computer chips and disk drives.

15. "Electronic Circuitry Impairment"

a. "Electronic circuitry impairment" means a fortuitous event involving "electronic circuitry" within "covered equipment" that causes the "covered equipment" to suddenly lose its ability to function as it had been functioning immediately before such event. This definition is subject to the conditions specified in b., c., and d. below.

b. We shall determine that the reasonable and appropriate remedy to restore such "covered equipment's" ability to function is the replacement of one or more "electronic circuitry" components of the "covered equipment."

c. The "covered equipment" must be owned or leased by you, or operated under your control.

d. None of the following is an "electronic circuitry impairment":

- (1) Any condition that can be reasonably remedied by:

- (a) Normal maintenance, including but not limited to replacing expendable parts, recharging batteries or cleaning;
 - (b) Rebooting, reloading or updating software or firmware; or
 - (c) Providing necessary power or supply.
 - (2) Any condition caused by or related to:
 - (a) Incompatibility of the "covered equipment" with any software or equipment installed, introduced or networked within the prior 30 days; or
 - (b) Insufficient size, capability or capacity of the "covered equipment."
 - (3) Exposure to adverse environmental conditions, including but not limited to change in temperature or humidity, unless such conditions result in an observable loss of functionality. Loss of warranty shall not be considered an observable loss of functionality.
16. **"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 Covered Cause of Loss occurred.
17. **"Hazardous Substance"** means any substance that is hazardous to health or has been declared to be hazardous to health by a governmental agency.
18. **"Interruption of Service"**
- a. "Interruption of Service" means a failure or disruption of the normal supply of any of the Covered Services listed in **b.** below, when such failure or disruption is caused by an "accident" to "covered equipment," subject to the conditions listed in **c.** through **f.** below. The failure or disruption must arise from an "accident."
 - b. Covered Services are electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks, "cloud computing services" and data transmission.
 - c. The "covered equipment" must either be:
 - (1) owned by a company with whom you have a contract to supply you with one of the Covered Services; or
 - (2) used to supply you with one of the Covered Services and located within one mile of a location described in the Declarations.
 - d. If a Service Interruption Distance Limitation is indicated in the Declarations, the "covered equipment" suffering the "accident" must be located within the indicated distance of any location described in the Declarations.
 - e. Unless otherwise shown in the Declarations, no failure or disruption of service will be considered to qualify as an "interruption of service" until the failure or disruption exceeds 24 hours immediately following the "accident."
 - f. "Interruption of Service" does not include any failure or disruption, whether or not arising from or involving an "accident," in which a supplier could have continued to provide service to the location but chose for any reason to reduce or discontinue service.
19. **"Interruption of Supply"**
- a. "Interruption of Supply" means a failure or disruption of the normal supply of any of the Covered Contingencies listed below, when such failure or disruption is caused by an "accident" to "covered equipment" that is located at

a Contingent Business Income supplier or receiver location indicated in the Declarations. If no Contingent Business Income supplier or receiver location is indicated in the Declarations, the "covered equipment" must be owned by a supplier from whom you have received the Covered Contingency for at least six months prior to the "accident" or a receiver to whom you have supplied the Covered Contingency for at least six months prior to the "accident."

b. Covered Contingencies are raw materials, intermediate products, finished products, packaging materials and product processing services.

20. **"Media"** means material on which "data" is recorded, such as magnetic tapes, hard disks, optical disks or floppy disks.

21. **"One Equipment Breakdown"** means all "accidents" or "electronic circuitry impairments" occurring at the same time from the same event. If an "accident" or "electronic circuitry impairment" causes other "accidents" or "electronic circuitry impairments," all will be considered "one equipment breakdown."

22. **"Ordinary Payroll"** means the Payroll Expenses associated with all employees other than executives, department managers and employees under contract.

As used above, Payroll Expenses means all payroll, employee benefits directly related to payroll, FICA payments you pay, union dues you pay and workers compensation premiums.

"Ordinary payroll" does not include pensions or directors fees.

This term does not appear elsewhere in this Coverage Form, but may appear in the Declarations.

23. **"Period of Restoration"**

a. Except as indicated in b. below, "period of restoration" means the period of time that begins at the time of the Covered Cause of Loss and continues until the earlier of:

(1) the date the "covered equipment" is repaired or replaced; or

(2) the date on which such equipment could have been repaired or replaced with the exercise of due diligence and dispatch,

plus the number of days, if any, shown in the Declarations for Extended Period of Restoration.

b. Only as respects Civil Authority coverage, "period of restoration" means the period of time that begins as of the time access is prohibited by action of civil authority and continues until the earlier of:

(1) Twenty-one (21) thereafter; or

(2) the date access is restored.

24. **"Perishable Goods"** means any "covered property" subject to deterioration or impairment as a result of a change of conditions, including but not limited to temperature, humidity or pressure.

25. **"Production Machinery"** means any machine or apparatus that processes or produces a product intended for eventual sale. This includes all component parts of such machine or apparatus and any other equipment used exclusively with such machine or apparatus.

However, "production machinery" does not mean any boiler, or fired or unfired pressure vessel.

This term does not appear elsewhere in this Coverage Form, but may appear in the Declarations.

26. **"Recognized Environmental Standards Program"** means one of the following:

a. the United States Environmental Protection Agency ENERGY STAR® program;

b. the U.S. Green Building Council LEED® program;

c. the Green Building Initiative GREEN GLOBES® program; or

d. any nationally or internationally recognized environmental standards program that is designed to achieve energy savings and related objectives of the type included in the programs listed above.

27. "**Spoilage**" means any detrimental change in state. This includes but is not limited to thawing of frozen goods, warming of refrigerated goods, freezing of fresh goods, solidification of liquid or molten material and chemical reactions to material in process.

28. "**Vehicle**" means 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."

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA CHANGES

This endorsement modifies insurance provided under the following:

EQUIPMENT BREAKDOWN COVERAGE FORM

A. Under F. Additional Conditions, paragraph 3. **Cancellation**, subparagraphs **b.** and **c.** are replaced by the following:

b. All Policies in Effect for 60 Days or Less

If this Policy has been in effect for 60 days or less, and is not a renewal of a policy we have previously issued, we may cancel this Policy by mailing or delivering to the first Named Insured at the mailing address shown in the Policy and to the producer of record, advance written notice of cancellation, stating the reason for cancellation, at least:

(1) 10 days before the effective date of cancellation if we cancel for:

(a) nonpayment of premium; or

(b) discovery of fraud by:

(i) any insured or his or her representative in obtaining this insurance; or

(ii) you or your representative in pursuing a claim under this Policy.

(2) 30 days before the effective date of cancellation if we cancel for any other reason.

c. All Policies in Effect for More than 60 Days

(1) If this Policy has been in effect for more than 60 days, or is a renewal of a policy we issued, we may cancel this Policy only upon the occurrence, after the effective date of the Policy, of one or more of the following:

(a) Nonpayment of premium, including payment due on a prior policy we issued and due during the current policy term covering the same risks.

(b) Discovery of fraud or material misrepresentation by:

(i) any insured or his or her representative in obtaining this insurance; or

(ii) you or your representative in pursuing a claim under this Policy.

(c) A judgment by a court or an administrative tribunal that you have violated a California or Federal law, having as one of its necessary elements an act which materially increases any of the risks insured against.

(d) Discovery of willful or grossly negligent acts or omissions, or of any violations of state laws or regulations establishing safety

standards, by you or your representative, which materially increase any of the risks insured against.

(b) 30 days before the effective date of cancellation if we cancel for any other reason listed in paragraph c.(1).

(e) Failure by you or your representative to implement reasonable loss control requirements, agreed to by you as a condition of policy issuance, or which were conditions precedent to our use of a particular rate or rating plan, if that failure materially increases any of the risks insured against.

B. Under F. **Additional Conditions** the following is added and supersedes any provisions to the contrary:

Nonrenewal

1. Subject to the provisions of paragraph B.2. below, if we elect not to renew this Policy, we will mail or deliver written notice stating the reason for nonrenewal to the first Named Insured shown in the Declarations and to the producer of record, at least 60 days, but not more than 120 days, before the expiration or anniversary date.

We will mail or deliver our notice to the first Named Insured, and to the producer of record, at the mailing address shown in the Policy.

2. We are not required to send notice of nonrenewal in the following situations:

a. If the transfer or renewal of a policy, without any changes in terms, conditions, or rates, is between us and a member of our insurance group.

b. If the Policy has been extended for 90 days or less, provided that notice has been given in accordance with paragraph B.1.

c. If you have obtained replacement coverage, or if the first Named Insured has agreed, in writing, within 60 days of the termination of the Policy, to obtain that coverage.

d. If the Policy is for a period of no more than 60 days and you are notified at the time of issuance that it will not be renewed.

e. If the first Named Insured requests a change in the terms or conditions or risks covered by the Policy within 60 days of the end of the policy period.

(f) A determination by the Commissioner of Insurance that the:

(i) loss of, or changes in, our reinsurance covering all or part of the risk would threaten our financial integrity or solvency; or

(ii) continuation of the Policy coverage would:

1. place us in violation of California law or the laws of the state where we are domiciled; or

2. threaten our solvency.

(g) A change by you or your representative in the activities or property of the commercial or industrial enterprise, which results in a materially added, increased or changed risk, unless the added, increased or changed risk is included in the Policy.

(2) We will mail or deliver advance written notice of cancellation, stating the reason for cancellation, to the first Named Insured, at the mailing address shown in the Policy, and to the producer of record, at least:

(a) 10 days before the effective date of cancellation if we cancel for nonpayment of premium or discovery of fraud; or

f. If we have made a written offer to the first Named Insured, in accordance with the timeframes shown in paragraph **B.1.**, to renew the Policy under changed terms or conditions or at an increased premium rate, when the increase exceeds 25%.

C. Under **F. Additional Conditions**, paragraph **5. Concealment, Misrepresentation or Fraud** is replaced by the following with respect to loss or damage caused by a Covered Cause of Loss other than fire:

This Coverage Part is void if any insured, whether before or after a loss, has committed fraud or intentionally concealed or misrepresented any material fact or circumstance concerning:

- a. this **Equipment Breakdown Coverage**;
- b. the "Covered Property";
- c. an insured interest in this "Covered Property";
- d. a claim under this **Equipment Breakdown Coverage**.

D. Under **F. Additional Conditions**, paragraph **5. Concealment, Misrepresentation or Fraud** is replaced by the following with respect to loss or damage caused by fire:

We do not provide coverage to the Insured who, whether before or after a loss, has committed fraud or intentionally concealed or misrepresented any material fact or circumstance concerning:

- a. this **Equipment Breakdown Coverage**;
- b. the "Covered Property";
- c. that insured's interest in the "Covered Property";

d. a claim under this **Equipment Breakdown Coverage**.

E. Under **F. Additional Conditions** the following is added:

Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written request for an appraisal of the loss. If the request is accepted, each party will select a competent and impartial appraiser. Each party shall notify the other of the appraiser selected within 20 days of the request. The two appraisers will select an umpire. If they cannot agree within 15 days, 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:

- 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.

F. The following is added to the any provision which uses the term actual cash value:

Actual cash value is calculated as the amount it would cost to repair or replace "Covered Property," at the time of loss or damage, with material of like kind and quality, subject to a deduction for deterioration, depreciation and obsolescence. Actual cash value applies to valuation of "Covered Property" regardless of whether that property has sustained partial or total loss or damage.

The actual cash value of the lost or damaged property may be significantly less than its replacement cost.

EQUIPMENT BREAKDOWN - SCHEDULE OF LOCATIONS

Location 1: 1333 36TH STREET SACRAMENTO, CA 95816

Policy: SPP 6365149 12 00

BUSINESS AUTO COVERAGE FORM DECLARATIONS PAGE

ITEM ONE			
Named Insured: CALIFORNIA CHAPTER AMERICAN PLANNING ASSOCIATION		Policy Period: 03/22/2020 to 03/22/2021	
Form of Business: Non-profit Organization			
ITEM TWO		SCHEDULE OF COVERAGES AND COVERED AUTOS	
This Policy provides only those coverages where a charge is shown in the premium column below. Each of these coverages will apply only to those "autos" shown as covered "autos." "Autos" are shown as covered "autos" for a particular coverage by the entry of one or more of the symbols from the Covered Autos Section of the Business Auto Coverage Form next to the name of the coverage.			
Coverages	Covered Autos	Limit	Premium
COVERED AUTOS LIABILITY	8,9	\$ 1,000,000	\$ 56
PERSONAL INJURY PROTECTION (or Equivalent No-fault Coverage)		Separately Stated In Each P.I.P. Endorsement.	
ADDED PERSONAL INJURY PROTECTION (or Equivalent Added No-fault Coverage)		Separately Stated In Each Added P.I.P. Endorsement.	
AUTO MEDICAL PAYMENTS			
UNINSURED MOTORISTS			
UNDERINSURED MOTORISTS (When Not Included in Uninsured Motorists Coverage)			
PHYSICAL DAMAGE COMPREHENSIVE COVERAGE	8	Actual Cash Value Or Cost of Repair, Whichever is less, MINUS The Deductible Stated in ITEM THREE - Schedule Of Covered Autos But No Deductible Applies To Loss Caused By Fire Or Lightning. (In New York, a Deductible Will Apply To Loss Caused By Fire Or Lightning For PPT Vehicles as a deductible is required for Private Passenger Types vehicles pursuant to Section 3411(k) of New York Insurance Law.) See ITEM FOUR For Hired Or Borrowed Autos.	\$ 25

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Coverages	Covered Autos	Limit	Premium
PHYSICAL DAMAGE SPECIFIED CAUSES OF LOSS COVERAGE		Actual Cash Value Or Cost Of Repair, Whichever Is Less, MINUS The Deductible Stated In ITEM THREE - Schedule Of Covered Auto For Loss Caused By Mischief Or Vandalism. See ITEM FOUR For Hired Or Borrowed Autos.	
PHYSICAL DAMAGE COLLISION COVERAGE	8	Actual Cash Value Or Cost Of Repair, Whichever Is Less, MINUS The Deductible Stated In ITEM THREE - Schedule Of Covered Autos. See ITEM FOUR For Hired Or Borrowed Autos.	\$ INCLUDED
PHYSICAL DAMAGE TOWING AND LABOR		See ITEM THREE - Schedule Of Covered Autos For Limit For Each Disablement Of Private Passenger Autos.	
OTHER COVERAGES			
		* Estimated Total Premium	\$ 81

* This Policy May Be Subject To Final Audit.

FORMS AND ENDORSEMENTS applicable to this Coverage Part and made part of the Policy at time of issue are listed on the attached Forms and Endorsements Schedule, CA 88 01 (Ed. 01/87).

ITEM THREE SCHEDULE OF COVERED AUTOS YOU OWN

For Limits of Liability or deductibles applicable to each coverage ("COVERAGES") not shown on this Schedule, see ITEM TWO or attached endorsement(s).

DATE OF THIS SCHEDULE: 03/22/2020

ITEM FOUR SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS

COVERED AUTOS LIABILITY COVERAGE - COST OF HIRE RATING BASIS FOR AUTOS USED IN YOUR MOTOR CARRIER OPERATIONS (Other Than Mobile Or Farm Equipment)

Covered Autos Liability Coverage	Estimated Annual Cost Of Hire For All States	Premium
Primary Coverage		
Excess Coverage		
Total Hired Auto Premium		

For "autos" used in your motor carrier operations, cost of hire means:

1. The total dollar amount of costs you incurred for the hire of automobiles (includes "trailers" and semitrailers) and, if not included therein,
2. The total remunerations of all operators and drivers' helpers, of hired automobiles, whether hired with a driver by lessor or an "employee" of the lessee, or any other third party, and
3. The total dollar amount of any other costs (e.g., repair, maintenance, fuel, etc.) directly associated with operating the hired automobiles, whether such costs are absorbed by the "Insured", paid to the lessor or owner, or paid to others.

COVERED AUTOS LIABILITY COVERAGE - COST OF HIRE RATING BASIS FOR AUTOS NOT USED IN YOUR MOTOR CARRIER OPERATIONS (Other Than Mobile Or Farm Equipment)

Covered Autos Liability Coverage	State	Estimated Annual Cost of Hire for Each State	Premium
Primary Coverage			
Excess Coverage	CA	\$ If any	
Excess Coverage		\$ If any	
Total Hired Auto Premiums			\$ 56

For "autos" **NOT** used in your motor carrier operations, cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or "employees" or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.

PHYSICAL DAMAGE COVERAGES - COST OF HIRE RATING BASIS FOR ALL AUTOS (Other Than Mobile Or Farm Equipment)			
Coverages	Limit of Insurance (The Most We Will Pay Deductible)	Estimated Annual Cost Of Hire For Each State (Excluding Autos Hired With A Driver)	Premium
Comprehensive	Actual Cash Value Or Cost Of Repair, Whichever Is Less, Minus \$250 Deductible For Each Covered Auto, But No Deductible Applies To Loss Caused By Fire Or Lightning (In New York, a Deductible Will Apply To Loss Caused By Fire Or Lightning For PPT Vehicles as a deductible is required for Private Passenger Types vehicles pursuant to Section 3411(k) of New York Insurance Law.)	If Any	\$ 25
Specified Causes of Loss	Actual Cash Value Or Cost Of Repair, Whichever is Less, MINUS \$ Deductible For Each Covered Auto For Loss Caused By Mischief Or Vandalism.		
Collision	Actual Cash Value or Cost of Repair, Whichever Is Less, MINUS \$500 Deductible For Each Covered Auto.	If Any	\$ INCLUDED
Total Hired Auto Premium			\$ 25
For Physical Damage Coverages, cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or "employees" or their family members). Cost of hire does not include charges for any "auto" that is leased, hired, rented or borrowed with a driver.			

COST OF HIRE RATING BASIS FOR MOBILE OR FARM EQUIPMENT - OTHER THAN PHYSICAL DAMAGE COVERAGES				
Coverage	Estimated Annual Cost Of Hire For Each State		Premium	
	Mobile Equipment	Farm Equipment	Mobile Equipment	Farm Equipment
Covered Autos Liability - Primary Coverage				
Covered Autos Liability - Excess Coverage				
Personal Injury Protection				
Medical Expense Benefits (Virginia Only)				

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Coverage	Estimated Annual Cost Of Hire For Each State		Premium	
	Mobile Equipment	Farm Equipment	Mobile Equipment	Farm Equipment
Income Loss Benefits (Virginia Only)				
Auto Medical Payments				
Total Hired Auto Premiums				
Cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or "employees" or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.				

COST OF HIRE RATING BASIS FOR MOBILE OR FARM EQUIPMENT - PHYSICAL DAMAGE COVERAGES						
Coverage	State	Limit Of Insurance	Estimated Annual Cost Of Hire For Each State (Excluding Autos Hired With A Driver)		Premium	
			Mobile Equipment	Farm Equipment	Mobile Equipment	Farm Equipment
Comprehensive		Actual Cash Value Or Cost Of Repair, Whichever Is Less, Minus \$ Ded. For Each Covered Auto, But No Deductible Applies To Loss Caused By Fire Or Lightning (In New York, a Deductible Will Apply To Loss Caused By Fire Or Lightning For PPT Vehicles as a deductible is required for Private Passenger Types vehicles pursuant to Section 3411(k) of New York Insurance Law.)				
Specified Causes of Loss		Actual Cash Value Or Cost Of Repair, Whichever Is Less, Minus \$ Ded. For Each Covered Auto For Loss Caused By Mischief Or Vandalism				
Collision		Actual Cash Value Or Cost Of Repair, Whichever Is Less, Minus \$ Ded. For Each Covered Auto				
Total Hired Auto Premiums						
For Physical Damage Coverages, cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or "employees" or their family members). Cost of hire does not include charges for any auto that is leased, hired, rented or borrowed with a driver.						

RENTAL PERIOD RATING BASIS FOR MOBILE OR FARM EQUIPMENT					
Coverage	Town And State Where The Job Site Is Located	Estimated Number Of Days Equipment Will Be Rented		Premium	
		Mobile Equipment	Farm Equipment	Mobile Equipment	Farm Equipment

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Covered Autos Liability - Primary Coverage					
Covered Autos Liability - Excess Coverage					
Personal Injury Protection					
Medical Expense Benefits (Virginia Only)					
Income Loss Benefits (Virginia Only)					
Auto Medical Payments					
Total Hired Auto Premiums					

ITEM FIVE		SCHEDULE FOR NON-OWNERSHIP COVERED AUTOS LIABILITY	
Named Insured's Business	Rating Basis	Number	Premium
Other Than Garage Service Operations And Other Than Social Service Agencies	Number of Employees		\$ INCLUDED
	Number of Partners (Active And Inactive)		
Garage Service Operations	Number of Employees Whose Principal Duty Involves The Operation of Autos		
	Number of Partners (Active And Inactive)		\$
Social Service Agencies	Number of Employees		\$ INCLUDED
	Number of Volunteers Who Regularly Use Autos To Transport Clients		\$ INCLUDED
	Number of Partners (Active And Inactive)		
Total Non-ownership Covered Autos Liability Premiums			\$ INCLUDED

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ITEM SIX		SCHEDULE FOR GROSS RECEIPTS OR MILEAGE BASIS	
Address Of Business Headquarters Location:			
Type Of Risk (Check one):	<input type="checkbox"/> Public Autos	<input type="checkbox"/> Leasing Or Rental Concerns	
Rating Basis (Check one):	<input type="checkbox"/> Gross Receipts (Per \$100)	<input type="checkbox"/> Mileage (Per Mile)	
Estimated Yearly (Gross Receipts Or Mileage):			
Premiums			
Covered Autos Liability			
Personal Injury Protection			
Added Personal Injury Protection			
Property Protection Insurance (Michigan Only)			
Auto Medical Payments			
Medical Expense and Income Loss Benefits (Virginia Only)			
Comprehensive			
Specified Causes Of Loss			
Collision			
Towing And Labor			

When used as a premium basis:

For Public Autos

Gross receipts means the total amount earned by the named insured for transporting passengers, mail and merchandise.

Gross receipts does not include:

1. Amounts paid to air, sea or land carriers operating under their own permits.
2. Advertising revenue.
3. Taxes collected as a separate item and paid directly to the government.
4. C.O.D. collections for cost of mail or merchandise including collection fees.

Mileage means the total live and dead mileage of all revenue producing "autos" during the policy period.

For Rental or Leasing Concerns

Gross receipts means the total amount earned by the Named Insured for the leasing or renting of "autos" to others without drivers.

Mileage means the total live and dead mileage of all "autos" you leased or rented to others without drivers.

FORMS AND ENDORSEMENTS SCHEDULE

It is hereby understood and agreed the following forms and endorsements are attached to and are a part of this policy:

	Form and Edition	Date Added * or Date Deleted	Form Description
1.	CA8003 10-13		BusinessPRO Business Auto Coverage Form Declarations Page
2.	CA0001 10-13		Business Auto Coverage Form
3.	CA0143 05-17		California Changes
4.	CA2054 10-13		Employee Hired Autos
5.	CA2385 10-13		Exclusion of Terrorism Involving Nuclear, Biological or Chemical Terrorism
6.	CA8429 10-13		Silica or Related Dust Exclusion
7.	CA8613 10-15		Commercial Auto Exclusion - Asbestos

* If not at inception

BUSINESS AUTO COVERAGE FORM

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

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

Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION V - DEFINITIONS**.

SECTION I - COVERED AUTOS

Item Two of the Declarations shows the "autos" that are covered "autos" for each of your coverages. The following numerical symbols describe the "autos" that may be covered "autos." The symbols entered next to a coverage on the Declarations designate the only "autos" that are covered "autos."

A. Description of Covered Auto Designation Symbols

Symbol	Description of Covered Auto Designation Symbols	
1	Any "Auto"	
2	Owned "Autos" Only	Only those "autos" you own (and for Covered Autos Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" you acquire ownership of after the Policy begins.
3	Owned Private Passenger "Autos" Only	Only the private passenger "autos" you own. This includes those private passenger "autos" you acquire ownership of after the Policy begins.
4	Owned "Autos" other than Private Passenger "Autos" Only	Only those "autos" you own that are not of the private passenger type (and for Covered Autos Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" not of the private passenger type you acquire ownership of after the Policy begins.
5	Owned "Autos" Subject to No-Fault	Only those "autos" you own that are required to have no-fault benefits in the state where they are licensed or principally garaged. This includes those "autos" you acquire ownership of after the Policy begins provided they are required to have no-fault benefits in the state where they are licensed or principally garaged.
6	Owned "Autos" Subject to a Compulsory Uninsured Motorists Law	Only those "autos" you own that because of the law in the state where they are licensed or principally garaged are required to have and cannot reject Uninsured Motorists Coverage. This includes those "autos" you acquire ownership of after the Policy begins provided they are subject to the same state uninsured motorists requirement.
7	Specifically Described "Autos"	Only those "autos" described in Item Three of the Declarations for which a premium charge is shown (and for Covered Autos Liability Coverage any "trailers" you don't own while attached to any power unit described in Item Three).

Symbol	Description of Covered Auto Designation Symbols	
8	Hired "Autos" Only	Only those "autos" you lease, hire, rent or borrow. This does not include any "auto" you lease, hire, rent or borrow from any of your "employees," partners (if you are a partnership), members (if you are a limited liability company) or members of their households.
9	Non-owned "Autos" Only	Only those "autos" you do not own, lease, hire, rent or borrow that are used in connection with your business. This includes "autos" owned by your "employees," partners (if you are a partnership), members (if you are a limited liability company) or members of their households but only while used in your business or your personal affairs.
19	Mobile Equipment Subject to Compulsory or Financial Responsibility or other Motor Vehicle Insurance Law Only	Only those "autos" that are land vehicles and that would qualify under the definition of "mobile equipment" under this Policy if they were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where they are licensed or principally garaged.

B. Owned Autos You Acquire After the Policy Begins

1. If Symbols **1, 2, 3, 4, 5, 6** or **19** are entered next to a coverage in **Item Two** of the Declarations, then you have coverage for "autos" that you acquire of the type described for the remainder of the policy period.
2. But, if Symbol **7** is entered next to a coverage in **Item Two** of the Declarations, an "auto" you acquire will be a covered "auto" for that coverage only if:
 - a. we already cover all "autos" that you own for that coverage or it replaces an "auto" you previously owned that had that coverage; and
 - b. you tell us within 30 days after you acquire it that you want us to cover it for that coverage.

1. "Trailers" with a load capacity of 2,000 pounds or less designed primarily for travel on public roads.
2. "Mobile equipment" while being carried or towed by a covered "auto."
3. Any "auto" you do not own while used with the permission of its owner as a temporary substitute for a covered "auto" you own that is out of service because of its:
 - a. breakdown;
 - b. repair;
 - c. servicing;
 - d. "loss"; or
 - e. destruction.

SECTION II - COVERED AUTOS LIABILITY COVERAGE

C. Certain Trailers, Mobile Equipment and Temporary Substitute Autos

If Covered Autos Liability Coverage is provided by this Coverage Form, the following types of vehicles are also covered "autos" for Covered Autos Liability Coverage:

A. Coverage

We will pay all sums an "Insured" legally must pay as damages because of "bodily injury" or "property damage" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of a covered "auto."

We will also pay all sums an "Insured" legally must pay as a "covered pollution cost or expense" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of covered "autos." However, we will only pay for the "covered pollution cost or expense" if there is either "bodily injury" or "property damage" to which this insurance applies that is caused by the same "accident."

We have the right and duty to defend any "Insured" against a "suit" asking for such damages or a "covered pollution cost or expense." However, we have no duty to defend any "Insured" against a "suit" seeking damages for "bodily injury" or "property damage" or a "covered pollution cost or expense" to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. Our duty to defend or settle ends when the Covered Autos Liability Coverage Limit of Insurance has been exhausted by payment of judgments or settlements.

1. Who Is an Insured

The following are "Insureds":

- a. You for any covered "auto."
- b. Anyone else while using with your permission a covered "auto" you own, hire or borrow except:
 - (1) The owner or anyone else from whom you hire or borrow a covered "auto." This exception does not apply if the covered "auto" is a "trailer" connected to a covered "auto" you own.
 - (2) Your "employee" if the covered "auto" is owned by that "employee" or a member of his or her household.
 - (3) Someone using a covered "auto" while he or she is working in a business of selling, servicing, repairing, parking or storing "autos" unless that business is yours.

- (4) Anyone other than your "employees," partners, (if you are a partnership), members (if you are a limited liability company) or a lessee or borrower or any of their "employees," while moving property to or from a covered "auto."
- (5) A partner (if you are a partnership) or a member (if you are a limited liability company) for a covered "auto" owned by him or her or a member of his or her household.

- c. Anyone liable for the conduct of an "Insured" described above but only to the extent of that liability.

2. Coverage Extensions

a. Supplementary Payments

We will pay for the "Insured":

- (1) All expenses we incur.
- (2) Up to \$2,000 for cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.
- (3) The cost of bonds to release attachments in any "suit" against the "Insured" we defend, but only for bond amounts within our Limit of Insurance.
- (4) All reasonable expenses incurred by the "Insured" at our request, including actual loss of earnings up to \$250 a day because of time off from work.
- (5) All court costs taxed against the "Insured" in any "suit" against the "Insured" we defend. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the "Insured."

(6) All interest on the full amount of any judgment that accrues after entry of the judgment in any "suit" against the "Insured" we defend, but our duty to pay interest ends when we have paid, offered to pay or deposited in court the part of the judgment that is within our Limit of Insurance.

These payments will not reduce the Limit of Insurance.

b. Out of State Coverage Extensions

While a covered "auto" is away from the state where it is licensed we will:

- (1) Increase the Limit of Insurance for Covered Autos Liability Coverage to meet the limits specified by a compulsory or financial responsibility law of the jurisdiction where the covered "auto" is being used. This extension does not apply to the limit or limits specified by any law governing motor carriers of passengers or property.
- (2) Provide the minimum amounts and types of other coverages, such as no-fault, required of out-of-state vehicles by the jurisdiction where the covered "auto" is being used.

We will not pay anyone more than once for the same elements of loss because of these extensions.

B. Exclusions

This insurance does not apply to any of the following:

1. Expected or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the "Insured."

2. Contractual

Liability assumed under any contract or agreement.

But this exclusion does not apply to liability for damages:

- a. assumed in a contract or agreement that is an "Insured contract" provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement; or
- b. that the "Insured" would have in the absence of the contract or agreement.

3. Workers' Compensation

Any obligation for which the "Insured" or the "Insured's" insurer may be held liable under any workers' compensation, disability benefits or unemployment compensation law or any similar law.

4. Employee Indemnification and Employer's Liability

"Bodily injury" to:

- a. An "employee" of the "Insured" arising out of and in the course of:
 - (1) employment by the "Insured"; or
 - (2) performing the duties related to the conduct of the "Insured's" business; or
- b. The spouse, child, parent, brother or sister of that "employee" as a consequence of paragraph a. above.

This exclusion applies:

- (1) whether the "Insured" may be liable as an employer or in any other capacity; and
- (2) to any obligation to share damages with or repay someone else who must pay damages because of the injury.

But this exclusion does not apply to "bodily injury" to domestic "employees" not entitled to workers' compensation benefits or to liability assumed by the "Insured" under an "insured contract." For the purposes of the Coverage Form, a domestic "employee" is a person engaged in

household or domestic work performed principally in connection with a residence premises.

5. Fellow Employee

"Bodily injury" to:

- a. any fellow "employee" of the "Insured" arising out of and in the course of the fellow "employee's" employment or while performing duties related to the conduct of your business; or
- b. the spouse, child, parent, brother or sister of that fellow "employee" as a consequence of paragraph a. above.

6. Care, Custody or Control

"Property damage" to or "covered pollution cost or expense" involving property owned or transported by the "Insured" or in the "Insured's" care, custody or control. But this exclusion does not apply to liability assumed under a sidetrack agreement.

7. Handling of Property

"Bodily injury" or "property damage" resulting from the handling of property:

- a. before it is moved from the place where it is accepted by the "Insured" for movement into or onto the covered "auto"; or
- b. after it is moved from the covered "auto" to the place where it is finally delivered by the "Insured."

8. Movement of Property by Mechanical Device

"Bodily injury" or "property damage" resulting from the movement of property by a mechanical device (other than a hand truck) unless the device is attached to the covered "auto."

9. Operations

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

- a. any equipment listed in paragraphs 6.b. and 6.c. of the definition of "mobile equipment"; or
- b. machinery or equipment that is on, attached to or part of a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

10. Completed Operations

"Bodily injury" or "property damage" arising out of your work after that work has been completed or abandoned.

In this exclusion, your work means:

- a. work or operations performed by you or on your behalf; and
- b. materials, parts or equipment furnished in connection with such work or operations.

Your work includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in paragraph a. or b. above.

Your work will be deemed completed at the earliest of the following times:

- (1) when all of the work called for in your contract has been completed;
- (2) when all of the work to be done at the site has been completed if your contract calls for work at more than one site; or
- (3) when that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

11. Pollution

"Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- a. That are, or that are contained in any property that is:
 - (1) being transported or towed by, handled or handled for movement into, onto or from the covered "auto";
 - (2) otherwise in the course of transit by or on behalf of the "Insured"; or
 - (3) being stored, disposed of, treated or processed in or upon the covered "auto";
- b. before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "Insured" for movement into or onto the covered "auto"; or
- c. after the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "Insured."

Paragraph a. above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if:

- (1) the "pollutants" escape, seep, migrate or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and
- (2) the "bodily injury," "property damage" or "covered pollution cost or expense" does not arise out of the operation of any

equipment listed in paragraphs 6.b. and 6.c. of the definition of "mobile equipment."

Paragraphs b. and c. above of this exclusion do not apply to "accidents" that occur away from premises owned by or rented to an "Insured" with respect to "pollutants" not in or upon a covered "auto" if:

- (a) the "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and
- (b) the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

12. War

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

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

13. Racing

Covered "autos" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply while that covered "auto" is being prepared for such a contest or activity.

C. Limit of Insurance

Regardless of the number of covered "autos," "Insureds," premiums paid, claims made or vehicles involved in the "accident," the most we will pay for the total of all damages and "covered pollution cost or expense" combined resulting from any one "accident" is the Limit of Insurance for Covered Autos Liability Coverage shown in the Declarations.

All "bodily injury," "property damage" and "covered pollution cost or expense" resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one "accident."

No one will be entitled to receive duplicate payments for the same elements of "loss" under this Coverage Form and any Medical Payments Coverage endorsement, Uninsured Motorists Coverage endorsement or Underinsured Motorists Coverage endorsement attached to this Coverage Part.

SECTION III - PHYSICAL DAMAGE COVERAGE

A. Coverage

1. We will pay for "loss" to a covered "auto" or its equipment under:

a. Comprehensive Coverage

From any cause except:

- (1) the covered "auto's" collision with another object; or
- (2) the covered "auto's" overturn.

b. Specified Causes of Loss Coverage

Caused by:

- (1) fire, lightning or explosion;
- (2) theft;
- (3) windstorm, hail or earthquake;
- (4) flood;
- (5) mischief or vandalism; or

- (6) the sinking, burning, collision or derailment of any conveyance transporting the covered "auto."

c. Collision Coverage

Caused by:

- (1) the covered "auto's" collision with another object; or
- (2) the covered "auto's" overturn.

2. Towing

We will pay up to the limit shown in the Declarations for towing and labor costs incurred each time a covered "auto" of the private passenger type is disabled. However, the labor must be performed at the place of disablement.

3. Glass Breakage - Hitting a Bird or Animal - Falling Objects or Missiles

If you carry Comprehensive Coverage for the damaged covered "auto," we will pay for the following under Comprehensive Coverage:

- a. glass breakage;
- b. "loss" caused by hitting a bird or animal; and
- c. "loss" caused by falling objects or missiles.

However, you have the option of having glass breakage caused by a covered "auto's" collision or overturn considered a "loss" under Collision Coverage.

4. Coverage Extensions

a. Transportation Expenses

We will pay up to \$20 per day to a maximum of \$600 for temporary transportation expense incurred by you because of the total theft of a covered "auto" of the private passenger type. We will pay only for those covered "autos" for which you carry either Comprehensive or Specified Causes of Loss Coverage. We will pay for temporary transportation expenses

incurred during the period beginning 48 hours after the theft and ending, regardless of the Policy's expiration, when the covered "auto" is returned to use or we pay for its "loss."

b. Loss of Use Expenses

For Hired Auto Physical Damage, we will pay expenses for which an "Insured" becomes legally responsible to pay for loss of use of a vehicle rented or hired without a driver under a written rental contract or agreement. We will pay for loss of use expenses if caused by:

- (1) other than collision only if the Declarations indicate that Comprehensive Coverage is provided for any covered "auto";
- (2) Specified Causes of Loss only if the Declarations indicate that Specified Causes of Loss Coverage is provided for any covered "auto"; or
- (3) collision only if the Declarations indicate that Collision Coverage is provided for any covered "auto."

However, the most we will pay for any expenses for loss of use is \$20 per day, to a maximum of \$600.

B. Exclusions

- 1. We will not pay for "loss" caused by or resulting from any of the following. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss."

a. Nuclear Hazard

- (1) the explosion of any weapon employing atomic fission or fusion; or
- (2) nuclear reaction or radiation, or radioactive contamination, however caused.

b. War or Military Action

- (1) war, including undeclared or civil war;
- (2) warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

- 2. We will not pay for "loss" to any covered "auto" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. We will also not pay for "loss" to any covered "auto" while that covered "auto" is being prepared for such contest or activity.
- 3. We will not pay for "loss" due and confined to:
 - a. Wear and tear, freezing, mechanical or electrical breakdown.
 - b. Blowouts, punctures or other road damage to tires.

This exclusion does not apply to such "loss" resulting from the total theft of a covered "auto."

- 4. We will not pay for "loss" to any of the following:
 - a. Tapes, records, discs or other similar audio, visual or data electronic devices designed for use with audio, visual or data electronic equipment.
 - b. Any device designed or used to detect speed measuring equipment, such as radar or laser detectors, and any jamming apparatus intended to elude or disrupt speed measuring equipment.

c. Any electronic equipment, without regard to whether this equipment is permanently installed, that reproduces, receives or transmits audio, visual or data signals.

d. Any accessories used with the electronic equipment described in paragraph c. above.

5. Exclusions 4.c. and 4.d. do not apply to equipment designed to be operated solely by use of the power from the "auto's" electrical system that, at the time of "loss," is:

a. permanently installed in or upon the covered "auto";

b. removable from a housing unit which is permanently installed in or upon the covered "auto";

c. an integral part of the same unit housing any electronic equipment described in paragraphs a. and b. above; or

d. necessary for the normal operation of the covered "auto" or the monitoring of the covered "auto's" operating system.

6. We will not pay for "loss" to a covered "auto" due to "diminution in value."

C. Limit of Insurance

1. The most we will pay for:

a. "Loss" to any one covered "auto" is the lesser of:

(1) the actual cash value of the damaged or stolen property as of the time of the "loss"; or

(2) the cost of repairing or replacing the damaged or stolen property with other property of like kind and quality.

b. All electronic equipment that reproduces, receives or transmits audio, visual or data signals in any one "loss" is \$1,000, if, at the time of "loss", such electronic equipment is:

(1) permanently installed in or upon the covered "auto" in a housing, opening or other location that is not normally used by the "auto" manufacturer for the installation of such equipment;

(2) removable from a permanently installed housing unit as described in paragraph b.(1) above; or

(3) an integral part of such equipment as described in paragraphs b.(1) and b.(2) above.

2. An adjustment for depreciation and physical condition will be made in determining actual cash value in the event of a total "loss."

3. If a repair or replacement results in better than like kind or quality, we will not pay for the amount of the betterment.

D. Deductible

For each covered "auto," our obligation to pay for, repair, return or replace damaged or stolen property will be reduced by the applicable deductible shown in the Declarations. Any Comprehensive Coverage deductible shown in the Declarations does not apply to "loss" caused by fire or lightning.

SECTION IV - BUSINESS AUTO CONDITIONS

The following Conditions apply in addition to the Common Policy Conditions:

A. Loss Conditions

1. Appraisal for Physical Damage Loss

If you and we disagree on the amount of "loss," either may demand an appraisal of the "loss." In this event, each party will select a competent appraiser. The two appraisers will select a competent and impartial umpire. The appraisers will state separately the actual cash value and amount of "loss." If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

a. pay its chosen appraiser; and

- b. bear the other expenses of the appraisal and umpire equally.

If we submit to an appraisal, we will still retain our right to deny the claim.

2. Duties in the Event of Accident, Claim, Suit or Loss

We have no duty to provide coverage under this Policy unless there has been full compliance with the following duties:

- a. In the event of "accident," claim, "suit" or "loss," you must give us or our authorized representative prompt notice of the "accident" or "loss." Include:

- (1) how, when and where the "accident" or "loss" occurred;
- (2) the "Insured's" name and address; and
- (3) to the extent possible, the names and addresses of any injured persons and witnesses.

- b. Additionally, you and any other involved "Insured" must:

- (1) Assume no obligation, make no payment or incur no expense without our consent, except at the "Insured's" own cost.
- (2) Immediately send us copies of any request, demand, order, notice, summons or legal paper received concerning the claim or "suit."
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit."
- (4) Authorize us to obtain medical records or other pertinent information.
- (5) Submit to examination, at our expense, by physicians of our choice, as often as we reasonably require.

- c. If there is "loss" to a covered "auto" or its equipment, you must also do the following:

- (1) Promptly notify the police if the covered "auto" or any of its equipment is stolen.
- (2) Take all reasonable steps to protect the covered "auto" from further damage. Also keep a record of your expenses for consideration in the settlement of the claim.
- (3) Permit us to inspect the covered "auto" and records proving the "loss" before its repair or disposition.
- (4) Agree to examinations under oath at our request and give us a signed statement of your answers.

3. Legal Action Against Us

No one may bring a legal action against us under this Coverage Form until:

- a. there has been full compliance with all the terms of this Coverage Form; and
- b. under Covered Autos Liability Coverage, we agree in writing that the "Insured" has an obligation to pay or until the amount of that obligation has finally been determined by judgment after trial. No one has the right under this Policy to bring us into an action to determine the "Insured's" liability.

4. Loss Payment - Physical Damage Coverages

At our option, we may:

- a. pay for, repair or replace damaged or stolen property;
- b. return the stolen property, at our expense. We will pay for any damage that results to the "auto" from the theft; or

- c. take all or any part of the damaged or stolen property at an agreed or appraised value.

If we pay for the "loss," our payment will include the applicable sales tax for the damaged or stolen property.

5. Transfer of Rights of Recovery Against Others to Us

If any person or organization to or for whom we make payment under this Coverage Form has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after "accident" or "loss" to impair them.

B. General Conditions

1. Bankruptcy

Bankruptcy or insolvency of the "Insured" or the "Insured's" estate will not relieve us of any obligations under this Coverage Form.

2. Concealment, Misrepresentation or Fraud

This Coverage Form is void in any case of fraud by you at any time as it relates to this Coverage Form. It is also void if you or any other "Insured," at any time, intentionally conceals or misrepresents a material fact concerning:

- a. this Coverage Form;
- b. the covered "auto";
- c. your interest in the covered "auto"; or
- d. a claim under this Coverage Form.

3. Liberalization

If we revise this Coverage Form to provide more coverage without additional premium charge, your policy will automatically provide the additional coverage as of the day the revision is effective in your state.

4. No Benefit to Bailee - Physical Damage Coverages

We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this Coverage Form.

5. Other Insurance

- a. For any covered "auto" you own, this Coverage Form provides primary insurance. For any covered "auto" you don't own, the insurance provided by this Coverage Form is excess over any other collectible insurance. However, while a covered "auto" which is a "trailer" is connected to another vehicle, the Covered Autos Liability Coverage this Coverage Form provides for the "trailer" is:

- (1) excess while it is connected to a motor vehicle you do not own; or
- (2) primary while it is connected to a covered "auto" you own.

- b. For Hired Auto Physical Damage Coverage, any covered "auto" you lease, hire, rent or borrow is deemed to be a covered "auto" you own. However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto."
- c. Regardless of the provisions of paragraph a. above, this Coverage Form's Covered Autos Liability Coverage is primary for any liability assumed under an "insured contract."
- d. When this Coverage Form and any other Coverage Form or policy covers on the same basis, either excess or primary, we will pay only our share. Our share is the proportion that the Limit of Insurance of our Coverage Form bears to the total of the limits of all the Coverage Forms and Policies covering the same basis.

6. Premium Audit

- a. The estimated premium for this Coverage Form is based on the exposures you told us you would have when this Policy began. We will compute the final premium due when we determine your actual exposures. The estimated total premium will be credited against the final premium due and the first Named Insured will be billed for the balance, if any. The due date for the final premium or retrospective premium is the date shown as the due date on the bill. If the estimated total premium exceeds the final premium due, the first Named Insured will get a refund.
- b. If this Policy is issued for more than one year, the premium for this Coverage Form will be computed annually based on our rates or premiums in effect at the beginning of each year of the Policy.

7. Policy Period, Coverage Territory

Under this Coverage Form, we cover "accidents" and "losses" occurring:

- a. during the policy period shown in the Declarations; and
- b. within the coverage territory.

The coverage territory is:

- (1) the United States of America;
- (2) the territories and possessions of the United States of America;
- (3) Puerto Rico;
- (4) Canada; and
- (5) anywhere in the world if a covered "auto" of the private passenger type is leased, hired, rented or borrowed without a driver for a period of 30 days or less, provided that the "Insured's" responsibility to pay damages is determined in a "suit" on the merits, in the United States of America, the territories and possessions of the

United States of America, Puerto Rico or Canada, or in a settlement we agree to.

We also cover "loss" to, or "accidents" involving, a covered "auto" while being transported between any of these places.

8. Two or More Coverage Forms or Policies Issued by Us

If this Coverage Form and any other Coverage Form or policy issued to you by us or any company affiliated with us applies to the same "accident," the aggregate maximum Limit of Insurance under all the Coverage Forms or Policies shall not exceed the highest applicable Limit of Insurance under any one Coverage Form or policy. This Condition does not apply to any Coverage Form or policy issued by us or an affiliated company specifically to apply as excess insurance over this Coverage Form.

SECTION V - DEFINITIONS

- A. "**Accident**" includes continuous or repeated exposure to the same conditions resulting in "bodily injury" or "property damage."
- B. "**Auto**" means:
 1. a land motor vehicle, "trailer" or semitrailer designed for travel on public roads; or
 2. any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment."

- C. "**Bodily injury**" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these.
- D. "**Covered pollution cost or expense**" means any cost or expense arising out of:
 1. any request, demand, order or statutory or regulatory requirement that any "Insured" or others test for, monitor, clean up, re-

move, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

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

"Covered pollution cost or expense" does not include any cost or expense arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- a. That are, or that are contained in any property that is:

- (1) being transported or towed by, handled or handled for movement into, onto or from the covered "auto";

- (2) otherwise in the course of transit by or on behalf of the "Insured"; or

- (3) being stored, disposed of, treated or processed in or upon the covered "auto";

- b. before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "Insured" for movement into or onto the covered "auto"; or

- c. after the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "Insured."

Paragraph a. above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if:

- (1) the "pollutants" escape, seep, migrate or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and

- (2) the "bodily injury," "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in paragraph 6.b. or 6.c. of the definition of "mobile equipment."

Paragraphs b. and c. above do not apply to "accidents" that occur away from premises owned by or rented to an "Insured" with respect to "pollutants" not in or upon a covered "auto" if:

- (a) the "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and

- (b) the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

E. "Diminution in value" means the actual or perceived loss in market value or resale value which results from a direct and accidental "loss."

F. "Employee" includes a "leased worker." "Employee" does not include a "temporary worker."

G. "Insured" means any person or organization qualifying as an insured in the **Who Is an Insured** Provision of the applicable coverage. Except with respect to the Limit of Insurance, the coverage afforded applies separately to each insured who is seeking coverage or against whom a claim or "suit" is brought.

H. "Insured contract" means:

1. a lease of premises;
2. a sidetrack agreement;
3. any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
4. an obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
5. that part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another to pay for "bodily injury" or "property damage" to a third party or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement; or
6. that part of any contract or agreement entered into, as part of your business, pertaining to the rental or lease, by you or any of your "employees," of any "auto." However, such contract or agreement shall not be considered an "insured contract" to the extent that it obligates you or any of your "employees" to pay for "property damage" to any "auto" rented or leased by you or any of your "employees."

An "Insured contract" does not include that part of any contract or agreement:

- a. that indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road beds, tunnel, underpass or crossing;
- b. that pertains to the loan, lease or rental of an "auto" to you or any of your "employees," if the "auto" is loaned, leased or rented with a driver; or

c. that holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a covered "auto" over a route or territory that person or organization is authorized to serve by public authority.

I. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker."

J. "Loss" means direct and accidental loss or damage.

K. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

1. bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
2. vehicles maintained for use solely on or next to premises you own or rent;
3. vehicles that travel on crawler treads;
4. vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - a. power cranes, shovels, loaders, diggers or drills; or
 - b. road construction or resurfacing equipment such as graders, scrapers or rollers;
5. vehicles not described in paragraph 1., 2., 3. or 4. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - a. air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well-servicing equipment; or
 - b. cherry pickers and similar devices used to raise or lower workers; or

6. vehicles not described in paragraph 1., 2., 3. or 4. above maintained primarily for purposes other than the transportation of persons or cargo. However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

a. equipment designed primarily for:

- (1) snow removal;
- (2) road maintenance, but not construction or resurfacing; or
- (3) street cleaning;

b. cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

c. air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting or well-servicing equipment.

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

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

M. **"Property damage"** means damage to or loss of use of tangible property.

N. **"Suit"** means a civil proceeding in which:

1. damages because of "bodily injury" or "property damage"; or
2. a "covered pollution cost or expense";

to which this insurance applies, are alleged.

"Suit" includes:

- a. an arbitration proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the "Insured" must submit or does submit with our consent; or
- b. any other alternative dispute resolution proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the Insured submits with our consent.

O. **"Temporary worker"** means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

P. **"Trailer"** includes semitrailer.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA CHANGES

For a covered "auto" licensed or principally garaged in, or "auto dealer operations" conducted in, California, this endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

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

- A.** The following are added to the **Other Insurance Condition** in the Auto Dealers and Business Auto Coverage Forms and the **Other Insurance - Primary And Excess Insurance Provisions Condition** in the Motor Carrier Coverage Form and supersede any provisions to the contrary:
1. When this Coverage Form and any other Coverage Form or policy providing liability coverage apply to an "auto" and:
 - a. One provides coverage to a Named Insured engaged in the business of selling, repairing, servicing, delivering, testing or road-testing "autos"; and
 - b. The other provides coverage to a person not engaged in that business; and
 - c. At the time of an "accident", a person described in Paragraph **1.b.** is operating an "auto" owned by the business described in Paragraph **1.a.**, then that person's liability coverage is primary and the Coverage Form issued to a business described in Paragraph **1.a.** is excess over any coverage available to that person.
 2. When this Coverage Form and any other Coverage Form or policy providing liability coverage apply to an "auto" and:
 - a. One provides coverage to a Named Insured engaged in the business of selling, repairing, servicing, delivering, testing or road-testing "autos"; and
 - b. The other provides coverage to a person not engaged in that business; and
 - c. At the time of an "accident", an "insured" under the Coverage Form described in Paragraph **2.a.** is operating an "auto" owned by a person described in Paragraph **2.b.**, then the Coverage Form issued to the business described in Paragraph **2.a.** is primary and the liability coverage issued to a person described in Paragraph **2.b.** is excess over any coverage available to the business.
 3. When this Coverage Form and any other Coverage Form or policy providing liability coverage apply to a "commercial vehicle" and:
 - a. One provides coverage to a Named Insured, who in the course of business, rents or leases "commercial vehicles" without operators; and
 - b. The other provides coverage to a person other than as described in Paragraph **3.a.**; and
 - c. At the time of an "accident", a person who is not the Named Insured of the Policy described in Paragraph **3.a.**, and

who is not the agent or "employee" of such Named Insured, is operating a "commercial vehicle" provided by the business covered by the Coverage Form or policy described in Paragraph **3.a.**, then the liability coverage provided by the Coverage Form or policy described in Paragraph **3.b.** is primary, and the liability coverage provided by the Coverage Form or policy described in Paragraph **3.a.** is excess over any coverage available to that person.

4. Notwithstanding Paragraph **A.3.**, when this Coverage Form and any other Coverage Form or policy providing liability coverage apply to a power unit and any connected "trailer" or "trailers" and:

- a.** One provides coverage to a Named Insured engaged in the business of transporting property by "auto" for hire; and
- b.** The other provides coverage to a Named Insured not engaged in that business; and

c. At the time of an "accident", a power unit is being operated by a person insured under the Coverage Form or policy described in Paragraph **4.a.**, then that Coverage Form or policy is primary for both the power unit and any connected "trailer" or "trailers" and the Coverage Form or policy described in Paragraph **4.b.** is excess over any other coverage available to such power unit and attached "trailer" or "trailers".

B. As used in this endorsement:

"Commercial vehicle" means an "auto" subject to registration or identification under California law which is:

- 1.** Used or maintained for the transportation of persons for hire, compensation or profit;
- 2.** Designed, used or maintained primarily for the transportation of property; or
- 3.** Leased for a period of six months or more.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYEE HIRED AUTOS

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

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

A. Changes in Covered Autos Liability Coverage

The following is added to the **Who Is an Insured** provision:

An "employee" of yours is an "Insured" while operating an "auto" hired or rented under a contract or agreement in an "employee's" name, with your permission, while performing duties related to the conduct of your business.

B. Changes in General Conditions

Paragraph **5.b.** of the **Other Insurance** Condition in the **Business Auto** and **Auto Dealers Coverage Forms** and paragraph **5.f.** of the **Other Insurance - Primary and Excess In-**

urance Provisions Condition in the **Motor Carrier Coverage Form** are replaced by the following:

For Hired Auto Physical Damage Coverage, the following are deemed to be covered "autos" you own:

1. any covered "auto" you lease, hire, rent or borrow; and
2. any covered "auto" hired or rented by your "employee" under a contract in an "employee's" name, with your permission, while performing duties related to the conduct of your business.

However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto."

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION OF TERRORISM INVOLVING
NUCLEAR, BIOLOGICAL OR CHEMICAL TERRORISM**

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
SINGLE INTEREST AUTOMOBILE PHYSICAL DAMAGE INSURANCE POLICY

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

A. The following definitions are added and apply under this endorsement wherever the term terrorism, or the phrase any injury, damage, loss or expense, is 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 apply:

(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, damage, loss or expense" means any injury, damage, loss or expense covered under any coverage form or policy to which this endorsement is applicable, and includes but is not limited to "bodily injury," "property damage," "personal and advertising injury," "loss," loss of use, rental reimbursement after "loss" or "covered pollution cost or expense," as may be defined under this Coverage Form, Policy or any applicable endorsement.

B. The following exclusion is added:

Exclusion of Terrorism

We will not pay for "any injury, damage, loss or expense" caused directly or indirectly by "terrorism," including action in hindering or defending against an actual or expected incident of "terrorism." "Any injury, damage, loss or expense" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such injury, damage, loss or expense. **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.

- C. In the event of any incident of "terrorism" that is not subject to this exclusion, coverage does not apply to "any injury, damage, loss or expense" that is otherwise excluded under this Coverage Form, Policy or any applicable endorsement.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SILICA OR RELATED DUST EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
AUTO DEALERS COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

A. The following exclusion is added to the **Exclusions** section of the **LIABILITY COVERAGE**:

Exclusions

This insurance does not apply to any of the following:

Silica or Related Dust

- a. Any "bodily injury" or "accident" which would not have occurred, in whole or in part, but for the actual, alleged, threatened, or suspected inhalation or ingestion of, exposure to, or contact with, "silica" or dust that includes or contains "silica."
- b. Any "property damage," "covered pollution cost or expense," or "accident" which would not have occurred, in whole or in part, but for the actual, alleged, threatened, or suspected contact with, exposure to, existence of, or presence of, "silica" or dust that includes or contains "silica."
- c. 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, "silica" or dust that includes or contains "silica," by any insured or by any other person or entity.

This exclusion applies regardless of:

- (1) the circumstances of or leading to such actual, alleged, threatened, or suspected inhalation, ingestion, exposure, contact, existence, or presence; and
- (2) whether the "silica" or dust that includes or contains "silica," is mixed or combined with, or also includes or contains, any other substance.

However, this exclusion does not apply to "bodily injury," "property damage," or "covered pollution cost or expense" caused by an "accident," if that "accident" is caused by the presence of "silica" on the surface of a roadway.

B. The following exclusion is added to the **Exclusions** section of the **Physical Damage Coverage** (and, if this Policy includes Garagekeepers Coverage, it is also added to the **Exclusions** section of the **Garagekeepers Coverage**):

Exclusions

This insurance does not apply to any of the following:

Silica or Related Dust

- a. Any "loss" to a covered "auto" or its equipment which would not have occurred, in whole or in part, but for the actual, alleged, threatened, or suspected

contact with, exposure to, existence of, or presence of, "silica" or dust that includes or contains "silica."

- 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, "silica" or dust that includes or contains "silica," by any insured or by any other person or entity.

This exclusion applies regardless of:

- (1) the circumstances of or leading to such actual, alleged, threatened, or suspected contact, exposure, existence, or presence; and
- (2) whether the "silica" or dust that includes or contains "silica," is mixed or combined with, or also includes or contains, any other substance.

However, this exclusion does not apply to "loss" to a covered "auto" or its equipment directly caused by its collision with another object or its overturn, if that collision or overturn is directly caused by the presence of "silica" on the surface of a roadway.

- C. If this Policy includes **Trailer Interchange Coverage**, the following exclusions is added to the **Exclusions** section of the **Trailer Interchange Coverage**:

Exclusions

This insurance does not apply to any of the following:

Silica or Related Dust

- a. Any "loss" to any "trailer" or its equipment which would not have occurred, in whole or in part, but for the actual, alleged, threatened, or suspected contact with, exposure to, existence of, or presence of, "silica" or dust that includes or contains "silica."
- 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, "silica" or dust that includes or contains "silica," by any insured or by any other person or entity.

This exclusion applies regardless of:

- (1) the circumstances of or leading to such actual, alleged, threatened, or suspected contact, exposure, existence, or presence; and
- (2) whether the "silica" or dust that includes or contains "silica," is mixed or combined with, or also includes or contains, any other substance.

However, this exclusion does not apply to "loss" to a covered "trailer" or its equipment directly caused by its collision with another object or its overturn, if that collision or overturn is directly caused by the presence of "silica" on the surface of a roadway.

- D. The following definition is added to the Policy:

"Silica" means silicon dioxide (SiO₂) in any form, from any source.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMERCIAL AUTO EXCLUSION - ASBESTOS

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

This insurance does not apply to "bodily injury" or "property damage" arising out of or related in any way to asbestos, asbestos-containing materials, or asbestos-containing products.

We shall not have the duty to defend any such claim or "suit".

All other policy terms and conditions remain unchanged.