

Townhomes at Mile Hi
PO Box 260875
Lakewood, CO 80226-0875



Important Information Regarding Your Renewal

NAME AND ADDRESS OF INSURANCE COMPANY
 AmGUARD Insurance Company
 P.O. Box AH
 39 Public Square
 Wilkes-Barre, PA 18703-0020

NAME AND ADDRESS OF INSURED
 Townhomes at Mile Hi
 PO Box 260875
 Lakewood, CO 80226

LINE OF BUSINESS: Businessowners
RENEWAL POLICY PREMIUM: \$14,938
RENEWAL POLICY NO.: TOBP488722
EFFECTIVE DATE OF NOTICE: 06/27/2023 12:00 AM <small>(DATE) (HOUR-STANDARD TIME AT THE ADDRESS OF THE INSURED)</small>
DATE OF MAILING: 05/16/2023
NAME AND ADDRESS OF AGENT/BROKER: INSZONE INSURANCE SERVICES, LLC 2721 Citrus Rd Suite A Rancho Cordova, CA 95742

You are hereby notified in accordance with the terms and conditions of the above-mentioned policy, and in accordance with law, that the following revisions have been made to your renewal policy.

The renewal premium is that which is referenced above (RENEWAL POLICY PREMIUM).

We have amended your building limit(s) on your renewal policy as noted below. Limits that have increased are due to increases in reconstruction costs. Limits that may have decreased are to keep the limits in line with their estimated replacement cost.

Loc. No.	Bldg. No.	Address	From	To
001	001	3049-3089 W 18th Ave 1800-1816 Grove St Denver CO 80204	\$1,663,673	\$1,466,363

If you have any questions or need additional information, please contact your agent.

CYBER INCIDENT EXCLUSION ENDORSEMENT 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 coverages 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. You are hereby notified in accordance with the terms and conditions of your policy, and in accordance with law, that the coverage(s) applying to your policy will be changed as noted below.

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

BP 99 421 Cyber Incident Exclusion

When this endorsement is attached to your policy, it generally excludes direct physical loss of or damage to Covered Property resulting from a cyber incident; however, if a cyber incident as described in this exclusion results in fire or explosion, we will pay for the loss or damage to Covered Property caused by that fire or explosion subject to the applicable limits of insurance.

This exclusion does not apply to the extent that coverage is provided in the:

- Additional Coverage – Electronic Data; or
- Additional Coverage – Interruption Of Computer Operations.

This exclusion also does not apply to the:

- Computer Fraud And Funds Transfer Fraud Endorsement;
- Cyber Suite Coverage Endorsement; or
- Data Compromise Coverage Endorsement;

if such endorsement(s) is attached to your policy.

If you have any questions or need additional information, we suggest you contact your agent.

NOTICE TO POLICYHOLDERS REGARDING DUTIES AFTER A LOSS – PERIL OF HAIL ENDORSEMENT

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 coverages 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. You are hereby notified in accordance with the terms and conditions of your policy, and in accordance with law, that the coverage(s) applying to your policy will be changed as noted below.

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

BP 99 412 01 20 - DUTIES AFTER A LOSS – PERIL OF HAIL ENDORSEMENT

This endorsement requires losses caused by or resulting from the peril of hail to be reported to GUARD within 180 days of the loss event.

This summary is provided for informational purposes only, and the contents are not intended to amend, alter, or change any of the terms or conditions of the policy. Similarly, this Notice is not a substitute for reviewing the actual forms and endorsements contained in the policy. Please read the policy to better understand the terms and conditions of the coverage provided.

If you have any questions or need additional information, we suggest you contact your agent.



www.guard.com

In cooperation with
INSZONE INSURANCE SERVICES, LLC

Townhomes at Mile Hi
PO Box 260875
Lakewood, CO 80226

Policy Number: TOBP488722
Customer Number: 2799971
Insurance Company: AmGUARD Insurance Company
Effective Date: 06/27/2023

Businessowner's Policy Renewal Offer

We are pleased to offer to renew your policy. The policy is underwritten by AmGUARD Insurance Company, a member of Berkshire Hathaway GUARD Insurance Companies.

EASY ways to pay:

1. **Online** via our **Policyholder Service Center (PSC)** – www.guard.com/psc/
2. By setting up automatic **Direct Draft** payments through the **PSC** > Billing & Payments section
3. Through our **BHGUARD mobile app** – Find us on the App Store and Google Play!
4. **By phone** – Call our Customer Service Center Monday through Friday, 8:00 AM to 7:30 PM at **800-673-2465** to pay via credit card or direct draft from your bank account.

Manage your policy online through our Policyholder Service Center (PSC) and BHGUARD mobile app.

In addition to making payments, you can:

- view and print policy documents
- review our value-added services
- find information to report a claim (use our app to upload photos and documents)
- go paperless – set up electronic document delivery

If you haven't already done so, register now at www.guard.com/pscregister.

Who to Contact

- For coverage changes, policy provisions, etc. call your insurance agent at 877-308-9663.
- With questions about billing, claims, and other services, contact us by phone at 800-673-2465, fax at 570-823-2059, email at csr@GUARD.com, or chat with us online through our **PSC**.
- To report fraud or suspicious activity, contact our Fraud Investigative Unit at 800-673-2465, ext. 8477 (TIPS) or via email at fraudsiu@guard.com.
- To **Report a Claim 24/7**, call 888-NEW-CLMS. Upload claims documents and photos using our **mobile app** or online at our **PSC**.



If you are enrolled in direct draft, payroll billing, or any other type of automated billing, your payment will be sent to us automatically. Otherwise, please review the payment options available above under **EASY ways to pay**. A billing statement, sent separately, will have additional information. Please note payment is required to maintain uninterrupted insurance coverage. **If payment is not received, this policy will be canceled in accordance with state law.**

We appreciate your business and look forward to serving your insurance needs for another year!

<p>Register for our Policyholder Service Center at www.guard.com/pscregister/ or download the BHGUARD app today!</p>	<p>Download the BHGUARD app POLICYHOLDER SERVICE CENTER</p> 	<p>GET IT ON Google Play</p>	<p>Download on the App Store</p>
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enclosed: Businessowner's Policy # TOBP488722

The Security You Need. The Name You Trust.

HQ: CO / BP
DECTO I

Best-Practice Responses

Businesses of all types are at risk for liability exposure. Alleged or actual incidents related to a company's products, services, operations, or premises are common and can end up resulting in a liability claim or lawsuit. That's why General Liability insurance is important. However . . .

How a business responds to a potential liability incident can have a significant impact on the outcome of the situation.

While each scenario is unique, certain best practices can go a long way toward mitigating the severity and complexity of a claim. We offer some tips here.

1 - RESPOND PROMPTLY

- An immediate response to the situation is critical. Always be courteous, compassionate, and professional.
- For incidents involving criminal activity, significant property damage, severe injury, or death, call 911.
- If no injuries are apparent, ask the involved parties to kindly notify the company if medical attention is sought after the incident.

Types of Liability Incidents

"Third parties" can include customers, suppliers, contractors, service providers, vendors, etc.

- **Accidental Injuries**
Ex: Third-party claim of injury due to a slip or fall on premise or being impacted by an object
- **Product Liability**
Ex: Third-party claim of an illness from consuming a company's product or injury due to a service provided
- **Property Damage**
Ex: Third-party claim of property damage while on premise or during the delivery of a company's goods or services
- **Reputational Damage**
Ex: Third-party claim of personal injury due to an invasion of privacy, slander or libel

2 - SECURE THE SCENE

- Contain or establish some type of separation from any ongoing hazard or danger.
- Secure the scene; prevent any unauthorized entry.
- Preserve potential evidence, including damaged or defective equipment, products, or materials that might have been involved in the incident.
- Be careful not to hide, destroy, tamper with, or misrepresent facts of causation.
- Take pictures of the scene from different angles and before enacting any repairs.
- Retain any video surveillance.

IMPORTANT: If video evidence is captured but then deleted or recorded over, it could be perceived as negligence (or that the alleged incident was caused by a business's actions and/or inactions).

3 - IDENTIFY WITNESSES

- Identify individuals who may have witnessed the incident and ask about their willingness to help with the investigation. NEVER detain anyone against their will.
- Do NOT place blame on employees or third parties.
- Collect contact information and statements from all willing and involved parties.

4 - COMPLETE AN INCIDENT REPORT

- Complete a report directly following an incident. (This should be part of company policy.) Samples can be found online or obtained from us. Keep the report on file in case a claim needs to be reported.
- Consider characteristics about the injured party that might have contributed to the accident (i.e., footwear, glasses, mental or physical condition).
- Note any service providers that may be responsible for conditions contributing to the incident (i.e., cleaning service, food supplier).

Ways to Report a Claim



Call 1-888-NEW-CLMS
(1-888-639-2567)



Log into our *Policyholder Service Center* at guard.com/pscregister



Get the BHGUARD app from the App Store or Google Play



Visit guard.com to complete an online form

Legal Correspondence

If legal documents such as a summons, complaint, or other type of notice is received, it should be immediately forwarded to the company's designated legal contact or whomever is responsible for risk management and insurance. NEVER ignore this type of correspondence and be sure we are aware of these documents when reporting the claim.



Liability insurance may be underwritten by AmGUARD Insurance Company®, AZGUARD® Insurance Company (non-admitted in CA and NY), or NorGUARD Insurance Company®, members of Berkshire Hathaway GUARD Insurance Companies ("GUARD") with principal place of business at 39 Public Square, Wilkes-Barre, PA 18701. The information contained herein is for informational purposes only, shall not be deemed as professional legal or other industry advice, and in no way replaces the terms and conditions of the insurance policy. Any Liability Incident Report form being provided by GUARD or other entity is for convenience only and does not replace an insured's duties to promptly report a claim or fulfill any other obligation under the insurance contract. Completion of any liability incident report DOES NOT guarantee coverage or payment in the event of a liability claim. All claims will be evaluated by GUARD upon submission. © 2022.

Liability Incident Report

(Designed for a business's use and record-keeping purposes.)

COMPANY INFORMATION

Building Location: (if multi-site) _____ Manager/Supervisor on duty: _____

Phone/Cell #: _____ Email Address: _____

CUSTOMER OR THIRD-PARTY INFORMATION

Name: _____

DOB: _____ Sex: male female Est. Height: _____ Est. Weight: _____

Address: _____

Phone/Cell #: _____ Email Address: _____

INCIDENT DETAILS

Date of Incident: _____ Time of Incident: _____ Location of Incident: _____

Resulted in: injury illness fatality property damage vehicle damage other (please explain below)

Provide a brief description of the incident and resulting injuries and/or damages: _____

Check all that apply regarding the incident:

- | | | | | | |
|---|---|--------------------------------------|---------------------------------------|---|---|
| <input type="checkbox"/> vehicle | <input type="checkbox"/> parking lot | <input type="checkbox"/> sidewalk | <input type="checkbox"/> steps/stairs | <input type="checkbox"/> interior floor | <input type="checkbox"/> wet floor |
| <input type="checkbox"/> bathroom | <input type="checkbox"/> police | <input type="checkbox"/> slip & fall | <input type="checkbox"/> trip & fall | <input type="checkbox"/> food spill | <input type="checkbox"/> food borne illness |
| <input type="checkbox"/> chemical spill | <input type="checkbox"/> object in food | <input type="checkbox"/> burn | <input type="checkbox"/> altercation | <input type="checkbox"/> equipment | <input type="checkbox"/> furniture |
| <input type="checkbox"/> other: _____ | | | | | |

List any environmental factors or unsafe conditions that may have contributed to the incident: (poor weather conditions, wet floor, etc.)

List any behavioral factors that may have contributed to the incident: (reaching, running, under the influence of alcohol/drugs, shoes worn, etc.)

Cite any corrective actions that have been taken or can be taken in the future to prevent a reoccurrence of this incident:

Other Comments: _____

Please attach all media, cleaning, maintenance, or other schedules as pertinent.

EMPLOYEE WITNESSES

Employee Witness (1) Name: _____

Address: _____

Phone/Cell #: _____ Email Address: _____

Employee Witness (2) Name: _____

Address: _____

Phone/Cell #: _____ Email Address: _____

Employee Witness (3) Name: _____

Address: _____

Phone/Cell #: _____ Email Address: _____

MEDICAL INFORMATION

Treatment Needed: none minor/first-aid by employee minor/transported to doctor/clinic EMT/paramedic hospital

List any physicians/medical providers who responded to the incident: (name/address/phone number)

OTHER WITNESSES/INVOLVED PARTIES

Witness (1) Name: _____

Address: _____

Phone/Cell #: _____ Email Address: _____

Witness (2) Name: _____

Address: _____

Phone/Cell #: _____ Email Address: _____

Witness (3) Name: _____

Address: _____

Phone/Cell #: _____ Email Address: _____

Witness (3) Name: _____

Address: _____

Phone/Cell #: _____ Email Address: _____

PERSON COMPLETING THIS REPORT

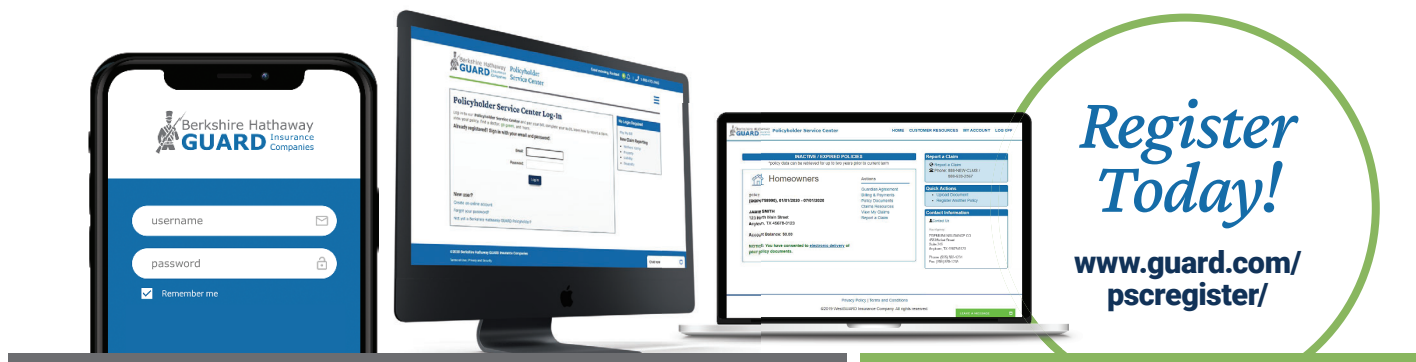
Name: _____ Date of Report: _____

Address: _____

Phone/Cell #: _____ Email Address: _____

Reviewed by: (name) _____ Date of Review: _____

DOWNLOAD OUR MOBILE APP! Policyholder Service Center



We value our policyholders, so we take advantage of technology to offer fast and easy online self-service solutions.

Available from www.guard.com/pscregister/ or mobile app, our *Policyholder Service Center* is the gateway to a wide range of resources used by our customers to manage their insurance with us. From reporting a claim to making a payment online to reviewing helpful loss control information, our service center is designed to offer convenient access to the tools you use most!

Our BHGUARD mobile app offers many of the same features with the latest technology always in mind. Get the app on Google Play or download from the Apple App Store, today!
Need help? Contact 1-800-673-2465 or csr@guard.com.

COVERAGE-SPECIFIC FEATURES

Workers' Compensation

- Find a physician
- Complete a premium audit
- Download state posting notices
- Implement a return-to-work program
- Report payroll (self-reporting policy)

Commercial Auto

- Access vehicle insurance ID cards
- View all vehicles under a policy

ACCOUNT MANAGEMENT

- View and print policy documents
- Generate a Certificate of Insurance (COI)
- Download loss control materials
- Search our video library
- Chat online with a representative
- Go paperless
- Access other news and resources

BILLING & PAYMENTS

- Make a credit card payment
- Transfer funds from your bank
- Submit multi-policy payments
- Set up re-occurring payments
- View billing history

CLAIMS

- Report a new claim
- Upload photos and documents
- View policy loss history
- Monitor the status of a claim
- Chat with an adjuster

Visit www.guard.com/pscregister/ or download the BHGUARD app today!

Download the BHGUARD app
**POLICYHOLDER
SERVICE CENTER**



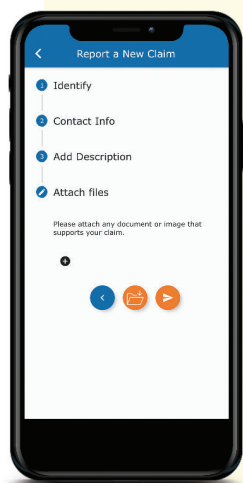
Some features and resources are only available for specific lines of insurance. Not all features may be currently available on the mobile app. Insurance is underwritten by AmGUARD Insurance Company®, AZGUARD™ Insurance Company (non-admitted in California), EastGUARD Insurance Company®, NorGUARD Insurance Company® or WestGUARD® Insurance Company, members of Berkshire Hathaway GUARD Insurance Companies ("GUARD") with principal place of business at 39 Public Square, Wilkes-Barre, PA 18701.

OUR SERVICES

Claims Reporting



We encourage policyholders to inform us of incidents, accidents, and potential claims as soon as possible so that we can get right to work! Prompt reporting can be key to a successful resolution. Only the administration of emergency care comes first.



WAYS TO REPORT A CLAIM



Call 1-888-NEW-CLMS
(1-888-639-2567)



Log into our *Policyholder Service Center* at guard.com/psregister



Get the BHGUARD app from the App Store or Google Play



Visit guard.com to complete an online form

HELPFUL INFORMATION FOR EXPEDITING YOUR CLAIM

- Policy number
- Description of how, when, and where the incident occurred
- Names, addresses, phone numbers of any injured/involved parties or witnesses
- The insured driver's name, address, phone number (for Commercial Auto claims)
- The employer's tax ID number, the injured/ill employee's SSN and personnel file and any accident reports (for Workers' Compensation claims)
- Legal correspondence (for Liability claims)
- Special forms for Disability claims available on guard.com

TIPS FOR CONTROLLING THE LOSS

- Take reasonable steps to protect any covered persons, property, autos, etc., from immediate further harm or damage and keep a record of any expenses incurred in the process for consideration in the settlement. If possible, set property aside for examination.
- Allow our adjusters to officially inspect the property/auto before any non-immediate repairs or disposition take place.
- Promptly notify the police of any stolen property or suspected illegal activity.
- Preserve any closed-circuit surveillance video.
- If possible, photograph the scene; cell phone pictures can be helpful.

CONTACT US

1-888-NEW-CLMS

GUARDClaimsTeam@guard.com

Fax: 570-825-0611

Berkshire Hathaway GUARD

P.O. Box 1368

Wilkes-Barre, PA 18703-1368

Insurance may be underwritten by AmGUARD Insurance Company®, AZGUARD™ Insurance Company, EastGUARD Insurance Company®, NorGUARD Insurance Company®, or WestGUARD® Insurance Company, members of Berkshire Hathaway GUARD Insurance Companies ("GUARD") with principal place of business at 39 Public Square, Wilkes-Barre, PA 18701. All claims will be evaluated upon submission. We will not pay for any subsequent loss or damage resulting from an occurrence that is not a "Covered Cause of Loss." Only the relevant insurance policy and endorsements can provide the actual terms and conditions for an insured. Some restrictions, all state laws, and all company claims/underwriting guidelines apply. © May 2021.

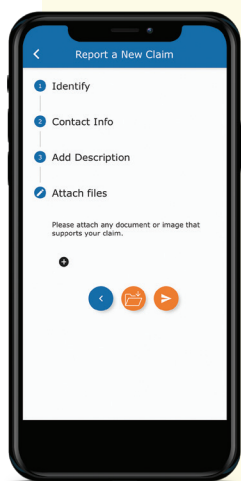
NUESTROS SERVICIOS

Reporte de Reclamos



Alentamos a los tenedores de pólizas a que nos informen de incidentes, accidentes y reclamos potenciales lo antes posible, para que ponernos a trabajar inmediatamente. Una rápida denuncia puede ser importante para una resolución exitosa. Únicamente la administración de la atención de emergencias es más importante.

FORMAS DE DENUNCIAR UN RECLAMO



Llame al 1-888-NEW-CLMS
(1-888-639-2567)



Regístrese en nuestro Centro de Servicio a tenedores de pólizas en guard.com/pscregister



Obtenga la aplicación BHGUARD en la App Store o de Google Play



Visite guard.com para completar el formulario online

CONSEJOS PARA CONTROLAR LAS PÉRDIDAS

- Dé pasos razonables para proteger a cualquier persona, propiedad, vehículos, etc. cubiertos, de un daño mayor o perjuicio inmediato y lleve un registro de cualquier gasto en el que incurra en el proceso para su consideración en el acuerdo. De ser posible, reserve la propiedad para su examen.
- Permita que nuestros ajustadores inspeccionen de manera oficial la propiedad/vehículo antes de dar lugar a cualquier reparación o disposición de carácter no inmediato.
- Notifique inmediatamente a la policía acerca de la propiedad robada o de sospecha de actividad ilegal
- Preserve cualquier video de circuito cerrado de vigilancia.
- De ser posible, tome fotografías de la escena; las fotos del teléfono celular pueden ser útiles.

CONTÁCTENOS

1-888-NEW-CLMS

GUARDClaimsTeam@guard.com

Fax: 570-825-0611

Berkshire Hathaway GUARD
P.O. Box 1368
Wilkes-Barre, PA 18703-1368

INFORMACIÓN ÚTIL PARA ACELERAR SU RECLAMO

- Número de póliza
- Descripción acerca de cómo, cuándo y dónde ocurrió el incidente
- Nombres, direcciones, números telefónicos de alguna de las partes involucradas/lesionadas o de testigos
- El nombre, dirección, número telefónico del conductor asegurado (para reclamos comerciales de vehículos)
- El número federal del negocio, el número de seguro social del empleado enfermo/lesionado y el archivo personal y cualquier denuncia de accidente (para el reclamo de indemnización del empleado)
- Correspondencia legal (para reclamos de responsabilidad)
- Formularios especiales para reclamos por discapacidad disponibles en guard.com

El seguro podrá ser cubierto por AmGUARD Insurance Company®, EastGUARD Insurance Company®, NorGUARD Insurance Company®, WestGUARD® Insurance Company, o AZGUARD™ Insurance Company, miembros de las Compañías de Seguros Berkshire Hathaway GUARD (BHGC) con sede central en 39 Public Square, Wilkes-Barre, PA 18701. Todos los reclamos serán evaluados una vez presentados. No pagaremos ninguna pérdida o daño sobreviniente como consecuencia de un incidente que no configure una «Causa de pérdida cubierta». Únicamente las pólizas de seguro y los endosos relevantes pueden proporcionar los términos y condiciones efectivos a un asegurado. Son aplicables algunas restricciones, todas las leyes estatales y todos los reclamos de empresas/guías de cobertura. © BHGC 2020.

Issued: 05/16/2023

**AmGUARD Insurance Company
A Stock Company**

Policy No.:
TOBP488722

Renewal of: TOBP337154

POLICY INFORMATION PAGE

[1] Named Insured and Mailing Address

Townhomes at Mile Hi
PO Box 260875
Lakewood, CO 80226

[2] Agency

INSZONE INSURANCE SERVICES, LLC
2721 Citrus Rd
Suite A
Rancho Cordova, CA 95742

[3] Policy Period

From June 27, 2023 to June 27, 2024 - expiring at 12:01 A.M., Standard Time at the insured's mailing address.

[4] Description of Business

Lessors of Residential Buildings and Dwellings

[5] Coverage

This policy consists of the Coverage Forms listed on the **Schedule of Forms and Endorsements (IIT SF 01 05)**.

[6] Premium

The premium shown below may be subject to adjustment.

Certified Acts of Terrorism	\$216.00
TOTAL POLICY PREMIUM	\$14,938.00
CO Natural Disaster Mitigation Enterprise Surcharge	\$2.00
TOTAL PAYABLE	\$14,940.00

[7] Payment of Premium

In return for your payment of premium, and subject to all terms of this policy, we agree with you to provide insurance as stated in this policy.

Issued: 05/16/2023

Policy No.: TOBP488722

Effective Date: 06/27/2023

SECTION I – PROPERTY COVERAGES AND LIMITS OF INSURANCE

LOCATION: 001 BUILDING: 001
3049-3089 W 18th Ave 1800-1816 Grove St
Denver, CO 80204
Denver County

Property Deductible: \$500
Wind/Hail Deductible: 2%
Optional Coverages/Glass Deductible: \$500
Classification: 65146 - Apartment Buildings - Over 4 Families - NO office occupancy

COVERAGES:

Awnings Coverage

Limit	\$2,500
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Building Coverage

Limit	\$1,466,363
Valuation	Replacement Cost
Inflation Guard %	4

Business Personal Property Coverage

Limit	\$10,000
Seasonal Increase Percent	25
Valuation	Replacement Cost

Liability

IMPORTANT NOTE	THIS COVERAGE IS RATED BASED ON AN ESTIMATE AND IS SUBJECT TO AUDIT
Limit	Included

Accounts Receivable

On-Premises Limit	\$25,000
Off-Premises Limit	25,000

Apartment Buildings Coverage

Pollutant Clean-Up and Removal	\$25,000
Reward Payment	Up to \$5,000
Ordinance or Law - Equipment Coverage	Building/BPP Limit
Lock Replacement	\$5,000 per occurrence
Tenant Move Back Expenses	\$15,000 per occurrence
Tenants' Property Legal Liability Coverage	\$10,000 per occurrence
Lock-Out or Sale, Removal and Disposal Liability Coverage	\$5,000
Heating or Air Conditioning Loss Reimbursement Coverage	\$5,000/\$10,000

Debris Removal

**BUSINESSOWNER'S POLICY
DECLARATIONS**

Issued: 05/16/2023

Policy No.: TOBP488722

Effective Date: 06/27/2023

Limit	25%/\$10,000
Equipment Breakdown Coverage (HSB)	
Inspection Contact Name	Jim Gumpert
Phone Number	720-370-4159
Exclusion of Cosmetic Damage to Roof Coverings Caused by Hail	
Coverage	Refer to form BP 99 249
Money and Securities	
On Premises Limit	\$5,000
Off Premises Limit	\$5,000
Ordinance or Law	
Coverage Type	Coverage 1, 2, 3
Cvg 1 (Loss in Value of Undamaged Portion of Bldg) Limit	\$1,466,363
Cvg 2 (Demolition Cost) Limit	\$100,000
Cvg 3 (Increased Cost of Construction) Limit	\$250,000
Outdoor Property	
Limit	\$10,000
Outdoor Signs - Optional Coverage	
Limit	\$5,000
Valuable Papers and Records	
On-Premises Limit	\$25,000
Off-Premises Limit	\$25,000
Water Back-up and Sump Overflow	
Covered Property Limit	\$100,000
Business Income and Extra Expense Limit	\$100,000

LOCATION: 001 BUILDING: 002
3049-3089 W 18th Ave 1800-1816 Grove St
Denver, CO 80204
Denver County

Property Deductible: \$500
Wind/Hail Deductible: 5%
Optional Coverages/Glass Deductible: \$500
Classification: 69145 - Condominium - Residential Condominium (Association risk only)

COVERAGES:

Awnings Coverage	
Limit	\$2,500
Building Coverage	
Limit	\$189,251
Valuation	Replacement Cost
Inflation Guard %	4
Business Personal Property Coverage	
Limit	\$5,000
Seasonal Increase Percent	25
Valuation	Replacement Cost
Liability	
IMPORTANT NOTE	THIS COVERAGE IS RATED BASED ON AN ESTIMATE AND IS SUBJECT TO AUDIT
Limit	Included
Accounts Receivable	
On-Premises Limit	\$25,000

**BUSINESSOWNER'S POLICY
DECLARATIONS**

Issued: 05/16/2023

Policy No.: TOBP488722

Effective Date: 06/27/2023

Off-Premises Limit	25,000
Debris Removal	
Limit	25%/\$10,000
Equipment Breakdown Coverage (HSB)	
Inspection Contact Name	Jim Gumpert
Phone Number	720-370-4159
Exclusion of Cosmetic Damage to Roof Coverings Caused by Hail	
Coverage	Refer to form BP 99 249
Money and Securities	
On Premises Limit	\$5,000
Off Premises Limit	\$5,000
Ordinance or Law - Increased Cost Of Construction	
Limit	\$10,000
Outdoor Property	
Limit	\$10,000
Outdoor Signs - Optional Coverage	
Limit	\$5,000
Valuable Papers and Records	
On-Premises Limit	\$25,000
Off-Premises Limit	\$25,000
Water Back-up and Sump Overflow	
Covered Property Limit	\$10,000
Business Income and Extra Expense Limit	\$10,000

Issued: 05/16/2023

Policy No.: TOBP488722

Effective Date: 06/27/2023

SECTION II – LIABILITY COVERAGES AND LIMITS OF INSURANCE

Each paid claim for the following coverages reduces the amount of insurance we provide during the applicable annual period. Please refer to Section II – Liability in the Businessowners Coverage form and any attached endorsements.

<u>Coverage</u>	<u>Limits of Insurance</u>
Liability and Medical Expenses - Each Occurrence	\$1,000,000
General Aggregate (Other than Products and Completed Operations)	\$2,000,000
Personal & Advertising Injury	Included
Products & Completed Operations Aggregate	\$2,000,000
Medical Expenses (Each Person)	\$5,000
Liability Property Damage Deductible	0
Liability Deductible - Bodily Injury	None

Issued: 05/16/2023

Policy No.: TOBP488722

Effective Date: 06/27/2023

POLICY WIDE COVERAGES AND LIMITS OF INSURANCE

Appurtenant Structures

Limit \$50,000 combined Building/BPP

Bed Bug-Kissing Bug Liability Coverage

Limit Excluded

Business Income & Extra Expense

Limit ALS UP TO 12 MONTHS

Business Income Options

Number of Hours Deductible 72

Extended Business Income Number of Days 30

Ordinary Payroll Expenses Number of Days 60

Computer Fraud and Funds Transfer Fraud

Limit of Liability 25000

Condominiums, Co-ops, Associations - Directors and Officers Liability

Name of the Association Townhomes at Mile Hi

Annual Aggregate Limit of Insurance 1,000,000

Deductible 1,000

Retroactive Date 06/27/2018

Pending or Prior Litigation Date 06/27/2018

Claims Expense \$50,000

Damage To Premises Rented To You

Limit \$50,000

Data Compromise

Section 1 - Response Expenses -

Annual Aggregate Limit 50000

Named Malware (Sec. 1) Sublimit 50000

Forensic IT and Legal Review Sublimit \$5,000

PR Services Sublimit 5000

Section 2 - Defense & Liability -

Annual Aggregate Limit 50000

Named Malware (Sec. 2) Sublimit 50000

Response Expenses and Defense & Liability Deductible \$1,000

Electronic Data

Limit \$10,000

Employee Dishonesty

Limit 10000

Fire Department Service Charge

Limit 25000

Fire Extinguisher Systems Recharge Expense

Limit \$5,000

Forgery or Alteration

Limit 10000

Fungi, Wet Rot, Dry Rot & Bacteria (Mold)

Property Limit \$15,000

Business Income/EE Number of Days 30

Liability Coverage Option Exclude Coverage

Glass Expense

Limit Actual Loss Sustained

Interruption of Computer Operations

Limit \$10,000

Loss by Theft of furs, fur garments, garments trimmed with fur

Limit \$2,500

**BUSINESSOWNER'S POLICY
DECLARATIONS**

Issued: 05/16/2023

Policy No.: TOBP488722

Effective Date: 06/27/2023

Loss by Theft of jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals

Limit \$5,000

Loss by Theft of patterns, dies, molds and forms

Limit \$2,500

Money Orders and "Counterfeit Money"

Limit \$1,000

Newly Acquired Or Constructed Property - Buildings

Limit 25% of Building Limit/Not more than \$500,000/Bldg

Newly Acquired Or Constructed Property - Business Personal Property

Limit \$250,000

Personal Effects

Limit \$5,000

Personal Property Off Premises

Limit \$10,000

Pollutant Clean Up and Removal

Limit \$10,000

Preservation of Property

Limit Within 30 Days

Terrorism

Certified Acts INC

Issued: 05/16/2023

Policy No.: TOBP488722

Effective Date: 06/27/2023

Policy Payment Terms

Payment Option: Direct Bill

Payment is due in our office on the
dates shown below.

Installment Plan
(prepared 05-16-2023)

Down Payment received - \$0.00

Installments*	Due Date
\$1,494.00	06/26/2023
\$1,344.60	07/28/2023
\$1,344.60	08/27/2023
\$1,344.60	09/27/2023
\$1,344.60	10/28/2023
\$1,344.60	11/29/2023
\$1,344.60	12/28/2023
\$1,344.60	01/27/2024
\$1,344.60	02/28/2024
\$1,344.60	03/29/2024
\$1,344.60	04/27/2024

*Includes surcharges and state fees, if any.
Policies that are direct billed will be charged a fee of up to \$7.00 per installment. There is no installment fee for policies set up with Direct Draft.

Any checks returned or attempted bank drafts declined for insufficient funds or a closed account may be assessed a fee of up to \$20.00.

A late fee may be assessed of up to \$10.00 for payments received after the due date.

A convenience fee of up to \$0.00 will be added to credit card payments.

BUSINESSOWNER'S COVERAGE FORM INDEX

This index is provided only as a convenience. It should not be assumed to provide a reference to every provision that can affect a question, claim or coverage. To determine the full scope of coverage and pertinent restrictions and exclusions, the policy (including endorsements) must be read in its entirety. The features may also be affected by related provisions not referenced at all in the index, or noted elsewhere in it. For instance, an **Exclusion** feature addresses a specific policy exclusion; but restrictions of coverage and exclusions also appear within the areas where coverage, covered causes of loss, etc., are described.

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BUSINESSOWNER'S 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 Coverage Form 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.

In Section II – Liability, 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 H. Property Definitions in Section I – Property and Paragraph F. Liability And Medical Expenses Definitions in Section II – Liability.

SECTION I – PROPERTY

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)** Fixtures, including outdoor fixtures;
- (3)** Permanently installed:
 - (a)** Machinery; and
 - (b)** Equipment;
- (4)** Your personal property in apartments, rooms or common areas furnished by you as landlord;

(5) Personal property owned by you that is used to maintain or service the buildings or structures or the premises, including:

- (a)** Fire extinguishing equipment;
 - (b)** Outdoor furniture;
 - (c)** Floor coverings; and
 - (d)** Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- (6)** If not covered by other insurance:
- (a)** Additions under construction, alterations and repairs to the buildings or structures;
 - (b)** Materials, equipment, supplies and temporary structures, on or within 100 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 at the described premises or in the open (or in a vehicle) within 100 feet of the described premises, 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 Loss Payment Property Loss Condition Paragraph E.5.d.(3)(b);
- (3)** Tenant's 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 which you have a contractual responsibility to insure, unless otherwise provided for under Paragraph 1.b.(2); and
- (5)** Exterior building glass, if you are a tenant and no Limit of Insurance is shown in the Declarations for Building property. The glass must be owned by you or in your care, custody or control.

2. Property Not Covered

Covered Property does not include:

- a. Aircraft, automobiles, motortrucks and other vehicles subject to motor vehicle registration;
- b. "Money" or "securities" except as provided in the:
 - (1) Money And Securities Optional Coverage; or
 - (2) Employee Dishonesty Optional 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;
- e. Outdoor fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants, all except as provided in the:
 - (1) Outdoor Property Coverage Extension; or
 - (2) Outdoor Signs Optional Coverage;
- f. Watercraft (including motors, equipment and accessories) while afloat;
- g. Accounts, bills, food stamps, other evidences of debt, accounts receivable or "valuable papers and records"; except as otherwise provided in this policy;
- h. "Computer(s)" which are permanently installed or designed to be permanently installed in any aircraft, watercraft, motortruck or other vehicle subject to motor vehicle registration. This paragraph does not apply to "computer(s)" while held as "stock";
- i. "Electronic data", except as provided under Additional Coverages – Electronic Data. This Paragraph i. does not apply to your "stock" of prepackaged software.
- j. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings.

3. Covered Causes Of Loss

Risks of direct physical loss unless the loss is:

- a. Excluded in Paragraph B. Exclusions in Section I; or
- b. Limited in Paragraph 4. Limitations in Section I.

4. Limitations

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

- (1) Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- (2) Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
- (3) Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property. This limitation does not apply to the Optional Coverage for Money and Securities.
- (4) Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
- (5) The interior of any building or structure caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
 - (a) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
 - (b) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.
- b. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:
 - (1) Animals, and then only if they are killed or their destruction is made necessary.
 - (2) Fragile articles such as glassware, statuary, marble, chinaware and porcelain, if broken. This restriction does not apply to:
 - (a) Glass that is part of the exterior or interior of a building or structure;
 - (b) Containers of property held for sale; or

- (c) Photographic or scientific instrument lenses.
- c. For loss or damage by theft, the following types of property are covered only up to the limits shown:
 - (1) \$2,500 for furs, fur garments and garments trimmed with fur.
 - (2) \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semiprecious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
 - (3) \$2,500 for patterns, dies, molds and forms.

5. Additional Coverages

a. Debris Removal

- (1) Subject to Paragraphs (3) and (4), we will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- (2) Debris Removal does not apply to costs to:
 - (a) Extract "pollutants" from land or water; or
 - (b) Remove, restore or replace polluted land or water.
- (3) Subject to the exceptions in Paragraph (4), the following provisions apply:
 - (a) The most that we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.
 - (b) Subject to Paragraph (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

- (4) We will pay up to an additional \$10,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:
 - (a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
 - (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if 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 \$10,000.

(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	\$ 30,000

**Debris Removal Expense
Payable**

Basic Amount	\$ 10,500
Additional Amount	\$ 10,000

The basic amount payable for debris removal expense under the terms of Paragraph (3) is calculated as follows: \$80,000 (\$79,500 + \$500) 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 is provided in accordance with the terms of Paragraph (4), because the debris removal expense (\$30,000) exceeds 25% of the loss payable plus the deductible (\$30,000 is 37.5% of \$80,000), and because the sum of the loss payable and debris removal expense (\$79,500 + \$30,000 = \$109,500) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$10,000, the maximum payable under Paragraph (4). Thus the total payable for debris removal expense in this example is \$20,500; \$9,500 of the debris removal expense is not covered.

b. Preservation Of Property

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss 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.

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$2,500, unless a different limit is shown in the Declarations, for your liability for fire department service charges:

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

d. Collapse

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

- (1) For the purpose of this Additional Coverage – Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.
- (2) We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this policy or that contains Covered Property insured under this policy, if such collapse is caused by one or more of the following:
 - (a) Building decay that is hidden from view, unless the presence of such 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 Paragraph (2)(a) or (2)(b);
 - (ii) One or more of the "specified causes of loss";
 - (iii) Breakage of building glass;
 - (iv) Weight of people or personal property; or
 - (v) Weight of rain 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 Paragraphs (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 cracking, bulging, sagging, bending, leaning, settling, shrinkage 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 the Additional Coverage – Collapse as described and limited in Paragraphs d.(1) through d.(7).

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

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material 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.

f. 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 include the area within 100 feet of the site at which the described premises are located.

BUSINESSOWNER'S POLICY

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

- (i) The portion of the building which you rent, lease or occupy; and
 - (ii) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.
- (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. We will only pay for ordinary payroll expenses for 60 days following the date of direct physical loss or damage, unless a greater number of days is shown in the Declarations.
- (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.
- (d) Ordinary payroll expenses:
- (i) Means payroll expenses for all your employees except:
 - i. Officers;
 - ii. Executives;
 - iii. Department Managers;
 - iv. Employees under contract; and
 - v. Additional Exemptions shown in the Declarations as:
 - Job Classifications; or
 - Employees.

- (ii) Include:
 - i. Payroll;
 - ii. Employee benefits, if directly related to payroll;
 - iii. FICA payments you pay;
 - iv. Union dues you pay; and
 - v. Workers' compensation premiums.

(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. 30 consecutive days after the date determined in Paragraph (a)(i) above, unless a greater number of consecutive days is shown in the Declarations.

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) With respect to the coverage provided in this Additional Coverage, suspension means:

- (a) The partial slowdown or complete cessation of your business activities; or

(b) That a part or all of the described premises is rendered untenable, if coverage for Business Income applies.

(4) This Additional Coverage is not subject to the Limits of Insurance of Section I – Property.

g. 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 100 feet of the site at which the described premises are located.

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

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

(2) Extra Expense 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.
- (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 f. Business Income.

(3) With respect to the coverage provided in this Additional Coverage, suspension means:

- (a) The partial slowdown or complete cessation of your business activities; or
- (b) That a part or all of the described premises is rendered untenable, if coverage for Business Income applies.

(4) 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 of Section I – Property.

h. Pollutant Clean-up And Removal

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

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

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

i. Civil Authority

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

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

Civil Authority coverage for Business Income will begin 72 hours after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to four consecutive weeks 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) Four consecutive weeks 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 of Section I – Property.

j. Money Orders And "Counterfeit Money"

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

- (1) Money orders issued by any post office, express company or bank that are not paid upon presentation; or
- (2) "Counterfeit money" that is acquired during the regular course of business.

The most we will pay for any loss under this Additional Coverage is \$1,000.

k. Forgery Or Alteration

- (1) We will pay for loss resulting directly from forgery or alteration of, any check, draft, promissory note, bill of exchange or similar written promise of payment in "money", that you or your agent has issued, or that was issued by someone who impersonates you or your agent.
- (2) If you are sued for refusing to pay the check, draft, promissory note, bill of exchange or similar written promise of payment in "money", on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur in that defense.
- (3) For the purpose of this coverage, check includes a substitute check as defined in the Check Clearing for the 21st Century Act, and will be treated the same as the original it replaced.
- (4) The most we will pay for any loss, including legal expenses, under this Additional Coverage is \$2,500, unless a higher Limit of Insurance is shown in the Declarations.

l. Increased Cost Of Construction

- (1) This Additional Coverage applies only to buildings insured on a replacement cost basis.
- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with enforcement of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in Paragraphs (3) through (9) of this Additional Coverage.
- (3) The ordinance or law referred to in Paragraph (2) of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises, and is in force at the time of loss.
- (4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:
 - (a) You were required to comply with before the loss, even when the building was undamaged; and

- (b) You failed to comply with.
- (5) Under this Additional Coverage, we will not pay for:
 - (a) The enforcement of any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungi", wet rot or dry rot; or
 - (b) Any costs associated with the enforcement of an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants", "fungi", wet rot or dry rot.
- (6) The most we will pay under this Additional Coverage, for each described building insured under Section I – Property, is \$10,000. If a damaged building(s) is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for each damaged building, is \$10,000.
The amount payable under this Additional Coverage is additional insurance.
- (7) With respect to this Additional Coverage:
 - (a) We will not pay for the Increased Cost of Construction:
 - (i) Until the property is actually repaired or replaced, at the same or another premises; and
 - (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction is the increased cost of construction at the same premises.

- (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction is the increased cost of construction at the new premises.
- (8) This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion, to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.
- (9) The costs addressed in the Loss Payment Property Loss Condition in Section I – Property do not include the increased cost attributable to enforcement of an ordinance or law. The amount payable under this Additional Coverage, as stated in Paragraph (6) of this Additional Coverage, is not subject to such limitation.

m. 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 caused by or resulting from any Covered Cause of Loss.

However, this Additional Coverage does not apply when the only loss to dependent property is loss or damage to "electronic data", including destruction or corruption of "electronic data". If the dependent property sustains loss or damage to "electronic data" and other property, coverage under this Additional Coverage will not continue once the other property is repaired, rebuilt or replaced.

The most we will pay under this Additional Coverage is \$5,000 unless a higher Limit of Insurance is indicated in the Declarations.

- (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.

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(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, communication 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) 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; and
- (b) Ends on the date when the property at the premises of the dependent property should be repaired, rebuilt or replaced with reasonable speed and similar quality.

(6) The Business Income coverage period, as stated in Paragraph (5), does not include any increased period required due to the enforcement of 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.

(7) The definition of Business Income contained in the Business Income Additional Coverage also applies to this Business Income From Dependent Properties Additional Coverage.

n. Glass Expenses

(1) We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.

(2) We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

o. Fire Extinguisher Systems Recharge Expense

(1) We will pay:

(a) The cost of recharging or replacing, whichever is less, your fire extinguishers and fire extinguishing systems (including hydrostatic testing if needed) if they are discharged on or within 100 feet of the described premises; and

(b) For loss or damage to Covered Property if such loss or damage is the result of an accidental discharge of chemicals from a fire extinguisher or a fire extinguishing system.

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

(3) The most we will pay under this Additional Coverage is \$5,000 in any one occurrence.

p. Electronic Data

(1) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore "electronic data" which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that "electronic data" is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the "electronic data" was stored, with blank media of substantially identical type.

(2) The Covered Causes of Loss applicable to Business Personal Property 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 loss or damage caused by or resulting from manipulation of a computer system (including "electronic data") by any employee, including a temporary or leased employee, or by an entity retained by you, or for you, to inspect, design, install, modify, maintain, repair or replace that system.

- (3) The most we will pay under this Additional Coverage – Electronic Data for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved, is \$10,000, unless a higher Limit of Insurance is shown in the Declarations. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in, but not after, that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

q. Interruption Of Computer Operations

- (1) Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Business Income and Extra Expense to apply to a suspension of "operations" caused by an interruption in computer operations due to destruction or corruption of "electronic data" due to a Covered Cause of Loss.
- (2) With respect to the coverage provided under this Additional Coverage, the Covered Causes of Loss are subject to the following:
- (a) Coverage under this Additional Coverage – Interruption Of Computer Operations is limited to the "specified causes of loss" and Collapse.
 - (b) If the Businessowners Coverage 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.
 - (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.

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

r. Limited Coverage For "Fungi", Wet Rot Or Dry Rot

- (1) The coverage described in Paragraphs r.(2) and r.(6) only applies when the "fungi", wet rot or dry rot are the result of a "specified cause of loss" other than

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fire or lightning that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.

- (2) We will pay for loss or damage by "fungi", wet rot or dry rot. As used in this Limited Coverage, the term loss or damage means:
 - (a) Direct physical loss or damage to Covered Property caused by "fungi", wet rot or dry rot, including the cost of removal of the "fungi", wet rot or dry rot;
 - (b) The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungi", wet rot or dry rot; and
 - (c) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungi", wet rot or dry rot are present.
- (3) The coverage described under this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungi", wet rot or dry rot, we will not pay more than the total of \$15,000 even if the "fungi", wet rot or dry rot continues to be present or active, or recurs, in a later policy period.
- (4) The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungi", wet rot or dry rot, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

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

- (5) The terms of this Limited Coverage do not increase or reduce the coverage provided under the Water Damage, Other Liquids, Powder Or Molten Material Damage or Collapse Additional Coverages.
- (6) The following applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the suspension of "operations" satisfies all the terms and conditions of the applicable Business Income and/or Extra Expense Additional Coverage.
 - (a) If the loss which resulted in "fungi", wet rot or dry rot does not in itself necessitate a suspension of "operations", but such suspension is necessary due to loss or damage to property caused by "fungi", wet rot or dry rot, then our payment under the Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
 - (b) If a covered suspension of "operations" was caused by loss or damage other than "fungi", wet rot or dry rot, but remediation of "fungi", wet rot or dry rot prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

6. Coverage Extensions

In addition to the Limits of Insurance of Section I – Property, you may extend the insurance provided by this policy as provided below.

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

a. Newly Acquired Or Constructed Property

(1) Buildings

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

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

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

(2) Business Personal Property

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

- (a) Business Personal Property, including such property that you newly acquire, at any location you acquire;
- (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; or
- (c) Business Personal Property that you newly acquire, located at the described premises.

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

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

(3) Period Of Coverage

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

- (a) This policy expires;
- (b) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or

(c) You report values to us.

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

b. Personal Property Off-premises

You may extend the insurance provided by this policy to apply to your Covered Property, other than "money" and "securities", "valuable papers and records" or accounts receivable, while it is in the course of transit or at a premises you do not own, lease or operate. The most we will pay for loss or damage under this Extension is \$10,000.

c. Outdoor Property

You may extend the insurance provided by this policy to apply to your outdoor fences, radio and television antennas (including satellite dishes), signs (other than signs attached to buildings), trees, shrubs and plants, including debris removal expense. Loss or damage must be caused by or result from any of the following causes of loss:

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

The most we will pay for loss or damage under this Extension is \$2,500, unless a higher Limit of Insurance for Outdoor Property is shown in the Declarations, but not more than \$1,000 for any one tree, shrub or plant.

d. Personal Effects

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

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

The most we will pay for loss or damage under this Extension is \$2,500 at each described premises.

e. 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, replace or restore the lost information on "valuable papers and records" for which duplicates do not exist.
- (2) This Coverage Extension does not apply to:
 - (a) Property held as samples or for delivery after sale; and
 - (b) Property in storage away from the premises shown in the Declarations.
- (3) The most we will pay under this Coverage Extension for loss or damage to "valuable papers and records" in any one occurrence at the described premises is \$10,000, unless a higher Limit of Insurance for "valuable papers and records" is shown in the Declarations.

For "valuable papers and records" not at the described premises, the most we will pay is \$5,000.
- (4) Loss or damage to "valuable papers and records" will be valued at the cost of restoration or replacement of the lost or damaged information. To the extent that the contents of the "valuable papers and records" are not restored, the "valuable papers and records" will be valued at the cost of replacement with blank materials of substantially identical type.
- (5) Paragraph **B**. Exclusions in Section **I** – Property 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.f.**, Dishonesty;
 - (e) Paragraph **B.2.g.**, False Pretense;
 - (f) Paragraph **B.2.m.(2)**, Errors Or Omissions; and
 - (g) Paragraph **B.3**.

f. Accounts Receivable

- (1) You may extend the insurance that applies to Business Personal Property to apply to accounts receivable. 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 Coverage Extension for loss or damage in any one occurrence at the described premises is \$10,000, 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 \$5,000.
- (3) Paragraph **B**. Exclusions in Section **I** – Property 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.f.**, Dishonesty;
 - (e) Paragraph **B.2.g.**, False Pretense;
 - (f) Paragraph **B.3**; and
 - (g) Paragraph **B.6.**, Accounts Receivable Exclusion.

B. Exclusions

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

a. Ordinance Or Law

- (1) The enforcement of any ordinance or law:
 - (a) Regulating the construction, use or repair of any property; or
 - (b) Requiring the tearing down of any property, including the cost of removing its debris.
- (2) This exclusion, Ordinance Or Law, applies whether the loss results from:
 - (a) An ordinance or law that is enforced even if the property has not been damaged; or
 - (b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property or removal of its debris, following a physical loss to that property.

b. Earth Movement

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

But if Earth Movement, as described in 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, however caused.

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

e. Utility Services

The failure of power, communication, water or other utility service supplied to the described premises, however caused, if the failure:

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

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

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

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

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

This exclusion does not apply to loss or damage to "computer(s)" and "electronic data".

f. War And Military Action

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

g. Water

- (1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;
- (4) Water under the ground surface pressing on, or flowing or seeping through:
 - (a) Foundations, walls, floors or paved surfaces;
 - (b) Basements, whether paved or not; or
 - (c) Doors, windows or other openings; or
- (5) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph (1), (3) or (4), or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs (1) through (5), is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

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

h. Certain Computer-related Losses

(1) The failure, malfunction or inadequacy of:

(a) Any of the following, whether belonging to any insured or to others:

(i) "Computer" hardware, including microprocessors or other electronic data processing equipment as may be described elsewhere in this policy;

(ii) "Computer" application software or other "electronic data" as may be described elsewhere in this policy;

(iii) "Computer" operating systems and related software;

(iv) "Computer" networks;

(v) Microprocessors ("computer" chips) not part of any "computer" system; or

(vi) Any other computerized or electronic equipment or components; or

(b) Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph (a) above;

due to the inability to correctly recognize, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.

(2) Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph (1) above.

However, if excluded loss or damage, as described in Paragraph (1) above results in a "specified cause of loss" under Section I – Property, we will pay only for the loss or damage caused by such "specified cause of loss".

We will not pay for repair, replacement or modification of any items in Paragraph **(1)(a)** or **(1)(b)** to correct any deficiencies or change any features.

i. "Fungi", Wet Rot Or Dry Rot

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

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

This exclusion does not apply:

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

j. 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 **i.**;
- (3)** With respect to any loss or damage subject to the exclusion in Paragraph **(1)**, such exclusion supersedes any exclusion relating to "pollutants".

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

a. Electrical Apparatus

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

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

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

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

(4) Electromagnetic waves or microwaves.

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

We will pay for loss or damage to "computer(s)" due to artificially generated electrical, magnetic or electromagnetic energy if such loss or damage is caused by or results from:

- (1)** An occurrence that took place within 100 feet of the described premises; or
- (2)** Interruption of electric power supply, power surge, blackout or brownout if the cause of such occurrence took place within 100 feet of the described premises.

b. Consequential Losses

Delay, loss of use or loss of market.

c. Smoke, Vapor, Gas

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

d. Steam Apparatus

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

e. Frozen Plumbing

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

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

f. Dishonesty

Dishonest or criminal acts by you, anyone else with an interest in the property, or any of your or their partners, "members", officers, "managers", employees, directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:

- (1) Acting alone or in collusion with others; or
- (2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees; but theft by employees 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 coverage that is provided under the Employee Dishonesty Optional Coverage.

g. False Pretense

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

h. Exposed Property

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

i. Collapse

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

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

- (2) This Exclusion **i.**, does not apply:
 - (a) To the extent that coverage is provided under the 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.

j. Pollution

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

k. Neglect

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

l. Other Types Of Loss

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

This exclusion does not apply with respect to the breakdown of "computer(s)";
- (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 Paragraphs **(1)** through **(7)** above 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.

m. Errors Or Omissions

Errors or omissions in:

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

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

n. Installation, Testing, Repair

Errors or deficiency in design, installation, testing, maintenance, modification or repair of your "computer" system including "electronic data".

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

o. Electrical Disturbance

Electrical or magnetic injury, disturbance or erasure of "electronic data", except as provided for under the Additional Coverages of Section I – Property.

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

p. Continuous Or Repeated Seepage Or Leakage Of Water

Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.

- 3. We will not pay for loss or damage caused by or resulting from any of the following Paragraphs **a.** through **c.** But if an excluded cause of loss that is listed in Paragraphs **a.** through **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. Additional Exclusion

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

Loss Or Damage To Products

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

5. Business Income And Extra Expense Exclusions

a. We will not pay for:

- (1) Any Extra Expense, or increase of Business Income loss, caused by or resulting from:
 - (a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
 - (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the suspension of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage.

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(2) Any other consequential loss.

b. With respect to this exclusion, suspension means:

(1) The partial slowdown or complete cessation of your business activities; and

(2) That a part or all of the described premises is rendered untenable, if coverage for Business Income applies.

6. Accounts Receivable Exclusion

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

We will not pay for:

a. Loss or damage caused by or resulting from alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of "money", "securities" or other property.

This exclusion applies only to the extent of the wrongful giving, taking or withholding.

b. Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions.

c. Any loss or damage that requires any audit of records or any inventory computation to prove its factual existence.

C. Limits Of Insurance

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

2. The most we will pay for loss of or damage to outdoor signs attached to buildings is \$1,000 per sign in any one occurrence.

3. The amounts of insurance applicable to the Coverage Extensions and the following Additional Coverages apply in accordance with the terms of such coverages and are in addition to the Limits of Insurance of Section I – Property:

a. Fire Department Service Charge;

b. Pollutant Clean-up And Removal;

c. Increased Cost Of Construction;

d. Business Income From Dependent Properties;

e. Electronic Data; and

f. Interruption Of Computer Operations.

4. Building Limit – Automatic Increase

a. In accordance with Paragraph C.4.b., the Limit of Insurance for Buildings will automatically increase by 8%, unless a different

percentage of annual increase is shown in the Declarations.

b. The amount of increase is calculated as follows:

(1) Multiply the Building limit that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Building limit by:

(a) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 7% is .07); or

(b) .08, if no percentage of annual increase is shown in the Declarations; and

(2) Multiply the number calculated in accordance with b.(1) by the number of days since the beginning of the current policy year, or the effective date of the most recent policy change amending the Building limit, divided by 365.

Example:

If:

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

The amount of increase is

$$\$100,000 \times .08 \times 146 \div 365 = \$3,200.$$

5. Business Personal Property Limit – Seasonal Increase

a. Subject to Paragraph 5.b., the Limit of Insurance for Business Personal Property is automatically increased by:

(1) The Business Personal Property – Seasonal Increase percentage shown in the Declarations; or

(2) 25% if no Business Personal Property – Seasonal Increase percentage is shown in the Declarations;

to provide for seasonal variances.

b. The increase described in Paragraph 5.a will apply only if the Limit of Insurance shown for Business Personal Property in the Declarations is at least 100% of your average monthly values during the lesser of:

(1) The 12 months immediately preceding the date the loss or damage occurs; or

- (2) The period of time you have been in business as of the date the loss or damage occurs.

D. Deductibles

- 1. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance of Section I – Property.
- 2. Regardless of the amount of the Deductible, the most we will deduct from any loss or damage under all of the following Optional Coverages in any one occurrence is the Optional Coverage Deductible shown in the Declarations:
 - a. Money and Securities;
 - b. Employee Dishonesty;
 - c. Outdoor Signs; and
 - d. Forgery or Alteration.

But this Optional Coverage Deductible will not increase the Deductible shown in the Declarations. This Deductible will be used to satisfy the requirements of the Deductible in the Declarations.

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

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 there is an appraisal, we will still retain our right to deny the claim.

3. Duties In The Event Of Loss Or Damage

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

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limits of Insurance of Section I – Property. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
- (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
- (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- (8) Cooperate with us in the investigation or settlement of the claim.
- (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 two 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 Paragraph **d.(1)(e)** below.
- b. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- c. We will not pay you more than your financial interest in the Covered Property.
- d. Except as provided in Paragraphs **(2)** through **(7)** below, we will determine the value of Covered Property as follows:
 - (1) At replacement cost without deduction for depreciation, subject to the following:
 - (a) If, at the time of loss, the Limit of Insurance on the lost or damaged property is 80% or more of the full replacement cost of the property immediately before the loss, 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 Section I – Property that applies to the lost or damaged property;

- (ii) The cost to replace, on the same premises, the lost or damaged property with other property:
 - i. Of comparable material and quality; and
 - ii. Used for the same purpose; or
- (iii) The amount that you actually spend that is necessary to repair or replace the lost or damaged property.

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

- (b) If, at the time of loss, the Limit of Insurance applicable to the lost or damaged property is less than 80% of the full replacement cost of the property immediately before the loss, we will pay the greater of the following amounts, but not more than the Limit of Insurance that applies to the property:
 - (i) The actual cash value of the lost or damaged property; or
 - (ii) A proportion of the cost to repair or replace the lost or damaged property, after application of the deductible and without deduction for depreciation. This proportion will equal the ratio of the applicable Limit of Insurance to 80% of the cost of repair or replacement.
- (c) You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim on a replacement cost basis if you notify us of your intent to do so within 180 days after the loss or damage.
- (d) We will not pay on a replacement cost basis for any loss or damage:
 - (i) Until the lost or damaged property is actually repaired or replaced; and

- (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.
 However, if the cost to repair or replace the damaged building property is \$2,500 or less, we will settle the loss according to the provisions of Paragraphs **d.(1)(a)** and **d.(1)(b)** above whether or not the actual repair or replacement is complete.
- (e) The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.
- (2) If the Actual Cash Value – Buildings option applies, as shown in the Declarations, Paragraph (1) above does not apply to Buildings. Instead, we will determine the value of Buildings at actual cash value.
- (3) The following property at actual cash value:
 - (a) Used or secondhand merchandise held in storage or for sale;
 - (b) Property of others. However, if an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance;
 - (c) Household contents, except personal property in apartments or rooms furnished by you as landlord;
 - (d) Manuscripts; and
 - (e) Works of art, antiques or rare articles, including etchings, pictures, statuary, marble, bronzes, porcelain and bric-a-brac.
- (4) Glass at the cost of replacement with safety glazing material if required by law.
- (5) Tenants' Improvements and Betterments at:
 - (a) Replacement cost if you make repairs promptly.
 - (b) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
 - (i) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
 - (ii) Divide the amount determined in (i) above by the number of days from the installation of improvements to the expiration of the lease.
 If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.
 - (c) Nothing if others pay for repairs or replacement.
- (6) Applicable only to the Optional Coverages:
 - (a) "Money" at its face value; and
 - (b) "Securities" at their value at the close of business on the day the loss is discovered.
- (7) Applicable only to Accounts Receivable:
 - (a) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage:
 - (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 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 reestablish or collect;

- (iii) An amount to allow for probable bad debts that you are normally unable to collect; and
 - (iv) All unearned interest and service charges.
- 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.
- h. A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance and all other provisions of this Loss Payment Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Transfer Of Rights Of Recovery Against Others To Us Condition in this policy.

6. Recovered Property

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

Limits of Insurance of Section I – Property.

7. Resumption Of Operations

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

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

b. Vacancy Provisions

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

- (1) We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:
 - (a) Vandalism;
 - (b) Sprinkler leakage, unless you have protected the system against freezing;

- (c) Building glass breakage;
- (d) Water damage;
- (e) Theft; or
- (f) Attempted theft.

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

F. Property General Conditions

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 your claim because of your acts or because you have failed to comply with the terms of this policy, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
 - (1) Pays any premium due under this policy at our request if you have failed to do so;
 - (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
 - (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

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

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

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

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

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:
 - (1) 10 days before the effective date of cancellation if we cancel for your non-payment of premium; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
- g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

3. No Benefit To Bailee

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

4. Policy Period, Coverage Territory

Under Section I – Property:

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

G. Optional Coverages

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

1. Outdoor Signs

- a. We will pay for direct physical loss of or damage to all outdoor signs at the described premises:

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- (1) Owned by you; or
- (2) Owned by others but in your care, custody or control.
- b. Paragraph **A.3.**, Covered Causes Of Loss, and Paragraph **B.**, Exclusions in Section **I** – Property, do not apply to this Optional Coverage, except for:
 - (1) Paragraph **B.1.c.**, Governmental Action;
 - (2) Paragraph **B.1.d.**, Nuclear Hazard; and
 - (3) Paragraph **B.1.f.**, War And Military Action.
- c. We will not pay for loss or damage caused by or resulting from:
 - (1) Wear and tear;
 - (2) Hidden or latent defect;
 - (3) Rust;
 - (4) Corrosion; or
 - (5) Mechanical breakdown.
- d. 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.
- e. The provisions of this Optional Coverage supersede all other references to outdoor signs in this policy.

2. Money And Securities

- a. 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:
 - (1) Theft, meaning any act of stealing;
 - (2) Disappearance; or
 - (3) Destruction.
- b. In addition to the Limitations and Exclusions applicable to Section **I** – Property, we will not pay for loss:
 - (1) Resulting from accounting or arithmetical errors or omissions;
 - (2) Due to the giving or surrendering of property in any exchange or purchase; or
 - (3) 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.

- c. The most we will pay for loss in any one occurrence is:
 - (1) The limit shown in the Declarations for Inside the Premises for "money" and "securities" while:
 - (a) In or on the described premises; or
 - (b) Within a bank or savings institution; and
 - (2) The limit shown in the Declarations for Outside the Premises for "money" and "securities" while anywhere else.
- d. All loss:
 - (1) Caused by one or more persons; or
 - (2) Involving a single act or series of related acts;
is considered one occurrence.
- e. You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.

3. Employee Dishonesty

- a. 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:
 - (1) Cause you to sustain loss or damage; and also
 - (2) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
 - (a) Any employee; or
 - (b) Any other person or organization.
- b. We will not pay for loss or damage:
 - (1) Resulting from any dishonest or criminal act that you or any of your partners or "members" commit whether acting alone or in collusion with other persons.
 - (2) Resulting from any dishonest act committed by any of your employees (except as provided in Paragraph **a.**), "managers" or directors:
 - (a) Whether acting alone or in collusion with other persons; or
 - (b) While performing services for you or otherwise.
 - (3) The only proof of which as to its existence or amount is:

- (a) An inventory computation; or
- (b) A profit and loss computation.
- c. The most we will pay for loss or damage in any one occurrence is the Limit of Insurance for Employee Dishonesty shown in the Declarations.
- d. All loss or damage:
 - (1) Caused by one or more persons; or
 - (2) Involving a single act or series of acts; is considered one occurrence.
- e. If any loss is covered:
 - (1) Partly by this insurance; and
 - (2) Partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest;

the most we will pay is the larger of the amount recoverable under this insurance or the prior insurance.

We will pay only for loss or damage you sustain through acts committed or events occurring during the policy period. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.
- f. This Optional Coverage is cancelled as to any employee immediately upon discovery by:
 - (1) You; or
 - (2) Any of your partners, "members", "managers", officers or directors not in collusion with the employee;

of any dishonest act committed by that employee before or after being hired by you.
- g. We will pay only for covered loss or damage sustained during the policy period and discovered no later than one year from the end of the policy period.
- h. If you (or any predecessor in interest) sustained loss or damage during the policy period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this Optional Coverage, provided:
 - (1) This Optional Coverage became effective at the time of cancellation or termination of the prior insurance; and

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

But employee does not mean:

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

4. Equipment Breakdown Protection Coverage

- a. We will pay for direct loss of or damage to Covered Property caused by or resulting from a mechanical breakdown or electrical failure to pressure, mechanical or electrical machinery and equipment.

Mechanical breakdown or electrical failure to pressure, mechanical or electrical machinery and equipment does not mean any:

- (1) Malfunction including but not limited to adjustment, alignment, calibration, cleaning or modification;
 - (2) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
 - (3) Damage to any vacuum tube, gas tube, or brush; or
 - (4) The functioning of any safety or protective device.
- b. Paragraphs **A.4.a.(1)** and **A.4.a.(2)**, **Limitations**, do not apply to this Optional Coverage.
 - c. With respect to the coverage provided by this Optional Coverage, the following exclusions in Paragraph **B. Exclusions** do not apply:
 - (1) Paragraph **B.2.a. Electrical Apparatus**;
 - (2) Paragraph **B.2.d. Steam Apparatus**; and
 - (3) Paragraph **B.2.I.(6) Mechanical Breakdown**.
 - d. With respect to the coverage provided by this Optional Coverage, Paragraph **G.1.c.(5)** of the **Outdoor Sign Optional Coverage** does not apply.
 - e. If a dollar deductible is shown in the Declarations for this Optional Coverage, we will first subtract the applicable deductible amount from any loss we would otherwise pay. We will then pay the amount of loss in excess of the applicable deductible up to the applicable limit for this coverage.

If no optional deductible is chosen for this Optional Coverage, the Property Deductible shown in the Declarations applies.

- f. With respect to **Additional Coverages 5.f. Business Income** and **5.g. Extra Expense**, if the 72-hour time period in the definition of "period of restoration" (hereinafter referred to as time deductible) is amended for this Optional Coverage as shown in the Declarations, we will not pay for any Business Income loss that occurs during the consecutive number of hours shown as the time deductible in the Declarations immediately following a mechanical breakdown or electrical failure. If a time deductible is shown in days, each day shall mean 24 consecutive hours.

As respects the coverage provided by this Optional Coverage, any time deductible shown in the Declarations for Equipment Breakdown Protection Coverage supercedes any time deductible otherwise applicable to the Business Income coverage provided by this policy.

- g. With respect to the coverage provided by this Optional Coverage, Paragraph **H. Property Definitions** is amended as follows:

- 1. "Computer" means:

- a. Programmable electronic equipment that is used to store, retrieve and process data; and
- b. Associated peripheral equipment that provides communication, including input and output functions such as printing and auxiliary functions such as data transmission.

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

- h. Whenever any covered pressure, mechanical or electrical machinery and equipment is found to be in, or exposed to, a dangerous condition, any of our representatives may suspend coverage provided by this Optional Coverage for loss from a mechanical breakdown or electrical failure to that pressure, mechanical or electrical machinery and equipment.

However, coverage provided by this Optional Coverage may be reinstated for loss from a mechanical breakdown or electrical failure to that pressure, mechanical or electrical machinery and equipment if the reasons for the suspension are found by any of our representatives to no longer exist.

We may suspend or reinstate this Optional coverage by mailing or delivering a written notification regarding the suspension or reinstatement to:

- (1) Your last known address; or
- (2) The address where the pressure, mechanical or electrical machinery and equipment is located.

This notification will indicate the effective date of the suspension or reinstatement.

If the coverage provided by this Optional Coverage is not reinstated, you will get a pro rata refund of premium. But the suspension will be effective even if we have not yet made or offered a refund.

H. Property Definitions

1. "Computer" means:

- a. Programmable electronic equipment that is used to store, retrieve and process data; and
- b. Associated peripheral equipment that provides communication, including input and output functions such as printing and auxiliary functions such as data transmission.

"Computer" does not include those used to operate production type machinery or equipment.

2. "Counterfeit money" means an imitation of "money" that is intended to deceive and to be taken as genuine.

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

4. "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.

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

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

7. "Money" means:

- a. Currency, coins and bank notes in current use and having a face value; and
- b. Travelers checks, register checks and money orders held for sale to the public.

8. "Operations" means your business activities occurring at the described premises.

9. "Period of restoration":

- a. Means the period of time that:

(1) Begins:

- (a) 72 hours after the time of direct physical loss or damage for Business Income Coverage; or

- (b) Immediately after the time of direct physical loss or damage for Extra Expense Coverage;

caused by or resulting from any Covered Cause of Loss at the described premises; and

(2) Ends on the earlier of:

- (a) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or

- (b) The date when business is resumed at a new permanent location.

- b. Does not include any increased period required due to the enforcement of any ordinance or law that:

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

- (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants".

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

10. "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.

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

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

but does not include "money".

12. "Specified causes of loss" means the following:
Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.
- a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
 - (1) The cost of filling sinkholes; or
 - (2) Sinking or collapse of land into man-made underground cavities.
 - b. Falling objects does not include loss of or damage to:
 - (1) Personal property in the open; or
 - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
 - c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam.
13. "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.
14. "Valuable papers and records" means inscribed, printed or written:
- a. Documents;
 - b. Manuscripts; and
 - c. Records;
- including abstracts, books, deeds, drawings, films, maps or mortgages.

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

SECTION II – LIABILITY

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 any offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Paragraph **D.** – Liability And Medical Expenses Limits Of Insurance in Section II – Liability; 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 Paragraph **f.** Coverage Extension – Supplementary Payments.

- b. This insurance applies:

- (1) To "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 **C.1. Who Is An Insured** and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known before the policy period.
- (2) To "personal and advertising injury" caused by an offense arising out of your business, but only if the offense was committed in the "coverage territory" during the policy period.
- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph **C.1. 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 "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 **C.1. Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:
 - (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
 - (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
 - (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.
- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

f. 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 \$250 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 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 actual loss of earnings up to \$250 a day because of time off from work.
 - (e) All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
 - (f) Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the 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 our Limit of Insurance.

These payments will not reduce the limit of liability.
- (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 conditions in Paragraph (2) are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph **B.1.b.(2)** Exclusions in Section II – Liability, such payments

will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the Limits of Insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

- (a) We have used up the applicable Limit of Insurance in the payment of judgments or settlements; or
- (b) The conditions set forth above, or the terms of the agreement described in Paragraph (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 one year of the date of the accident; and
 - (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.
- b. We will make these payments regardless of fault. These payments will not exceed the Limits of Insurance of Section II – Liability. 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

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
 - (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollution

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
 - (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
 - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;

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- (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
 - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
 - (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
 - (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
 - (i) Any insured; or
 - (ii) Any person or organization for whom you may be legally responsible; or
 - (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
 - (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
 - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
 - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
 - (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:
- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
 - (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement or such claim or "suit" by or on behalf of a governmental authority.

g. Aircraft, Auto Or Watercraft

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

This exclusion applies even if the claims allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by an insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

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 or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- (5) "Bodily injury" or "property damage" arising out of:
 - (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where it is licensed or principally garaged; or

(b) The operation of any of the following machinery or 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.

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

j. Professional Services

"Bodily injury", "property damage" or "personal and advertising injury" caused by the rendering or failure to render any professional service. This includes but is not limited to:

- (1) Legal, accounting or advertising services;
- (2) Preparing, approving, or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications;
- (3) Supervisory, inspection or engineering services;

- (4) Medical, surgical, dental, x-ray or nursing services treatment, advice or instruction;
- (5) Any health or therapeutic service treatment, advice or instruction;
- (6) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming;
- (7) Optometry or optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;
- (8) Body piercing services; and
- (9) Services in the practice of pharmacy.

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 Premises Rented To You as described in Paragraph D. Liability And Medical Expenses Limit Of Insurance in Section II – Liability.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

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 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 of material whose first publication took place before the beginning of the policy period;
- (4) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement;
- (5) Arising out of a 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 websites for others; or

- (c) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **14.a.**, **b.** and **c.** of "personal and advertising injury" under 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 the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time;
- (10) With respect to any loss, cost or expense arising out of any:
 - (a) Request, demand or order that any insured or others test for, monitor, clean-up, remove, contain, treat, detoxify or neutralize or in any way respond to, or assess the effects of, "pollutants"; or
 - (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".
- (11) Arising out of an electronic chatroom or bulletin board the insured hosts, owns or over which the insured exercises control;
- (12) 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.
- (13) 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.

q. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

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

r. Criminal Acts

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

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 action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

Exclusions **c., d., e., f., g., h., i., k., l., m., n.** and **o.** in Section II – Liability do not apply to damage by fire to premises while rented to you, or temporarily occupied by you with permission of the owner. A separate 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 in Section II – Liability.

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 the 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
 - (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 Medical Expenses 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 Business Liability Coverage, to "bodily injury" or "property damage" resulting from the "hazardous properties" of the "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.
- d.** As used in this exclusion:
- (1)** "By-product material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;
 - (2)** "Hazardous properties" include radioactive, toxic or explosive properties;
 - (3)** "Nuclear facility" means:
 - (a)** Any "nuclear reactor";
 - (b)** Any equipment or device designed or used for:
 - (i)** Separating the isotopes of uranium or plutonium;
 - (ii)** Processing or utilizing "spent fuel"; or
 - (iii)** 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;
 - (4)** "Nuclear material" means "source material", "special nuclear material" or "by-product 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";

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(10) "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 Paragraphs (a) and (b) 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 stockholders.
- e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

- a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

(1) "Bodily injury" or "personal and advertising injury":

(a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), 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" as a consequence of Paragraph (a) above;

(c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph (a) or (b); or

(d) Arising out of his or her providing or failing to provide professional health care services.

(2) "Property damage" to property:

(a) Owned, occupied or used by,

(b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by

you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

c. Any person or organization having proper temporary custody of your property if you die, but only:

(1) With respect to liability arising out of the maintenance or use of that property; and

(2) Until your legal representative has been appointed.

d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this policy.

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 of Section II – Liability 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.

3. The most we will pay under Business Liability Coverage for damages because of "property damage" to a 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 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" or "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 Paragraph a. or 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 one 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.

The Limits of Insurance of Section II – Liability 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 policy.

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

a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "occurrence" or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

c. You and any other involved insured must:

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- (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.

3. Legal Action Against Us

No person or organization has a right under this policy:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this policy unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this policy or that are in excess of the applicable Limit of Insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Separation Of Insureds

Except with respect to the Limits of Insurance of Section II – Liability, 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.

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 purposes of this definition:

- a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
- b. Regarding websites, only that part of a website that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

2. "Auto" means:

- a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
- b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

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

4. "Coverage territory" means:

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
- b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph a. above; or
- c. All other parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you in the territory described in Paragraph a. above;
 - (2) The activities of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business; or
 - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication;

provided the insured's responsibility to pay damages is determined in a "suit" on the merits in the territory described in Paragraph a. above or in a settlement we agree to.

5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.
7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
- a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;
- if such property can be restored to use by:
- (1) The repair, replacement, adjustment or removal of "your product" or "your work"; or
 - (2) Your fulfilling the terms of the contract or agreement.
9. "Insured contract" means:
- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
 - b. A sidetrack agreement;
 - c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
 - d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
 - e. An elevator maintenance agreement;
 - f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.
- Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
 - (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
 - (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in Paragraph (2) above and supervisory, inspection or engineering services.
10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
11. "Loading or unloading" means the handling of property:
- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
 - b. While it is in or on an aircraft, watercraft or "auto"; or
 - c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;
- but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".
12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;

BUSINESSOWNER'S POLICY

- 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, on which are permanently mounted:
 - (1)** Power cranes, shovels, loaders, diggers or drills; or
 - (2)** Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e.** Vehicles not described in Paragraph **a.**, **b.**, **c.** or **d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1)** Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2)** Cherry pickers and similar devices used to raise or lower workers;
- f.** Vehicles not described in Paragraph **a.**, **b.**, **c.** or **d.** above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1)** Equipment designed primarily for:
 - (a)** Snow removal;
 - (b)** Road maintenance, but not construction or resurfacing; or
 - (c)** Street cleaning;
- (2)** Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3)** Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

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

- 13.** "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
- 14.** "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
 - a.** False arrest, detention or imprisonment;
 - b.** Malicious prosecution;
 - c.** The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
 - d.** Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - e.** Oral or written publication, in any manner, of material that violates a person's right of privacy;
 - f.** The use of another's advertising idea in your "advertisement"; or
 - g.** Infringing upon another's copyright, trade dress or slogan in your "advertisement".
- 15.** "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 16.** "Products-completed operations hazard":
 - a.** Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
 - (1)** Products that are still in your physical possession; or
 - (2)** Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
 - (a)** When all of the work called for in your contract has been completed.
 - (b)** When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
 - (c)** When that part of the work done at the job site has been put to its intended use by any other 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; or
 - (2)** The existence of tools, uninstalled equipment or abandoned or unused materials.

17. "Property damage" means:

- a.** Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b.** Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage", or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a.** An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b.** Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

20. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

21. "Your product":

a. Means:

- (1)** Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a)** You;
 - (b)** Others trading under your name; or
 - (c)** A person or organization whose business or assets you have acquired; and
- (2)** Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes:

- (1)** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
- (2)** The providing of or failure to provide warnings or instructions.

c. Does not include vending machines or other property rented to or located for the use of others but not sold.

22. "Your work":

a. Means:

- (1)** Work or operations performed by you or on your behalf; and
- (2)** Materials, parts or equipment furnished in connection with such work or operations.

b. Includes:

- (1)** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- (2)** The providing of or failure to provide warnings or instructions.

**SECTION III – COMMON POLICY CONDITIONS
(APPLICABLE TO SECTION I – PROPERTY AND
SECTION II – LIABILITY)**

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. Five 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 as it relates to this policy at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This 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

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

F. Insurance Under Two Or More Coverages

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. Other Insurance

1. If there is other insurance covering the same loss or damage, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance of Section I – Property.
2. Business Liability Coverage is excess over:
 - a. Any other insurance that insures for direct physical loss or damage; or

- b. Any other primary insurance available to you covering liability for damages arising out of the premises or operations for which you have been added as an additional insured by attachment of an endorsement.

3. When this insurance is excess, we will have no duty under Business Liability Coverage to defend any claim or "suit" that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

I. Premiums

1. The first Named Insured shown in the Declarations:
 - a. Is responsible for the payment of all premiums; and
 - b. Will be the payee for any return premiums we pay.
2. The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.
3. With our consent, you may continue this policy in force by paying a continuation premium for each successive one-year period. The premium must be:
 - a. Paid to us prior to the anniversary date; and
 - b. Determined in accordance with Paragraph 2. above.

Our forms then in effect will apply. If you do not pay the continuation premium, this policy will expire on the first anniversary date that we have not received the premium.

4. Undeclared exposures or 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.

J. 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 and send notice to the first Named Insured. The due date for audit premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
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.

K. Transfer Of Rights Of Recovery Against Others To Us

1. Applicable to Businessowners Property Coverage:

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

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

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

This will not restrict your insurance.

2. Applicable to Businessowners Liability Coverage:

If the insured has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them. This condition does not apply to Medical Expenses Coverage.

L. 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.

BUSINESSOWNERS POLICY DECLARATIONS

Issued: 05/16/2023

Policy No.: TOBP488722

Effective Date: 06/27/2023

SCHEDULE OF FORMS AND ENDORSEMENTS

<u>Form Number</u>	<u>Title</u>
RENEWALNOTICE	Important Information Regarding Your Renewal
PN 99 MU 07 05 21	Cyber Incident Exclusion Notice
PN MU 12 12 21	Notice to Policyholders Regarding Duties After A Loss - Peril of Hail Endorsement
IIT DS 10 21	Businessowners Policy Declarations
BP 00 03 01 10	Businessowners Coverage Form
BP IN 01 01 10	Businessowners Coverage Form Index
END SCHD	Schedule Of Forms And Endorsements
BP SMOKING	Apartment Building Smoking Flyer
IL 99 00 08 13	Authorization and Attestation
IL P 001 01 04	U.S. Treasury Department's Office Of Foreign Assets Control (OFAC) Advisory Notice To Policyholder
PRIV POL	Privacy Policy
BP 99 CO 09 16	CO Policy Customizations
BP 01 81 03 15	Colorado Changes
BP 03 12 01 10	Windstorm or Hail Percentage Deductibles
BP 04 12 04 17	Limitation of Coverage to Designated Premises, Project or Operation
BP 04 17 01 10	Employment - Related Practices Exclusion
BP 04 46 01 06	Ordinance or Law Coverage
BP 05 01 07 02	Calculation Of Premium
BP 05 15 12 20	Disclosure Pursuant To Terrorism Risk Insurance Act
BP 05 23 01 15	Cap On Losses From Certified Acts Of Terrorism
BP 05 38 01 15	Exclusion Of Other Acts Of Terrorism Committed Outside The United States; Cap On Losses From Certified Acts Of Terrorism
BP 05 42 01 15	Exclusion Of Punitive Damages Related To A Certified Act Of Terrorism
BP 05 47 01 10	Computer Fraud And Funds Transfer Fraud
BP 07 75 01 10	Apartment Buildings
BP 15 04 05 14	Exclusion – Access or Disclosure of Confidential or Personal Information and Data-related Liability - With Limited Bodily Injury Exception
BP 17 01 01 06	Condominium Association Coverage
BP 99 04 01 10	Equipment Breakdown Coverage
BP 99 09 01 10	Fungi or Bacteria Coverage Exclusion
BP 99 10 09 08	Exclusion – Liability for Hazards of Lead
BP 99 11 09 08	Exclusion – Bed Bug - Kissing Bug
BP 99 142 07 15	Colorado - Condominiums, Co-ops, Associations - Directors and Officers Liability Endorsement
BP 99 188 06 16	Deductible Endorsement - Property
BP 99 249 07 17	Exclusion of Cosmetic Damage to Roof Coverings Caused by Hail - Scheduled Buildings
BP 99 412 01 20	Duties After a Loss - Peril of Hail
BP 99 421 03 21	Cyber Incident Exclusion
BP 99 60 03 12	Water Back-up and Sump Overflow
BP 99 64 03 12	Business Income Changes - Time Period
BP 99 91 11 14	Data Compromise Coverage

PN CO 01 07 20

Colorado Claims - Made Policyholder Notice



***DON'T BE
THE CAUSE!***

Each year, smoking-related fires result in millions of dollars in damages to property and structures as well as injuries and death.

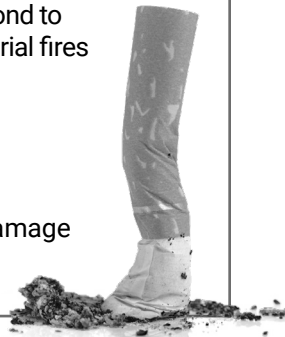
Risks can be minimized by following best-practices like: (1) discouraging or prohibiting smoking within residences; (2) emphasizing the importance of properly disposing cigarette/cigar butts and matches; (3) establishing designated outside smoking areas away from buildings or structures; and (4) providing outdoor ashtrays or receptacles where smokers can safely dispose of smoking materials.

THE IMPACT OF SMOKING FIRES

Annually, U.S. fire departments respond to approximately 18,100 smoking-material fires that result in:

- **590** deaths
- **1,130** injuries
- **\$476 million** in direct property damage

*annual averages from 2012-2016.



Other tips for homeowners, tenants, and businesses include:

- Smoke outside.
- Don't throw smoking materials (butts, matches, ashes, etc.) into vegetation, potted plants, dried grass areas, mulch, or landscaping.
- If you are drowsy, put out your cigarette, cigar, etc.
- When smoking, use deep, sturdy ashtrays placed on a sturdy solid, hard-to-ignite surface.
- Never leave a lit cigarette, cigar, etc. unattended.
- Never smoke in an area where oxygen is used.
- Before you throw out butts and ashes, make sure they are OUT. (Dowsing in water or sand is best.)
- Periodically check and clean designated smoking areas; look under and between furniture cushions and in other places for materials that may have fallen out of sight.

Contact us: ☎ 1-800-673-2465 @ csr@guard.com 🌐 www.guard.com



*Source: "Home Fires Started by Smoking" January 2019 National Fire Protection Association (NFPA). <https://www.nfpa.org/News-and-Research/Data-research-and-tools/US-Fire-Problem/Smoking-Materials>

This information is provided by Berkshire Hathaway GUARD Insurance Companies (BHIGIC) with principal place of business at 39 Public Square, Wilkes-Barre, PA 18701 and is designed to provide a general overview, and should NOT replace the guidance, advice, or recommendations from licensed insurance or legal professionals, other industry experts, or state and federal authorities. © BHIGIC September 2020.

THIS ENDORSEMENT AUTHORIZES THE POLICY.

AUTHORIZATION AND ATTESTATION

This endorsement authorizes the insurance contract between you and the GUARD insurance company subsidiary listed on the DECLARATIONS PAGE of your insurance policy.

In Witness Whereof, this page executes and fully attests to this policy. If required by state law, the policy shall not be valid unless countersigned by our authorized representatives.

Authorizing signatures



Matthew O'Connor
General Counsel and Secretary



Sy Foguel, ACAS, FILAA
Chief Executive Officer and President

U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site – <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

PRIVACY POLICY

Rev. February, 2020

WHAT DO BERKSHIRE HATHAWAY GUARD INSURANCE COMPANIES DO WITH YOUR PERSONAL INFORMATION?

FACTS	
	Berkshire Hathaway GUARD Insurance Companies include: AmGUARD Insurance Company, AZGUARD Insurance Company, EastGUARD Insurance Company, NorGUARD Insurance Company, WestGUARD Insurance Company, GUARDCo, Inc., (a medical management affiliate).
Why?	Financial Companies choose how they share your personal information. Federal and State 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?	The types of personal information we collect and share depend upon the product or service you have with us. This information can include: <ul style="list-style-type: none"> • Social Security Number, date of birth, driving record, income • Credit history, credit-based insurance scores, insurance claim history, payment history When you are no longer our customer, we continue to share your information as described in this notice.
How?	All financial companies may need to share customers' personal information to run their everyday business. In the section below, we list the reasons insurance companies share their customers' personal information; the reasons we choose to share; and whether you can limit this sharing.

REASONS WE CAN SHARE YOUR PERSONAL INFORMATION	Does Berkshire Hathaway GUARD share?	Can you limit this sharing?
For our everyday business purposes— such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, comply with government agency examinations/procedures, or report your creditworthiness.	Yes	No
For our marketing/processing purposes— to offer our products and services to you. (We may also disclose information received from you with companies that perform services for us.)	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.	Yes	Yes
For our affiliates to market to you	Yes	Yes
For non-affiliates to market to you	Yes	Yes
To limit our sharing	Call Customer Service at 1-800-673-2465 or visit us online at www.guard.com/privacy/ . Please note: If you are a new customer, we can begin sharing your information 30 days from the date we provided this notice. When you are no longer our customer, we continue to share your information as described in this notice in accordance with applicable law. However, you can contact us at any time to limit our sharing in accordance with the table above.	
Questions?	Call Customer Service at 1-800-673-2465.	

Who we are	
Who is providing this notice?	Berkshire Hathaway GUARD Insurance Companies (including property and casualty licensees AmGUARD Insurance Company, AZGUARD Insurance Company, NorGUARD Insurance Company, EastGUARD Insurance Company, and/or WestGUARD Insurance Company as well as GUARDCo, Inc.) is providing this notice. References in this form to "us", "we" or "our" refers to these companies.
What we do	
How do we protect your personal information?	To protect your personal information from unauthorized access and use, we implement security measures that comply with applicable law. These measures include computer safeguards and secured files and buildings.
How do we collect your personal information?	<p>We collect your personal information, for example, when you:</p> <ul style="list-style-type: none"> • apply for insurance • pay insurance premiums • file an insurance claim • give us your income information • give us your contact information. <p>We also collect your personal information from others (such as credit bureaus, affiliates, or other companies) including, for example, from:</p> <ul style="list-style-type: none"> • your insurance agent or producer • your transactions with our affiliates listed below or other consumer reporting agencies.
Why can't I limit all sharing?	<p>Applicable law gives you the right to limit only:</p> <ul style="list-style-type: none"> • sharing for affiliates everyday business purposes – information about your creditworthiness and insurability • affiliates from using your information to market to you • sharing for non-affiliates to market to you.
What happens when I limit sharing for a policy I hold jointly with someone else?	Your choices will apply to everyone on your policy.
Definitions	
Affiliates	<i>Companies (other than the companies identified in "Facts" above) that are related to us by common ownership or control of Berkshire Hathaway Inc. Affiliates can be financial and nonfinancial companies.</i>
Non-affiliates	<i>Companies not related to us by common ownership or control, which can be financial and nonfinancial companies.</i>
Marketing	<i>The promotion or advertising of insurance products or services to you. Marketing partners may include, but are not limited to, insurance licensees such as insurance agents appointed by us or their affiliates.</i>
Other Important Information	
Important Information about Credit Reporting: We may report information about your account to credit bureaus. Late payments, missed payments or other defaults on your account may be reflected in your credit report.	
For California Residents: If you opt out, we will not share information we collect about you with nonaffiliated third parties, except as permitted by California law, such as to process your transactions or to maintain your account. Please visit www.guard.com/privacy-policy/ to review our California Privacy Policy.	
For Vermont Residents: We will not disclose information about your creditworthiness to our affiliates and will not disclose your personal information, financial information, credit report, or health information to nonaffiliated third parties to market to you, other than as permitted by Vermont law, unless you authorize us to make those disclosures.	

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CO POLICY CUSTOMIZATIONS

This endorsement modifies insurance provided under the following:

BUSINESSOWNER'S COVERAGE FORM

The following is a summary of the coverages and limits provided by this endorsement. For complete details on specific coverages, see the applicable coverage wording. The limits of insurance stated in this endorsement apply unless higher limits are shown in the Declarations.

SCHEDULE OF LIMIT CHANGES

Section I – Property

<u>Coverage</u>	<u>BP 00 03 Limit</u>	<u>Revised Limit</u>
Accounts Receivable	\$10,000 at premises \$5,000 not at premises	\$25,000 at premises \$25,000 not at premises
Appurtenant Structures	n/a	\$50,000
Awnings	Included in Building Limit	\$2,500
Employee Dishonesty	Optional	\$10,000
Fire Department Service Charge	\$2,500	\$25,000
Forgery Or Alteration	\$2,500	\$10,000
Loss or Damage by Theft		
Jewelry, Watches, etc.	\$2,500	\$5,000
Newly Acquired Or Constructed Property		
Buildings	\$250,000	25% Buildings Limit/ \$500,000 each Building
Business Personal Property	\$100,000	\$250,000
Outdoor Property / any one tree, shrub or plant	\$2,500 / \$500	\$10,000 / \$1,000
Outdoor Signs attached to buildings	\$1,000	\$5,000
Personal Effects	\$2,500	\$5,000
Premises Boundary Increased	100 feet	1,000 feet
Valuable Papers And Records	\$10,000 at premises \$5,000 not at premises	\$25,000 at premises \$25,000 not at premises

Section II – Liability

<u>Coverage</u>	<u>BP 00 03 Limit</u>	<u>Revised Limit</u>
Supplementary Payments - Cost Of Bail Bonds	\$250	\$1,000
Supplementary Payments - Loss Of Earnings	\$250	\$500/day

CO POLICY CUSTOMIZATIONS

Any reference in **Section I — Property** of the Businessowner's Coverage Form to within 100 feet of the described premises is amended to read within 1,000 feet of the described premises.

Section I – Property, A.1., Covered Property is amended as follows:

1. The following is added to Paragraph **a.**
 - (7) Building Glass, meaning glass that is part of a building or structure.

Section I – Property, A.4., Limitations is amended as follows:

1. Paragraph **b.(2)** is deleted.
2. Paragraph **c.** is deleted and replaced with the following:
 - c.** For loss or damage by theft, the following types of property are covered only up to the limits shown:
 - (1) \$2,500 for furs, fur garments and garments trimmed with fur.
 - (2) \$5,000 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$500 or less per item.
 - (3) \$2,500 for patterns, dies, molds and forms.
3. Paragraph **d.** is added:
 - d.** For loss or damage by any covered cause of loss, we will only pay up to \$2,500 per occurrence for awnings.

Section I – Property, A.5., Additional Coverages is amended as follows:

1. Paragraph **c. Fire Department Service Charge** is replaced with the following:

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$25,000, unless a different limit is shown in the Declarations, for your liability for fire department service charges:

 - (1) Assumed by contract or agreement prior to loss; or
 - (2) Required by local ordinance.
2. Paragraph **k. - Forgery Or Alteration - Paragraph (4)** is replaced with the following:
 - (4) The most we will pay for any loss, including legal expenses, under this Additional Coverage is \$10,000, unless a higher Limit of Insurance is shown in the Declarations.

Section I – Property, A.6., Coverage Extensions is amended as follows:

1. The last paragraph in Paragraph **a. – Newly Acquired Or Constructed Property** under **(1) Buildings** is replaced with the following:

The most we will pay in any one occurrence for loss or damage under this Extension is 25% of the Limit of Insurance for Buildings shown in the Declarations, but not more than \$500,000 at each building.
2. The last paragraph in Paragraph **a. – Newly Acquired Or Constructed Property** under **(2) Business Personal Property** is replaced with the following:

The most we will pay for loss or damage under this Extension is \$250,000 at each building.
3. The last sentence in Paragraph **b. – Personal Property Off-premises** is amended as follows:

The most we will pay for loss or damage under this Extension is \$10,000, unless a higher Limit of Insurance for Personal Property Off-premises is shown in the Declarations.
4. Paragraph **c. - Outdoor Property** is replaced with the following:
 - c. Outdoor Property**

You may extend the insurance provided by this policy to apply to your outdoor:

 - (1) Fences, signs (other than signs attached to buildings), trees, shrubs and plants, including debris removal expense. Loss or damage must be caused by or result from any of the following causes of loss:
 - (a) Fire;
 - (b) Lightning;
 - (c) Explosion;
 - (d) Riot or Civil Commotion; or
 - (e) Aircraft.
 - (2) Radio and television antennas (including satellite dishes), including debris removal expense. Loss or damage must be caused by or result from any of the following causes of loss:
 - (a) Fire;
 - (b) Lightning;
 - (c) Windstorm;
 - (d) Ice, Snow, Sleet or Hail;
 - (e) Explosion;
 - (f) Riot or Civil Commotion; and
 - (g) Aircraft.

The most we will pay for loss or damage under this Extension is \$10,000, unless a higher Limit of Insurance for Outdoor Prop-

erty is shown in the Declarations, but not more than \$1,000 for any one tree, shrub or plant.

5. Paragraph **d. – Personal Effects** is replaced with the following:

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

- (1) Tools or equipment; or
- (2) Loss or damage by theft.

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

6. Paragraph **e. – Valuable Papers And Records** Paragraph (3) is replaced with the following:

- (3) The most we will pay under this Coverage Extension for loss or 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 is \$25,000.

7. Paragraph **f. – Accounts Receivable** Paragraph (2) is replaced with the following:

- (2) The most we will pay under this Coverage Extension for loss or damage in any one occurrence at the 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.

8. Paragraph **f. – Accounts Receivable** Paragraph (3) is replaced with the following:

- (3) Paragraph **B. Exclusions** in **SECTION I – PROPERTY** 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.f. Dishonesty**;
- (e) Paragraph **B.2.g. False Pretense**;
- (f) Paragraph **B.2.o. Electrical Disturbance**

- (g) Paragraph **B.3.**; and
- (h) Paragraph **B.6. Accounts Receivable Exclusion.**

9. Paragraph **g. – Appurtenant Structures** is added:

g. Appurtenant Structures

- (1) When there is a Building Limit of Insurance shown in the Declarations at the described premises, you may extend the insurance provided by this Coverage Form to apply to direct physical loss or damage caused by or resulting from a Covered Cause of Loss to incidental appurtenant structures within 1,000 feet of the described premises.
- (2) When there is a Business Personal Property Limit of Insurance shown in the Declarations at the described premises, you may extend the insurance provided by this Coverage Form to apply to direct physical loss or damage caused by or resulting from a Covered Cause of Loss to Business Personal Property within incidental appurtenant structures within 1,000 feet of the described premises.
- (3) Incidental appurtenant structures include storage buildings, carports, garages and similar structures which have not been specifically described in the Declarations.

The most we will pay for loss or damage under this Coverage Extension in any one occurrence for any combination of loss or damage to Building and Business Personal Property is \$50,000.

Section I – Property, B. Exclusions 2. is amended as follows:

- 1. Paragraph **q. Asbestos** is added:

q. Asbestos

Any loss, damage or expense which would not have occurred in whole or in part but for the presence of asbestos.

Section I – Property, C. Limits Of Insurance is amended as follows:

- 1. Paragraph **2.** is replaced with the following:
- 2. The most we will pay for loss of or damage to outdoor signs attached to buildings is \$5,000 per sign in any one occurrence.

Section I – Property, G. Optional Coverages is amended as follows:

CO POLICY CUSTOMIZATIONS

1. Paragraph **3. – Employee Dishonesty** Paragraph **c.** is replaced with the following:

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.

Section II – Liability, A. Coverages is amended as follows:

1. Under **Business Liability** Paragraph **f., Coverage Extension – Supplementary Payments**, Paragraph **(1)**, sections **(b)**, **(c)** and **(d)** are replaced with the following:
 - (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 actual loss of earnings up to \$500 a day because of time off from work.

Section II – Liability, B. Exclusions is amended as follows:

1. Under **1., Applicable To Business Liability Coverage**, Paragraph **a., Expected Or Intended Injury** is deleted and replaced with the following:
 - a. **Expected Or Intended Injury**
"Bodily injury" or "property damage" (including any unexpected or unintended portion thereof) if any "bodily injury" or "property damage" was expected or intended from the standpoint of any insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.
2. Under **1., Applicable To Business Liability Coverage**, Paragraph **j., Professional Services (8) and (9)** are amended and **(10)** is added as follows:
 - (8) Any body piercing services (not including ear lobe piercing), tattooing and similar services;
 - (9) Services in the practice of pharmacy; and
 - (10) Computer or software design, advice or consultation, programming services including virus protection, firewall or web site design.

3. Under **1., Applicable To Business Liability Coverage**, Paragraph **k., Damage To Property**, the following is added to the last paragraph:

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.

4. Under **1., Applicable To Business Liability Coverage**, Paragraph **m., Damage To Your Work**, the following is deleted:

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.

5. Under **1., Applicable To Business Liability Coverage**, Paragraph **p. Personal And Advertising Injury**, Paragraph **(1)** is deleted and replaced with the following:

- (1) Caused by or at the direction of or with the consent or acquiescence of any insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury";

6. Under **1., Applicable To Business Liability Coverage**, Paragraph **p., Personal and Advertising Injury**, the following is added:

(14) Arising out of:

- (a) Your placement of advertising for others on your web site or a link to or a reference to a web site or web address of others on your web site.
- (b) Your placement of content or company brand or product information from others on your web site or on any frame or border within your web site.
- (c) Software or programming related to your web site's design, appearance or functions.

(15) Arising out of discrimination, harassment or humiliation by an officer, director, member or partner of the insured.

(16) Arising out of representations made by you or your agents regarding the value or suitability of any securities, or the fluctuation in value or price of any stocks, bonds or other securities.

(17) Violation of antitrust laws, state and federal laws governing restrictions on trade, unfair competition or deceptive advertising.

7. Under 1., **Applicable To Business Liability Coverage**, Paragraph **r. Criminal Acts** is deleted and replaced with the following:

r. Criminal Acts

"Bodily injury", "property damage", or "personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

8. Under 1., **Applicable To Business Liability Coverage**, Paragraphs **t., u. and v.** are added as follows:

t. Asbestos

(1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of an exposure or threat of exposure to the actual or alleged properties of asbestos and includes the mere presence of asbestos in any form.

(2) Any damages, judgments, settlements, loss, costs or expenses that:

(a) May be awarded or incurred by reason of any claim or "suit" alleging actual or threatened injury or damage of any nature or kind to persons or property which would not have occurred in whole or in part but for the presence of asbestos;

(b) Arise out of any request, demand, order to statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, encapsulate, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of an asbestos presence; or

(c) Arise out of any claim or suit for damages because of testing for, monitoring, cleaning up, removing, encapsulating, containing, treating, detoxifying or neutralizing or in any way responding to or assessing the effect of an asbestos presence.

u. Nuclear Hazard

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

v. Fungi Or Bacteria

(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 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.

Section II – Liability, D, Liability And Medical Expenses Limits Of Insurance is amended as follows:

1. Paragraph 2. is replaced with the following:

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" including "Bodily injury" and "property damage" under the "products-completed operations hazard"; and

b. "Personal and advertising injury" sustained by any one person or organization;

is the Liability and Medical Expenses – Each Occurrence 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.

2. Paragraph 4. is replaced with the following:

4. Aggregate Limits

Regardless of the number of occurrences and subject to the Liability and Medical Expenses-Each Occurrence limit, 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-Each Occurrence limit. This limit is shown in the declarations as "Products and Completed Operations Aggregate".

- b. All:
 - (1) "Bodily injury" and "property damage" except damages because of "bodily injury" or "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-Each Occurrence limit shown in the Declarations. This limit is shown in the declarations as "General Aggregate (other than Products and Completed Operations Aggregate)".

Subject to Paragraph a. or 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 one 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.

The Limits of Insurance of Section II – Liability apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

Section II – Liability, E. Liability And Medical Expense General Conditions is amended as follows:

- 1. Under **2., Duties In The Event Of Occurrence, Offense, Claim Or Suit**, Paragraphs **e.** and **f.** are added as follows:
 - e. If we cover a claim or "suit" under this coverage that may also be covered by other insurance available to an additional insured, such insurance if any, shall be primary, and such additional insured must submit such claim or suit to the other insurer for defense and indemnity.
 - f. Paragraphs **a.** and **b.** apply to you or to any additional insured only when such "occur-

rence," offense, claim or suit is known to you or any additional insured or your or any additional insured's partner, limited liability company manager, executive officer, trustee or political official if you or any additional insured is a political subdivision or agency. This Paragraph **f.** applies separately to you and any additional insured.

- 2. Paragraph **5. Representations** is added as follows:

5. Representations

When You Accept This Policy

By accepting this policy, you agree:

- a. The statements in the Declaration 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.

Section II – Liability, F. Liability And Medical Expense Definitions is amended as below:

- 1. Paragraph **23.** is added as below:
 - 23.** "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.

COLORADO CHANGES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM
INFORMATION SECURITY PROTECTION ENDORSEMENT

A. Section II – Liability is amended as follows:

The term "spouse" is replaced by the following:

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

B. Section III – Common Policy Conditions is amended as follows:

1. Paragraph **A.2. Cancellation** is replaced by the following:

2. If this Policy has been in effect for less than 60 days, we may cancel this Policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

- a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- b. 30 days before the effective date of cancellation if we cancel for any other reason.

2. The following is added to Paragraph **A. Cancellation**:

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

a. If this Policy has been in effect for 60 days or more, or is a renewal of a policy we issued, we may cancel this Policy by mailing through first-class mail to the first Named Insured written notice of cancellation:

- (1) Including the actual reason, at least 10 days before the effective date of cancellation, if we cancel for nonpayment of premium; or
- (2) At least 45 days before the effective date of cancellation if we cancel for any other reason.

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

- (1) Nonpayment of premium;

(2) A false statement knowingly made by the insured on the application for insurance; or

(3) A substantial change in the exposure or risk other than that indicated in the application and underwritten as of the effective date of the Policy unless the first Named Insured has notified us of the change and we accept such change.

3. Paragraph **C. Concealment, Misrepresentation Or Fraud** is replaced by the following:

C. Concealment, Misrepresentation Or Fraud

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

1. Concealment or misrepresentation of a material fact; or

2. Fraud;

committed by you or any other insured at any time and relating to coverage under this Policy.

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

Nonrenewal

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

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

5. The following paragraph is added:

Increase In Premium Or Decrease In Coverage

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

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

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

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

C. The following changes apply only to Information Security Protection Endorsement **BP 15 07** if it is attached to this Policy:

1. Paragraph **(2)** of Insuring Agreement **d. Security Breach Liability** is replaced by the following:

(2) We will pay for "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 **d.(1)**.

2. Paragraphs **2.b.** and **e.** of Paragraph **N. Extended Reporting Periods** are replaced by the following:

- b. The Supplemental Reporting Period will not be available if you fail to pay any amounts owed us.
- e. You must give us a written request for the Supplemental Extended Reporting Period within 60 days after the end of the "policy period" or the effective date of cancellation, whichever comes first.

3. The following is added to Paragraph **P.** and supersedes any provision to the contrary:

Your Right To Liability Claims Information

We will provide the Named Insured shown in the Declarations the following information relating to this and any preceding Information Security Protection Endorsement we have issued to you during the previous three years:

- a. A list or other record of each "claim" or "loss", or of an occurrence, offense or situation that may result in a "claim" or a "loss", not previously reported to any other insurer, of which we were notified in accordance with the Duties In The Event Of Claim Or Loss Condition in Paragraph **M.** We will include the date and brief description of the "claim" or "loss", or of the occurrence, offense or situation that may result in a "claim" or a "loss", if that information was in the notice we received.
- b. A summary by policy year, of payments made and amounts reserved, stated separately, under any applicable Aggregate Limit.

Amounts reserved are based on our judgment. They are subject to change and should not be regarded as ultimate settlement values.

If we cancel or elect not to renew this Endorsement, we will provide such information no later than 30 days before the date of policy termination. In other circumstances, we will provide this information only if we receive a written request from the first Named Insured within 60 days after the end of the policy period. In this case, we will provide the information within 30 days of receipt of the request.

We compile "claim" and "loss" information, and information about an occurrence, offense or situation that may result in a "claim" or a "loss", for our own business purposes and exercise reasonable care in doing so. In providing this information to the first Named Insured, we make no representations or warranties to insureds, insurers or others to whom this information is furnished by or on behalf of any insured. Cancellation or nonrenewal will be effective even if we inadvertently provide inaccurate information.

4. Paragraph **d.** of the definition of "loss" in Paragraph **V.** is replaced by the following:

d. With respect to Insuring Agreements **d.** Security Breach Liability and **g.** Web Site Publishing Liability:

Compensatory damages, settlement amounts and costs awarded pursuant to judgments or settlements.

"Loss" does not include:

(1) Civil or criminal fines or penalties imposed by law;

(2) Punitive or exemplary damages;

(3) The multiplied portion of multiplied damages;

(4) Taxes;

(5) Royalties;

(6) The amount of any disgorged profits; or

(7) Matters that are uninsurable pursuant to law.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLES**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Premises Number	Windstorm or Hail Deductible Percentage (Enter 0.25%, 0.50%, 1%, 2% or 5%)
Location 001, Building 002	5%
Location 001, Building 001	2%
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

The following provisions apply to **Section I – Property**:

The Windstorm or Hail Deductible, as shown in the Schedule and set forth in this endorsement, applies to covered loss or damage caused directly or indirectly by Windstorm or Hail. This Deductible applies to each occurrence of Windstorm or Hail.

With respect to Covered Property at a premises identified in the Schedule, no other deductible applies to Windstorm or Hail.

Nothing in this endorsement implies or affords coverage for any loss or damage that is excluded under the terms of the Water Exclusion or any other exclusion in this policy. If this policy is endorsed to cover Flood under the Flood Coverage Endorsement (or if you have a flood insurance policy), a separate Flood Deductible applies to loss or damage attributable to Flood, in accordance with the terms of that endorsement or policy.

WINDSTORM OR HAIL DEDUCTIBLE CALCULATION

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the Limit(s) of Insurance applicable to the property that has sustained loss or damage. This Deductible is calculated separately for, and applies separately to:

1. Each building that sustains loss or damage;
2. The personal property at each building at which there is loss or damage to personal property;

3. Personal property in the open.

If there is damage to both a building and personal property in that building, separate deductibles apply to the building and to the personal property.

We will not pay for loss or damage until the amount of loss or damage exceeds the Deductible. We will then pay the amount of loss or damage in excess of the Deductible, up to the applicable Limit(s) of Insurance.

When property is covered under the Coverage Extension for Newly Acquired Or Constructed Property: In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to a percentage of the value(s) of the property at the time of loss. The applicable percentage for Newly Acquired Or Constructed Property is the highest percentage shown in the Schedule for any described premises.

EXAMPLE – APPLICATION OF DEDUCTIBLE

The amounts of loss to the damaged property are \$60,000 (building) and \$40,000 (personal property in building).

The actual Limits of Insurance on the damaged property are \$80,000 on the building and \$64,000 on the personal property.

The Deductible is 2%.

BUILDING

Step (1): \$80,000 X 2% = \$1,600

Step (2): \$60,000 – \$1,600 = \$58,400

PERSONAL PROPERTY

Step (1): $\$64,000 \times 2\% = \$1,280$

Step (2): $\$40,000 - \$1,280 = \$38,720$

The most we will pay is \$97,120 (\$58,400 + \$38,720).
The portion of the total loss that is not covered due to the application of the Deductible is \$2,880 (\$1,600 + \$1,280).

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**LIMITATION OF COVERAGE TO DESIGNATED
PREMISES, PROJECT OR OPERATION**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

<p>A. Premises:</p> <p>Coverage is limited to premises on dec page</p>
<p>B. Project Or Operation:</p>
<p>Information required to complete this Schedule, if not shown above, will be shown in the Declarations.</p>

Section II – Liability is amended as follows:

A. Paragraph A.1.b.(1) is replaced by the following:

- (1)** To "bodily injury" and "property damage" caused by an "occurrence" that takes place in the "coverage territory" only if:
 - (a)** The "bodily injury" or "property damage":
 - (i)** Occurs on the premises shown in the Schedule or the grounds and structures appurtenant to those premises; or
 - (ii)** Arises out of the project or operation shown in the Schedule;
 - (b)** The "bodily injury" or "property damage" occurs during the policy period; and

- (c)** Prior to the policy period, no insured listed under Paragraph **C.1. Who Is An Insured** and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known before the policy period.

B. Paragraph A.1.b.(2) is replaced by the following:

- (2)** To "personal and advertising injury" caused by an offense committed in the "coverage territory" but only if:
 - (a)** The offense arises out of your business:
 - (i)** Performed on the premises shown in the Schedule; or

- (ii) In connection with the project or operation shown in the Schedule; and
- (b) The offense was committed during the policy period.

However, with respect to Paragraph **A.1.b.(2)(a)(i)**, if the "personal and advertising injury" is caused by:

- (a) False arrest, detention or imprisonment; or
- (b) The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;

then such offense must arise out of your business performed on the premises shown in the Schedule and the offense must have been committed on the premises shown in the Schedule or the grounds and structures appurtenant to those premises.

C. Paragraph A.2.a. Medical Expenses is replaced by the following:

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident that takes place in the "coverage territory" if the "bodily injury":
 - (1) Occurs on the premises shown in the Schedule or the grounds and structures appurtenant to those premises; or
 - (2) Arises out of the project or operation shown in the Schedule;

provided that:

- (a) The accident takes place during the policy period;
- (b) The expenses are incurred and reported to us within one year of the date of the accident; and
- (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYMENT-RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following exclusion is added to Paragraph **B.1. Exclusions – Applicable To Business Liability Coverage** in **Section II – Liability**:

This insurance does not apply to "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; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or

- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" or "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraph (a), (b) or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraph (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ORDINANCE OR LAW COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Prem. No.	Bldg. No.	Coverage 1 (Check If Applies)	Coverage 2 Limit Of Insurance	Coverage 3 Limit Of Insurance	Coverages 2 and 3 Combined Limit Of Insurance*
001	001	X	\$ 100,000	\$ 250,000	\$
Business Income And Extra Expense Optional Coverage Enter Yes Or No: No					
Number Of Hours Waiting Period For Period Of Restoration Applicable To Business Income And Extra Expense Optional Coverage:					
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.:					
*Do not enter a Combined Limit of Insurance if individual Limits of Insurance are selected for Coverages 2 and 3, or if one of these Coverages is not applicable.					

Section I – Property is amended as follows:

A. Each Coverage – Coverage 1, Coverage 2 and Coverage 3 – is provided under this endorsement only if that Coverage(s) is chosen by entry in the above Schedule and then only with respect to the building identified for the Coverage(s) in the Schedule.

B. Application Of Coverage(s)

The Coverage(s) provided by this endorsement apply only if both **B.1.** and **B.2.** are satisfied and are then subject to the qualifications set forth in **B.3.**

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

But coverage under this endorsement applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this endorsement.
2. The building sustains direct physical damage:
 - a. That is covered under this policy and such damage results in enforcement of the ordinance or law; or

- b. That is covered under this policy and direct physical damage that is not covered under this policy, and the building damage in its entirety results in enforcement of the ordinance or law.
- c. But if the damage is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this endorsement even if the building has also sustained covered direct physical damage.

3. In the situation described in **B.2.b.** above, we will not pay the full amount of loss otherwise payable under the terms of Coverages 1, 2 and/or 3 of this endorsement. Instead, we will pay a proportion of such loss; meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

(Section **H.** of this endorsement provides an example of this procedure.)

However, if the covered direct physical damage alone would have resulted in enforcement of the ordinance or law, then we will pay the full amount of loss otherwise payable under terms of Coverages 1, 2 and/or 3 of this endorsement.

C. We will not pay under Coverage 1, 2, or 3 of this endorsement for:

1. Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread of any activity of "fungi", wet or dry rot or bacteria; or
2. The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungi", wet or dry rot or bacteria.

D. Coverage

1. Coverage 1 – Coverage For Loss To The Undamaged Portion Of The Building

With respect to the building that has sustained covered direct physical damage, we will pay under Coverage 1 for the loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building. Coverage 1 is included within the Limit of Insurance shown in the Declarations as applicable to the covered building. Coverage 1 does not increase the Limit of Insurance.

2. Coverage 2 – Demolition Cost Coverage

With respect to the building that has sustained covered direct physical damage, we will pay the cost to demolish and clear the site of undamaged parts of the same building, as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged property.

Paragraph **E.5.d. Loss Payment** Property Loss Condition does not apply to Demolition Cost Coverage.

3. Coverage 3 – Increased Cost Of Construction Coverage

With respect to the building that has sustained covered direct physical damage, we will pay the increased cost to:

- a. Repair or reconstruct damaged portions of that building; and/or
- b. Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

when the increased cost is a consequence of enforcement of the minimum requirements of the ordinance or law.

However:

- a. This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.
- b. We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

Paragraph **E.5.d. Loss Payment** Property Loss Condition does not apply to the Increased Cost of Construction Coverage.

E. Loss Payment

1. All following loss payment Provisions **E.2.** through **E.5.**, are subject to the apportionment procedure set forth in Section **B.3.** of this endorsement.

2. When there is a loss in value of an undamaged portion of a building to which Coverage 1 applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:

- a. If the property is repaired or replaced on the same or another premises, we will not pay more than the lesser of:

(1) The amount you actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or

(2) The Limit of Insurance shown in the Declarations as applicable to the covered building.

- b. If the property is **not** repaired or replaced, we will not pay more than the lesser of:

(1) The actual cash value of the building at the time of loss; or

(2) The Limit of Insurance shown in the Declarations as applicable to the covered building.

3. Unless Paragraph **E.5.** applies, loss payment under Coverage 2 – Demolition Cost Coverage will be determined as follows:

We will not pay more than the lesser of the following:

- a. The amount you actually spend to demolish and clear the site of the described premises; or

- b. The applicable Limit of Insurance shown for Coverage 2 in the Schedule above.

4. Unless Paragraph E.5. applies, loss payment under Coverage 3 – Increased Cost of Construction Coverage will be determined as follows:

a. We will not pay under Coverage 3:

- (1) Until the property is actually repaired or replaced, at the same or another premises; and
- (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

b. If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage 3 is the lesser of:

- (1) The increased cost of construction at the same premises; or
- (2) The applicable Limit of Insurance shown for Coverage 3 in the Schedule above.

c. If the ordinance or law requires relocation to another premises, the most we will pay under Coverage 3 is the lesser of:

- (1) The increased cost of construction at the new premises; or
- (2) The applicable Limit of Insurance shown for Coverage 3 in the Schedule above.

5. If a **Combined** Limit of Insurance is shown for Coverages 2 and 3 in the Schedule above, Paragraphs E.2. and E.3. of this endorsement do not apply with respect to the Building property that is subject to the Combined Limit, and the following loss payment provisions apply instead:

The most we will pay, for the total of all covered losses for Demolition Cost and Increased Cost of Construction, is the Combined Limit of Insurance shown for Coverages 2 and 3 in the Schedule above. Subject to this Combined Limit of Insurance, the following loss payment provisions apply:

a. For Demolition Cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.

b. With respect to the Increased Cost of Construction:

- (1) We will not pay for the increased cost of construction:
 - (a) Until the property is actually repaired or replaced, at the same or another premises; and

- (b) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

- (2) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.

- (3) If the ordinance or law requires relocation to another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the new premises.

F. The terms of this endorsement apply separately to each building to which this endorsement applies.

G. Under this endorsement, we will not pay for 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.

H. Example of Proportionate Loss Payment for Ordinance or Law Coverage Losses (procedure as set forth in Section B.3. of this endorsement).

Assume:

- Wind is a Covered Cause of Loss. Flood is an excluded Cause of Loss;
- The building has a value of \$200,000;
- Total direct physical damage to building: \$100,000;
- The ordinance or law in this jurisdiction is enforced when building damage equals or exceeds 50% of the building's value;
- Portion of direct physical damage that is covered (caused by wind): \$30,000;
- Portion of direct physical damage that is not covered (caused by flood): \$70,000; and
- Loss under Ordinance or Law Coverage 3 of this endorsement: \$60,000.

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

$$\frac{\$30,000}{\$100,000} = .30$$

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

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

In this example, the most we will pay under this endorsement for the Coverage 3 loss is \$18,000, subject to the applicable Limit of Insurance and any other applicable provisions.

NOTE: The same procedure applies to losses under Coverages 1 and 2 of this endorsement.

- I. If shown as applicable in the Schedule of this endorsement, the following applies:

**BUSINESS INCOME AND EXTRA EXPENSE
OPTIONAL COVERAGE**

1. If a Covered Cause of Loss occurs to property at the premises described in the Declarations, coverage is extended to include the amount of actual and necessary loss you sustain during the increased period of suspension of your "operations" caused by or resulting from the enforcement of any ordinance or law that:
 - a. Regulates the construction or repair of any property;
 - b. Requires the tearing down of parts of any property not damaged by a Covered Cause of Loss; and
 - c. Is in force at the time of loss.

However, coverage is not extended under this endorsement to include loss caused by or resulting from the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

2. Paragraph **H.9. Period Of Restoration** Definition is replaced by the following:
 9. "Period of Restoration" means the period of time that:
 - a. Begins:
 - (1) 72 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises, unless a lesser number of hours is shown in the Schedule of the endorsement; or
 - (2) Immediately after the time of the direct physical loss or damage for Extra Expense Coverage caused by or resulting from any Covered Cause of Loss at the described premises; and
 - b. Ends on the earlier of:
 - (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (2) The date when business is resumed at a new permanent location.

"Period of restoration" includes any increased period required to repair or reconstruct the property to comply with the minimum standards of any ordinance or law, in force at the time of loss, that regulates the construction or repair, or requires the tearing down of any property.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALCULATION OF PREMIUM

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

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 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)	\$ \$216.00
Additional information, if any, concerning the terrorism premium:	
SCHEDULE – PART II	
Federal share of terrorism losses	80 %
(Refer to Paragraph B. in this endorsement.)	
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 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.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following provisions are added to the Businessowners Policy and apply to Property and Liability Coverages:

A. CAP ON CERTIFIED TERRORISM LOSSES

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF OTHER ACTS OF TERRORISM COMMITTED OUTSIDE THE UNITED STATES; CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following provisions are added to the Businessowners Liability Coverage Form **BP 00 06** and **Section II – Liability** of the Businessowners Coverage Form **BP 00 03**:

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM

"Any injury or damage" arising, directly or indirectly, out of an "other act of terrorism" that is committed outside of the United States (including its territories and possessions and Puerto Rico), but within the "coverage territory". However, this exclusion applies only when one or more of the following are attributed to such act:

1. The total of insured damage to all types of property exceeds \$25,000,000 (valued in U.S. dollars). In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the terrorism and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or
2. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
 - a. Physical injury that involves a substantial risk of death; or

b. Protracted and obvious physical disfigurement; or

c. Protracted loss of or impairment of the function of a bodily member or organ; or

3. The terrorism involves the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or
4. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
5. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.

With respect to this exclusion, Paragraphs 1. and 2. describe the thresholds used to measure the magnitude of an incident of an "other act of terrorism" and the circumstances in which the threshold will apply for the purpose of determining whether this exclusion will apply to that incident.

B. The following definitions are added:

1. For the purposes of this endorsement, "any injury or damage" means any injury or damage covered under any Coverage Form to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage" or "personal and advertising injury" as may be defined in any applicable Coverage Form.

2. "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:
 - a. 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;
 - b. The act resulted in damage:
 - (1) Within the United States (including its territories and possessions and Puerto Rico); or
 - (2) Outside of the United States in the case of:
 - (a) An air carrier (as defined in Section 40102 of title 49, United States Code) or United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs; or
 - (b) The premises of any United States mission; and
 - c. 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.

3. "Other act of terrorism" means a violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion, and the act is not a "certified act of terrorism".

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

 - C. 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.
 - D. If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

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:

BUSINESSOWNERS COVERAGE FORM

The following provisions are added to the Businessowners Liability Coverage Form **BP 00 06** and **Section II – Liability** of the Businessowners Coverage Form **BP 00 03**:

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 CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
COMPUTER FRAUD AND FUNDS TRANSFER FRAUD

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Coverage	Limit Of Insurance
Computer Fraud And Funds Transfer Fraud Coverage	\$25,000
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

Section I – Property is amended as follows:

The following is added to Paragraph **A.5. Additional Coverages**:

A. Computer Fraud And Funds Transfer Fraud

1. The Computer Fraud And Funds Transfer Fraud Coverage Limit shown in the Schedule of this endorsement is the most we will pay for loss of and damage to "money", "securities" and "other property" following and directly related to the use of any computer to fraudulently cause a transfer of that property from inside the described premises, bank or savings institution:
 - a. To a person (other than a messenger) outside those premises; or
 - b. To a place outside those premises.
2. The Computer Fraud And Funds Transfer Fraud Coverage Limit shown in the Schedule of this endorsement is the most we will pay for loss of "money" and "securities" resulting directly from a "fraudulent instruction" directing a financial institution to transfer, pay or deliver "money" and "securities" from your "transfer account".

B. With respect to the coverage provided by this endorsement, Paragraph **A.4. Limitations** is amended as follows:

Subparagraph **a.(4)** does not apply.

C. With respect to the coverage provided by this endorsement, Paragraph **B. Exclusions** is amended as follows:

1. Paragraph **2.g. False Pretense** does not apply.

2. The following exclusion is added:

We will not pay for loss or damages caused by or resulting from the use or purported use of credit, debit, charge, access, convenience, identification, stored-value or other cards or the information contained on such cards.

D. The following exclusion is added to Paragraph **G.2.b. Money And Securities** Optional Coverages:

- (4) Or damage to "money" and "securities" following and directly related to the use of any computer to fraudulently cause a transfer of that property from inside the described premises, bank or savings institution:
 - (a) To a person (other than a messenger) outside those premises; or
 - (b) To a place outside those premises.

E. The following are added to Paragraph **H. Property Definitions**:

15. "Employee"

a. Employee means:

- (1) Any natural person:
 - (a) While in your service or for 30 days after termination of service;
 - (b) Who you compensate directly by salary, wages or commissions; and
 - (c) Who you have the right to direct and control while performing services for you;

- (2) Any natural person who is furnished temporarily to you:
 - (a) To substitute for a permanent "employee" as defined in Paragraph (1), who is on leave; or
 - (b) To meet seasonal or short-term work load conditions;

while that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the premises;
 - (3) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in Paragraph (2) above;
 - (4) Any natural person who is:
 - (a) A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any "employee benefit plan(s)" insured under this policy; and
 - (b) Your director or trustee while that person is handling "funds" or "other property" of any "employee benefit plan(s)" insured under this policy;
 - (5) 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
 - (6) 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 the premises.
- b. "Employee" does not mean:
- (1) Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
 - (2) Any "manager", director or trustee except while performing acts coming within the scope of the usual duties of an "employee".
16. "Fraudulent instruction" means:
- a. An electronic, telegraphic, cable, teletype, telefacsimile or telephone instruction which purports to have been transmitted by you, but which was in fact fraudulently transmitted by someone else without your knowledge or consent;
 - b. A written instruction (other than those described in Paragraph A.5.k.) issued by you, which was forged or altered by someone other than you without your knowledge or consent or which purports to have been issued by you, but was in fact fraudulently issued without your knowledge or consent; or
 - c. An electronic, telegraphic, cable, teletype, telefacsimile, telephone or written instruction initially received by you which purports to have been transmitted by an employee but which was in fact fraudulently transmitted by someone else without your or the employee's knowledge or consent.
17. "Other property" means any tangible property other than "money" and "securities" that has intrinsic value but does not include any property excluded under this policy.
18. "Transfer account" means an account maintained by you at a financial institution from which you can initiate the transfer, payment or delivery of "money" and "securities":
- a. By means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly through an electronic funds transfer system; or
 - b. By means of written instructions (other than those described in Paragraph A.5.k.) establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds transfer system.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

APARTMENT BUILDINGS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

A. Paragraph A.5. Additional Coverages of Section I – Property is amended as follows:

The Pollutant Clean Up And Removal Limit of Insurance under Subparagraph **h.** is increased to \$25,000.

B. The following coverages are added to Paragraph A.5. Additional Coverages of Section I – Property:

a. Reward Payment

(1) We will reimburse you for rewards paid as follows:

(a) Up to \$5,000 to an eligible person for information leading to the arrest and conviction of any person or persons committing a crime resulting in loss or damage to Covered Property from a Covered Cause of Loss. However, we will pay no more than the lesser of the following amounts:

- (i)** Actual cash value of the Covered Property at the time of loss or damage, but not more than the amount required to repair or replace it; or
- (ii)** The amount determined by the loss settlement procedure applicable to the Covered Property under the Loss Payment Condition.

(b) Up to \$5,000 to an eligible person for the return of stolen Covered Property, when the loss is caused by theft. However, we will pay no more than the lesser of the following amounts:

- (i)** Actual cash value based on the condition of the Covered Property at the time it is returned, but not more than the amount required to repair or replace it; or
- (ii)** The amount determined by the loss settlement procedure applicable to the returned Covered Property under the Loss Payment Condition.

(2) This Additional Coverage applies subject to the following conditions:

(a) An eligible person means that person designated by a law enforcement agency as being the first to voluntarily provide the information leading to the arrest and conviction or return of the stolen Covered Property, and who is not:

- (i)** You or any family member;
- (ii)** Your employee or any of his or her family members;
- (iii)** An employee of a law enforcement agency;
- (iv)** An employee of a business engaged in property protection;
- (v)** Any person who had custody of the Covered Property at the time the theft was committed; or
- (vi)** Any person involved in the crime.

(b) No reward will be reimbursed unless and until the person(s) committing the crime is (are) convicted or the Covered Property is returned.

(c) The lesser of the amount of the reward or \$5,000 is the most we will reimburse for loss under this Additional Coverage in any one occurrence.

b. Ordinance Or Law – Equipment Coverage

(1) Subject to Paragraph **(2)**, if a Covered Cause of Loss occurs to equipment that is Covered Property, we will pay to repair or replace the equipment as required by law.

(2) If a Covered Cause of Loss occurs to refrigeration equipment that is Covered Property, we will pay:

(a) The cost to reclaim the refrigerant as required by law;

- (b) The cost to retrofit the equipment to use a non-CFC refrigerant as required by the Clean Air Act of 1990, and any amendments thereto or any other similar laws; and
 - (c) The increased cost to recharge the system with a non-CFC refrigerant.
- (3) The terms of this coverage apply separately to each piece of covered equipment.
- (4) We will not pay under this endorsement for the costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungi", wet or dry rot or bacteria.
- (5) Loss to the equipment will be determined as follows:
- (a) If the equipment is repaired or replaced, on the same or another premises, we will not pay more than the lesser of:
 - (i) The amount you actually spend to repair the equipment, but not for more than the amount it would cost to replace the equipment with equipment of the same kind and quality; or
 - (ii) The Limit of Insurance shown in the Declarations as applicable to the covered Building or Business Personal Property.
 - (b) If the equipment is not repaired or replaced, we will not pay more than the lesser of:
 - (i) The actual cash value of the equipment at the time of loss; or
 - (ii) The Limit of Insurance shown in the Declarations as applicable to the Building or Business Personal Property.
 - (c) We will not pay for loss due to any ordinance or law that:
 - (i) You were required to comply with before the loss, even if the equipment was undamaged; and
 - (ii) You failed to comply with.
- c. Lock Replacement**
- (1) We will pay for the cost to repair or replace locks at the described premises due to theft or other loss to keys.

- (2) The most we will pay under this Additional Coverage for all loss or damage in any one occurrence is \$5,000.
- (3) A per occurrence deductible of \$100 will apply.

d. Tenant Move-back Expenses

- (1) We will pay for expenses that you incur to move your tenants back to the described premises from a temporary location in the event that your tenants must temporarily vacate a Building at the premises described in the Declarations due to untenability. The vacancy must result from a direct physical loss or damage to your Covered Property caused by or resulting from a Covered Cause of Loss.
- (2) We will only pay for the following expenses:
 - (a) Packing, transporting and unpacking of tenants' property; and
 - (b) The net cost to reestablish the tenants' utility and telephone services, after any refunds due the tenants.
- (3) We will only pay for expenses listed in Paragraphs (2)(a) and (2)(b) above that you incur within 60 days of the date that the damaged building has been repaired or rebuilt.
- (4) The most we will pay under this Additional Coverage in any one occurrence at each described premises is \$15,000.

- C. If the Employee Dishonesty Optional Coverage is shown as an applicable coverage in the Declarations, the following is added to Paragraph 3. **Employee Dishonesty** of Paragraph G. **Optional Coverages of Section I – Property** and is subject to the provisions of that paragraph:

3. Employee Dishonesty

We will also pay for loss of or damage to "money", "securities" and "other property" sustained by your tenant resulting directly from theft committed by an identified "employee", acting alone or in collusion with other persons.

The property covered under this coverage is limited to property:

- a. That your tenant owns or leases;
- b. That your tenant holds for others; or
- c. For which your tenant is legally liable;

while the property is in a Covered Building at the premises described in the Declarations.

However, this insurance is for your benefit only. It provides no rights or benefits to any other person or organization, including your tenant. Any claim for loss that is covered under this coverage must be presented by you.

With respect to the Employee Dishonesty Optional Coverage in Paragraph **G.3.**, other property means any tangible property other than "money" and "securities" that has intrinsic value but does not include any property excluded under this policy.

D. The following are added to Paragraph A. Coverages of Section II – Liability:

1. Tenants' Property Legal Liability Coverage

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "property damage" to which this insurance applies to a "tenant's property" (or the property of others for which the tenant is legally liable) only while the property is in your care, custody or control inside your leased unit, apartment or storage at the premises described in the Declarations. 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 "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Paragraph e.;
- (2) We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds \$250. We will then pay the amount of loss or damage in excess of \$250 up to the applicable Limit Of Insurance for this coverage; and
- (3) Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements under the Tenants' Property Legal Liability Coverage.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under that Supplementary Payments provision.

- b. This coverage applies to "property damage" only if:
 - (1) The "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and
 - (2) The "property damage" occurs during the policy period.
- c. This coverage does not apply to:
 - (1) "Property damage" to any land motor vehicle, trailer or semitrailer stored by a tenant at the described premises.
 - (2) "Property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.
 - (3) Liability arising out of intentional "property damage" or dishonest or criminal acts by you, your "employees" or any other person to whom you may entrust such property.
 - (4) Liability arising out of your "sale and disposal operations".
 - (5) Any loss covered under Section I – Property.
- d. The Supplementary Payments provision applicable to the Bodily Injury, Property Damage and Personal And Advertising Injury Liability Coverages also applies to this Tenants' Property Legal Liability Coverage.
- e. The most we will pay for the sum of all damages under Tenants' Property Legal Liability because of "property damage" to "tenants' property" in any one "occurrence" is \$10,000. This limit applies separately to each premises described in the Declarations.
- f. The **Duties In The Event Of Occurrence, Offense, Claim Or Suit** Condition under the Paragraph **E. Liability And Medical Expenses General Conditions of Section II – Liability** applies to Tenants' Property Legal Liability.

2. Lock-out Or Sale, Removal And Disposal Liability Coverage

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of acts or omissions arising out of a "lock-out", or the sale, removal or disposal of "tenants' property" in the course of "sale and disposal operations". 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 acts or omissions to which this insurance does not apply. We may, at our discretion, investigate the circumstances of any act or omission and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Paragraph e.
- (2) Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements under this Lock-out Or Sale, Removal And Disposal Liability Coverage.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under that Supplementary Payments provision.

- b. This coverage applies only to an act or omission which takes place in the "coverage territory" and during the policy period.
- c. This coverage does not apply to:
 - (1) Liability for damages which the insured is obligated to pay by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.
 - (2) Liability arising out of dishonest or criminal acts by you, your "employees" or any other person to whom you may entrust such property.
- d. The Supplementary Payments provision applicable to the Bodily Injury, Property Damage and Personal And Advertising Injury Liability Coverages also applies to this Lock-out Or Sale, Removal And Disposal Liability Coverage.

e. The most we will pay for the sum of all damages because of all acts or omissions arising out of a "lock-out", or the sale, removal or disposal of "tenants' property" under the Lock-out Or Sale, Removal And Disposal Liability Coverage is \$5,000 in any annual period starting with the beginning of the policy period shown in the Declarations. This limit applies separately to each premises described in the Declarations.

f. The following condition replaces the **Duties In The Event Of Occurrence, Offense, Claim Or Suit** Condition under Paragraph **E. Liability And Medical Expenses General Conditions of Section II – Liability** for the Lock-out Or Sale, Removal And Disposal Liability Coverage:

Duties In The Event Of Claim Or Suit As A Result Of A Lock-out Or Sale, Removal Or Disposal Of Tenants' Property

a. You must see to it that we are notified as soon as possible of a "lock-out", or the sale, removal or disposal of "tenants' property" which may result in a claim. To the extent possible, notice should include how, when and where the "lock-out" or sale, removal or disposal of "tenants' property" took place.

b. If a claim is made or "suit" is brought against any insured as a result of a "lock-out" or sale, removal or disposal of "tenants' property", 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 our investigation or settlement of the claim or defense against the "suit"; and

(4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of an action to which this insurance may apply.

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

3. Heating Or Air Conditioning Loss Reimbursement Coverage

a. We will reimburse you for payments you make voluntarily or because of a demand for a per diem remuneration of rent from a tenant as a result of the complete loss of heat or air conditioning to a tenant's leased unit or apartment due to mechanical breakdown or electrical failure of the heating or air conditioning system at the described premises.

The amount of such reimbursement is limited as described in Paragraph e. below. No other obligation or liability to pay sums or perform acts or services is covered.

b. This coverage applies only if:

(1) The mechanical breakdown or electrical failure of the heating or air conditioning system at the described premises occurred during the policy period; and

(2) You have received a notarized notification of a demand for a per diem remuneration of rent from a tenant within 90 days after the mechanical breakdown or electrical failure of the heating or air conditioning system at the described premises; or

(3) You reasonably determine that a voluntary payment to the tenant is necessary to prevent "bodily injury" or "property damage".

c. We shall have no duty or obligation to defend the insured or perform acts or services.

d. This coverage does not apply to:

(1) Expenses incurred by you to repair or replace the heating or air conditioning system at the described premises.

(2) "Bodily injury", "property damage" and "personal and advertising injury".

e. The most we will reimburse you for the sum of all voluntary payments and demands for per diem reimbursement by tenants under the Heating Or Air Conditioning Loss Reimbursement Coverage is \$5,000 as the result of any one mechanical breakdown or electrical failure of the heating or air conditioning system at a described premises and \$10,000 in any annual period starting with the beginning of the policy period shown in the Declarations.

f. The following condition replaces the **Duties In The Event Of Occurrence, Offense, Claim Or Suit** Condition under Paragraph **E. Liability And Medical Expenses General Conditions** of **Section II – Liability** for the Heating Or Air Conditioning Loss Reimbursement Coverage:

Duties In The Event Of A Heating Or Air Conditioning System Failure

a. You must notify us as soon as possible of a demand for remuneration from a tenant or of a payment you make voluntarily. The notice should include:

(1) A notarized letter from the tenant of the demand for remuneration;

(2) A written description by you of how, when and where the mechanical breakdown or electrical failure of the heating or air conditioning system occurred;

(3) The name and address of the affected tenant; and

(4) A cancelled check or money order written to the tenant.

b. At our request, give us complete information as to:

(1) The cause of the mechanical breakdown or electrical failure of the heating or air conditioning system; and

(2) The actions you took to have the heating or air conditioning system repaired or replaced by a competent technician as soon as possible.

c. Cooperate with us in the review of the reimbursement.

E. For coverage provided under this endorsement the following definitions are added to Paragraph F. **Liability And Medical Expenses Definitions** under **Section II – Liability**:

1. "Lock-out" means denying a tenant access to the "tenants' property" or the occupancy of an apartment the tenant is renting, leasing or otherwise occupying.

2. "Sale and disposal operations" means all activities you conduct to reclaim an apartment or storage space when a tenant's rent is delinquent or unpaid.

3. "Tenants' property" means "money", "securities" and other tangible property having intrinsic value that belongs to your tenants.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – ACCESS OR DISCLOSURE OF
CONFIDENTIAL OR PERSONAL INFORMATION AND
DATA-RELATED LIABILITY – WITH LIMITED
BODILY INJURY EXCEPTION**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

A. Exclusion B.1.q. of Section II – Liability is replaced by the following:

This insurance does not apply to:

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

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

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

However, unless Paragraph **(1)** above applies, this exclusion does not apply to damages because of "bodily injury".

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

B. The following is added to Paragraph **B.1.p. Personal And Advertising Injury** Exclusion of **Section II – Liability:**

This insurance does not apply to:

p. Personal And Advertising Injury

"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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONDOMINIUM ASSOCIATION COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

A. Paragraph A.1.a. Building in Section I – Property is replaced by the following:

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

- (1)** Completed additions;
- (2)** Fixtures, outside of individual units, including outdoor fixtures;
- (3)** Permanently installed:
 - (a)** Machinery; and
 - (b)** Equipment;
- (4)** Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
 - (a)** Fire extinguishing equipment;
 - (b)** Outdoor furniture;
 - (c)** Floor coverings; and
 - (d)** Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering that are not contained within individual units;
- (5)** If not covered by other insurance:
 - (a)** Additions under construction, alterations and repairs to the building or structure;
 - (b)** Materials, equipment, supplies, and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure; and
- (6)** Any of the following types of property contained within a unit, regardless of ownership, if your Condominium Association Agreement requires you to insure it:
 - (a)** Fixtures, improvements and alterations that are a part of the building or structure; and

(b) Appliances, such as those used for refrigerating, ventilating, cooking, dishwashing, laundering, security or housekeeping.

But Building does not include personal property owned by, used by or in the care, custody or control of a unit-owner except for personal property listed in Paragraph **A.1.a.(6)** above.

B. Paragraph A.1.b. Business Personal Property in Section I – Property is replaced by the following:

- b.** Business Personal Property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises, consisting of the following:
- (1)** Personal property owned by you or owned indivisibly by all unit-owners;
 - (2)** Your interest in the labor, materials or services furnished or arranged by you on personal property of others;
 - (3)** Leased personal property which you have a contractual responsibility to insure, unless otherwise provided for under personal property of others.

Business Personal Property does not include personal property owned only by a unit-owner, unless it is in your care, custody or control as covered below.

This also includes property of others that is in your care, custody or control except as otherwise provided in Loss Payment Property Loss Condition **E.5.d.(3)(b)**.

- C.** The following is added to the **Loss Payment Condition** in **Section I – Property**:

If you name an insurance trustee, we will adjust losses with you, but we will pay the insurance trustee. If we pay the trustee, the payments will satisfy your claims against us.

- D.** The following is added to the **Property Loss Conditions** in **Section I – Property**:

9. Unit-Owner's Insurance

A unit-owner may have other insurance covering the same property as this insurance. This insurance is intended to be primary, and not to contribute with such other insurance.

- E.** The following is added to Paragraph **C. – Who Is An Insured** in **Section II – Liability**:

3. Each individual unit-owner of the insured condominium, but only for liability arising out of the ownership, maintenance or repair of that portion of the premises which is not reserved for that unit-owner's exclusive use or occupancy.

- F.** The following is added to Paragraph **K. Transfer Of Rights Of Recovery Against Others To Us** in **Section III – Common Policy Conditions**:

3. Waiver Of Rights Of Recovery

We waive our rights to recover payment from any unit-owner of the condominium that is shown in the Declarations.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EQUIPMENT BREAKDOWN COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESSOWNER'S COVERAGE FORM

A. The following is added to **Paragraph A.3. Covered Causes of Loss** in **SECTION I – PROPERTY**:

Additional Coverage-- Equipment Breakdown

The term Covered Cause of Loss includes the Additional Coverage Equipment Breakdown as described and limited below.

1. We will pay for direct physical damage to Covered Property that is the direct result of an "accident." As used in this Additional Coverage, "accident" means a fortuitous event that causes direct physical damage to "covered equipment." The event must be one of the following:
 - a. mechanical breakdown, including rupture or bursting caused by centrifugal force;
 - b. artificially generated electrical, magnetic or electromagnetic energy, including electric arcing, that damages, disturbs, disrupts or otherwise interferes with any electrical or electronic wire, device, appliance, system or network;
 - c. explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
 - d. loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
 - e. loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.
2. Unless otherwise shown in a Schedule, the following coverages also apply to the direct result of an "accident." These coverages do not provide additional amounts of insurance.

a. 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.

The most we will pay for loss or expense under this coverage is \$25,000 unless otherwise shown in a Schedule.

b. Hazardous Substances

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

This does not include contamination of "perishable goods" by refrigerant, including but not limited to ammonia, which is addressed in **2.c.(1)(b)** below. 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.

BUSINESSOWNER'S – Equipment Breakdown Coverage Endorsement

The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, is \$25,000 unless otherwise shown in a Schedule.

c. Spoilage

(1) We will pay:

- (a) for physical damage to “perishable goods” due to spoilage;
- (b) for physical damage to “perishable goods” due to contamination from the release of refrigerant, including but not limited to ammonia;
- (c) any necessary expenses you incur to reduce the amount of loss under this coverage to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

(2) If you are unable to replace the “perishable goods” before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the “perishable goods” at the time of the “accident,” less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Loss Payment condition.

The most we will pay for loss, damage or expense under this coverage is \$25,000 unless otherwise shown in a Schedule.

d. Data Restoration

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

The most we will pay for loss or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, is \$25,000 unless otherwise shown in a Schedule.

e. Service Interruption

(1) Any insurance provided for Business Income, Extra Expense or Spoilage is extended to apply to your loss, damage or expense caused by the interruption of utility services. The interruption must result from an “accident” to equipment, including overhead transmission lines, that is owned by a utility, landlord, a landlord’s utility or other supplier who provides you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks or data transmission. The equipment must meet the definition of “covered equipment” except that it is not Covered Property.

(2) Unless otherwise shown in a Schedule, coverage for any loss of Business Income you sustain that results from the interruption of utility services will not apply unless the failure or disruption of service exceeds 24 hours immediately following the “accident.” If the interruption exceeds 24 hours, coverage will begin at the time of the interruption and the deductible applicable to Business Income will apply.

(3) The most we will pay in any “one accident” for loss, damage or expense under this coverage is the applicable limit for Business Income, Extra Expense or Spoilage, except that if a limit is shown in a Schedule for Service Interruption, that limit will apply to Business Income and Extra Expense loss under this coverage.

f. Business Income and Extra Expense

Any insurance provided under this policy for Business Income or Extra Expense is extended to the coverage provided by this endorsement. However, if a deductible is shown in a Schedule, then as respects Equipment Breakdown coverage, the “period of restoration” will begin immediately after the “accident,” and the deductible shown in the Schedule will apply.

The most we will pay for loss or expense under this coverage is the applicable limit for Business Income and Extra Expense, unless otherwise shown in a Schedule.

B. The following is added to **Paragraph B. Exclusions**:

Equipment Breakdown Exclusions

All exclusions in the Businessowners Coverage Form apply except as modified below and to the extent that coverage is specifically provided by this Additional Coverage Equipment Breakdown.

1. The following exclusions are modified:
 - a. As respects this endorsement only, the next to the last paragraph in **Exclusion B.1.h.** is deleted and replaced with the following:
However, if excluded loss or damage, as described in **Paragraph (1)** above results in an “accident,” we will pay only for the loss, damage or expense caused by such “accident.”
 - b. As respects this endorsement only, the last paragraph of **Exclusion B.2.I.** is deleted and replaced with the following:
But if an excluded cause of loss that is listed in 2.I.(1) through (7) results in an “accident,” we will pay for the loss, damage or expense caused by that “accident.”
 - c. The following is added to **Exclusions B.2.m.** and **B.2.n.**:
We will also pay for direct physical loss or damage caused by an “accident.”
2. The following exclusions are added:
 - a. We will not pay for loss, damage or expense caused by or resulting from:
 - (1) a hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel, or an electrical insulation breakdown test of any type of electrical equipment; or
 - (2) any of the following:
 - (a) defect, programming error, programming limitation, computer virus, malicious code, loss of data, loss of access, loss of use, loss of functionality or other condition within or involving “electronic data” of any kind; or
 - (b) misalignment, miscalibration, tripping off-line, or any condition which can be corrected by resetting, tightening, adjusting or cleaning, or by the performance of maintenance.
However, if an “accident” results, we will pay for the resulting loss, damage or expense caused by that “accident.”
 - b. With respect to Service Interruption coverage, we will also not pay for an “accident” caused by or resulting from: fire; lightning; windstorm or hail; explosion (except as specifically provided in A.1.c. above); smoke; aircraft or vehicles; riot or civil commotion; vandalism; sprinkler leakage; falling objects; weight of snow, ice or sleet; freezing; collapse; flood or earth movement.
 - c. With respect to Business Income, Extra Expense and Service Interruption coverages, we will also not pay for:
 - (1) loss caused by your failure to use due diligence and dispatch and all reasonable means to resume business; or
 - (2) any increase in loss resulting from an agreement between you and your customer or supplier.

C. Deductibles

The deductible in the Declarations applies unless a separate Equipment Breakdown deductible is shown in a Schedule. If a separate Equipment Breakdown deductible is shown, the following applies.

Only as regards Equipment Breakdown Coverage, provision **D. Deductibles** is deleted and replaced with the following:

1. Deductibles for Each Coverage

- a. Unless the Schedule indicates that your deductible is combined for all coverages, multiple deductibles may apply to any “one accident.”
- b. We will not pay for loss, damage or expense under any coverage until the amount of the covered loss, damage or expense exceeds the deductible amount indicated for that coverage in the Schedule. We will then

pay the amount of loss, damage or expense in excess of the applicable deductible amount, subject to the applicable limit.

- c. If deductibles vary by type of “covered equipment” and more than one type of “covered equipment” is involved in any “one accident,” only the highest deductible for each coverage will apply.

2. Direct and Indirect Coverages

- a. Direct Coverages Deductibles and Indirect Coverages Deductibles may be indicated in the Schedule.
- b. Unless more specifically indicated in the Schedule:
 - (1) Indirect Coverages Deductibles apply to Business Income and Extra Expense loss; and
 - (2) Direct Coverages Deductibles apply to all remaining loss, damage or expense covered by this endorsement.

3. Application of Deductibles

a. Dollar Deductibles

We will not pay for loss, damage or expense resulting from any “one accident” until the amount of loss, damage or expense exceeds the applicable Deductible shown in the Schedule. We will then pay the amount of loss, damage or expense in excess of the applicable Deductible or Deductibles, up to the applicable Limit of Insurance.

b. Time Deductible

If a time deductible is shown in the Schedule, we will not be liable for any loss occurring during the specified number of hours or days immediately following the “accident.” If a time deductible is expressed in days, each day shall mean twenty-four consecutive hours.

c. Multiple of Average Daily Value (ADV)

If a deductible is expressed as a number times ADV, that amount will be calculated as follows: The ADV (Average Daily Value) will be the Business Income (as defined in any Business Income coverage that is part of this policy) that would have been earned during the period of interruption of business had no “accident” occurred, divided by the number of working days in that period. No reduction shall be made for the Business Income not being earned, or in the number of working days, because of the “accident” or any other scheduled or unscheduled shutdowns during the period of interruption. The ADV applies to the Business Income value of the entire location, whether or not the loss affects the entire location. If more than one location is included in the valuation of the loss, the ADV will be the combined value of all affected locations. For purposes of this calculation, the period of interruption may not extend beyond the “period of restoration”. The number indicated in the Schedule will be multiplied by the ADV as determined above. The result shall be used as the applicable deductible.

d. Percentage of Loss Deductibles

If a deductible is expressed as a percentage of loss, we will not be liable for the indicated percentage of the gross amount of loss, damage or expense (prior to any applicable deductible or coinsurance) insured under the applicable coverage. If the dollar amount of such percentage is less than the indicated minimum deductible, the minimum deductible will be the applicable deductible.

D. Conditions

The following conditions are in addition to the Conditions in the Businessowners Coverage Form.

1. Suspension

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

- a. your last known address; or

- b. the address where the “covered equipment” is located.

Once suspended in this way, your insurance can be reinstated only by an endorsement for that “covered equipment.” If we suspend your insurance, you will get a pro rata refund of premium for that “covered equipment” for the period of suspension. But the suspension will be effective even if we have not yet made or offered a refund.

2. Jurisdictional Inspections

If any property that is “covered equipment” under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.

3. Environmental, Safety and Efficiency Improvements

If “covered equipment” requires replacement due to an “accident,” we will pay your additional cost to replace with equipment that is better for the environment, safer or more efficient than the equipment being replaced.

However, we will not pay more than 125% of what the cost would have been to replace with like kind and quality. This condition does not increase any of the applicable limits. This condition does not apply to any property to which Actual Cash Value applies.

4. Coinsurance

If a coinsurance percentage is shown in a Schedule for specified coverages, the following condition applies.

We will not pay for the full amount of your loss if the applicable limit is less than the product of the specified coinsurance percentage times the value of the property subject to the coverage at the time of the loss. Instead, we will determine what percentage this calculated product is compared to the applicable limit and apply that percentage to the gross amount of loss. We will then subtract the applicable deductible. The resulting amount, or the applicable limit, is the most we will pay. We will not pay for the remainder of the loss. Coinsurance applies separately to each insured location.

E. The following definitions are added:

- 1. “Boilers and vessels” means:

- a. Any boiler, including attached steam, condensate and feedwater piping; and
- b. Any fired or unfired pressure vessel subject to vacuum or internal pressure other than the static pressure of its contents.

This term does not appear elsewhere in this endorsement, but may appear in a Schedule.

- 2. “Covered equipment”

- a. “Covered equipment” means, unless otherwise specified in a Schedule, Covered Property:
 - (1) that generates, transmits or utilizes energy, including electronic communications and data processing equipment; or
 - (2) which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.
- b. None of the following is “covered equipment”:
 - (1) structure, foundation, cabinet, compartment or air supported structure or building;
 - (2) insulating or refractory material;
 - (3) sewer piping, buried vessels or piping, or piping forming a part of a sprinkler or fire suppression system;
 - (4) water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
 - (5) “vehicle” or any equipment mounted on a “vehicle”;
 - (6) satellite, spacecraft or any equipment mounted on a satellite or spacecraft;
 - (7) dragline, excavation or construction equipment; or
 - (8) equipment manufactured by you for sale.

BUSINESSOWNER'S – Equipment Breakdown Coverage Endorsement

3. "Hazardous substance" means any substance that is hazardous to health or has been declared to be hazardous to health by a governmental agency.
4. "One accident" means: If an initial "accident" causes other "accidents," all will be considered "one accident." All "accidents" that are the result of the same event will be considered "one accident."
5. "Perishable goods" means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.
6. "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. This term does not appear elsewhere in this endorsement, but may appear in a Schedule.
7. "Vehicle" means, as respects this endorsement only, any machine or apparatus that is used for transportation or moves under its own power. "Vehicle" includes, but is not limited to, car, truck, bus, trailer, train, aircraft, watercraft, forklift, bulldozer, tractor or harvester.

However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power source will not be considered a "vehicle."

The most we will pay for loss, damage or expense under this endorsement arising from any "one accident" is the applicable Limit of Insurance in the Declarations unless otherwise shown in a Schedule. Coverage provided under this endorsement does not provide an additional amount of insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FUNGI, WET ROT OR DRY ROT COVERAGE EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNER'S COVERAGE FORM

The following provisions apply to **SECTION I – PROPERTY**:

Paragraph **A.5. (Additional Coverages)** under **r. Limited Coverage For “Fungi”, Wet Rot Or Dry Rot**, Paragraphs **(1)** through **(5)** are deleted; Paragraph **(6)(a)** and **(b)** are renumbered to read **(1)(a)** and **(b)**.

Paragraph **B. (Exclusions) i. “Fungi”, Wet Rot Or Dry Rot** is replaced with the following:

i. “Fungi”, Wet Rot Or Dry Rot

Presence, growth, proliferation, spread or any activity of “fungi”, wet rot or dry rot. But if “fungi”, wet rot or dry rot result in a “specified cause of loss”, we will pay for the loss or damage caused by that “specified cause of loss”. This exclusion does not apply:

(1) When “fungi”, wet rot or dry rot result from fire or lightning.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – LIABILITY FOR HAZARDS OF LEAD

This endorsement modifies insurance provided under the following:

BUSINESSOWNER'S COVERAGE FORM

The following is added to **Paragraph B.1., Exclusions in SECTION II – LIABILITY:**

This insurance does not apply to:

"Bodily Injury" caused in whole or in part, either directly or indirectly, by lead paint or lead contamination, or arising out of or incidental to the inhalation, ingestion, use, handling or contact with lead paint or lead contamination.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – BED BUG - KISSING BUG

This endorsement modifies insurance provided under the following:

BUSINESSOWNER'S COVERAGE FORM

The following is added to **Paragraph B.1. and B.2., Exclusions** in **SECTION II – LIABILITY**:

This insurance does not apply to:

"Bodily Injury", "Property damage", "personal and advertising injury" or medical expenses due to any or all claims or damages arising from any person being exposed to or bitten by an insect(s) belonging to the entomological families of Cimicidae or Reduviidae commonly referred to as a bed bug or kissing bug.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**COLORADO - CONDOMINIUMS, CO-OPS, ASSOCIATIONS –
DIRECTORS AND OFFICERS LIABILITY ENDORSEMENT**

**THIS ENDORSEMENT PROVIDES CLAIMS-MADE COVERAGE.
PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY.**

This endorsement modifies insurance provided under the following:

BUSINESSOWNER'S COVERAGE FORM

SCHEDULE

Named Association: Townhomes at Mile Hi	
Directors And Officers Liability Annual Aggregate Limit Of Insurance: \$ 1,000,000	
Deductible: \$ 1,000	
Pending Or Prior Litigation Date: 06/27/2018 Retroactive Date: 06/27/2018	
<input type="checkbox"/>	Extended Reporting Period
	Extended Reporting Premium
From:	\$
To: At 12:01 A.M.* Standard	
* Exceptions: 12:00 noon in Maine, Michigan and North Carolina.	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

For the purposes of the coverage provided by this endorsement, **Section II – Liability** is amended as follows:

A. The following are added to Paragraph A. Coverages:

1. Insuring Agreement – Management Liability

a. We will pay on behalf of an "insured person" any "loss" which the "insured person" becomes legally obligated to pay as a result of a "claim" first made against that "insured person" during the policy period or during the Extended Reporting Period, if purchased, as described in Paragraph **G.**, except to the extent that the "association" has indemnified the "insured person" for such "loss".

However, this insurance applies only to a "claim" arising out of a "wrongful act" committed by the "insured person" which occurs on or after the Retroactive Date, if any, shown in the Schedule, and before the end of the policy period.

b. If a "claim" against an "insured person" includes a "claim" against the "insured person's" spouse (whether such status is derived by reason of statutory or common law, or any other law of any country) solely by reason of:

- (1)** Such spousal status; or
- (2)** Such spouse's ownership interest in property or assets that are sought as recovery for the "wrongful act" committed or allegedly committed by the "insured person";

all "loss" which such spouse becomes legally obligated to pay by reason of such "claim" will be treated for the purposes of this endorsement as "loss" which the "insured person" becomes legally obligated to pay as a result of the "claim" made against such "insured person". Such "loss" to the spouse will be covered under this endorsement only if and to the extent that such "loss" would be covered if incurred by the "insured person".

However, this Paragraph **b.** does not apply to a "claim" arising out of any "wrongful act" committed or allegedly committed by the "insured person's" spouse.

- c.** This insurance also applies to "claims" arising out of the "wrongful acts" of an "insured person" made against:
- (1)** The estate, heirs or legal representatives of a deceased "insured person"; and
 - (2)** The legal representative of that "insured person" in the event of incompetency, insolvency or bankruptcy.

However, this Paragraph **c.** only applies to "claims" if and to the extent that, in the absence of such death, incompetency, insolvency or bankruptcy of the "insured person", such "claims" would have been covered by this insurance according to all applicable terms, conditions and exclusions.

2. Insuring Agreement – Association Reimbursement

We will pay on behalf of the "association" any "loss" for which the "association" has indemnified an "insured person", as permitted or required by law, and which the "insured person" becomes legally obligated to pay as a result of a "claim" first made against that "insured person" (or an "insured person's" spouse or any other party granted the rights of an "insured person" under Paragraph **1.**) during the policy period or during the Extended Reporting Period, if purchased, as described in Paragraph **G.**

However, this insurance applies only to a "claim" arising out of a "wrongful act" committed by the "insured person" which occurs on or after the Retroactive Date, if any, shown in the Schedule, and before the end of the policy period.

3. Insuring Agreement – Association Liability

We will pay on behalf of the "association" any "loss" which the "association" becomes legally obligated to pay as a result of a "claim" first made against the "association" during the policy period or during the Extended Reporting Period, if purchased, as described in Paragraph **G.**

However, this insurance applies only to a "claim" arising out of a "wrongful act" committed by the "association" which occurs on or after the Retroactive Date, if any, shown in the Schedule, and before the end of the policy period.

4. Defense And Settlement

We will have the right and duty to defend any "claim" made against the insured under Paragraph **A.** of this endorsement. However, we will have no duty to defend the insured against any "claim" because of a "wrongful act" to which this insurance does not apply. We may, at our discretion, investigate any incident that may result in a "loss". We may, with your written consent, settle any "claim".

All "claims" arising out of the same "wrongful act" or "interrelated wrongful acts" committed by one or more "insured persons" shall be considered a single "claim". Such single "claim" shall be deemed to be first made on the date the initial "claim" arising out of such "wrongful act" or "interrelated wrongful acts" was first made pursuant to Paragraph **E.** or notice of such "wrongful act" or "interrelated wrongful acts" was first reported pursuant to Paragraph **E.**

- B.** For the purposes of the coverage provided by this endorsement, Paragraph **B. Exclusions, Subparagraph 1. Applicable To Business Liability Coverage** is replaced by the following:

This insurance does not apply to any "loss" resulting from any "claim":

- a.** Arising out of any dishonest, malicious, fraudulent or deliberately criminal act or any willful violation of any statute or regulation.
- b.** For "bodily injury".
- c.** For mental or emotional distress, except when allegations of mental or emotional distress are made in a "claim" arising from a "wrongful employment practices act".
- d.** For "property damage".
- e.** Arising out of the gaining of any profit, remuneration or advantage to which any insured was not legally entitled.
- f.** Arising out of a "wrongful act" or "interrelated wrongful act" that has occurred before the Retroactive Date, if any, shown in the Schedule.
- g.** Arising out of the same facts, "wrongful acts" or "interrelated wrongful acts", alleged or contained in any "claim" which has been reported, or in any circumstances of which notice has been given:
 - (1)** During a prior policy period of this policy; or
 - (2)** Under any insurance policy of which this policy is a replacement.

- h.** Arising out of any demand, "suit" or other proceeding against any insured which was pending on or existed prior to the applicable Pending Or Prior Litigation Date shown in the Schedule, or arising out of the same or substantially the same facts, circumstances or allegations which are the subject of, or the basis for, such demand, "suit" or other proceeding.
- i.** Arising out of any actual or alleged failure or omission on the part of any insured to effect or maintain insurance.
- j.** Arising out of any "wrongful act" committed or allegedly committed by any "insured person" serving in any position or capacity in any organization or association other than the "association" even if the "association" directed or requested that "insured person" to serve in such other position or capacity.
- k.** Brought by or on behalf of the "association" or any "insured person", in any capacity, except:

 - (1)** A "claim" that is a derivative action brought on behalf of the "association" by one or more unit-owners who are not "insured persons" and who bring the "claim" without the solicitation, assistance or participation of any "insured person" or the "association"; or
 - (2)** A "claim" arising out of a "wrongful employment practices act".
- l.** For an actual or alleged violation of the Employee Retirement Income Security Act of 1974 and its amendments, or similar provisions of any federal, state, local or statutory law or common law.
- m.** For liability under or breach of any oral, written or implied contract or agreement, or for liability of others assumed by the "association" under any such contract or agreement, except if:

 - (1)** The "association" would have been liable in the absence of such contract or agreement; or
 - (2)** Allegations of liability or breach of such contract or agreement are made in a "claim" arising out of a "wrongful employment practices act";
- n.** Arising out of "personal and advertising injury".
- o.** Arising out of:

 - (1)** The actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time;
 - (2)** 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
 - (3)** A "claim" made 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";

including without limitation any "claim" by or on behalf of the "association".
- p.** Arising out of "wrongful acts" in the selection or direct or indirect supervision of any contractor or subcontractor liable or alleged to be liable for any defect in construction at any premises insured under this policy.

A "wrongful act" committed by any "insured person" shall not be imputed to any other "insured person" for purposes of applying the exclusions set forth in this Paragraph **B**.
- C.** For the purposes of the coverage provided by this endorsement, Paragraph **C. Who Is An Insured** is replaced by the following:

 - 1.** The "association" is an insured.
 - 2.** "Insured persons" are insureds.
- D.** For the purposes of the coverage provided by this endorsement, Paragraph **D. Liability And Medical Expenses Limits Of Insurance** is replaced by the following:

 - 1. Annual Aggregate Limit Of Insurance**

The most we will pay for the sum of all "loss" under Paragraphs **A.1.**, **A.2.** and **A.3.** is the aggregate Limit of Insurance shown in the Schedule. This limit applies regardless of the number of:

 - a.** Insureds;
 - b.** "Claims" made or "suits" brought; or
 - c.** Persons, organizations or government agencies making "claims" or bringing "suits".

If the aggregate Limit of Insurance is exhausted by the payment of "loss", we will have no further obligations or liability of any kind under this endorsement.

"Claims expenses" are part of the "loss" and are payable within the Limit of Insurance shown in the Schedule, thereby reducing that Limit.

2. Deductible

Subject to Paragraph **D.1.** of this endorsement, we will pay only that amount of "loss" which is in excess of the Deductible shown in the Schedule. The Deductible will be borne by the insureds, uninsured and at their own risk. A single deductible will apply to all "loss" resulting from all "claims" alleging the same "wrongful acts" or "interrelated wrongful acts".

If the "association" is permitted or required by law to indemnify an "insured person" for "loss", but fails or refuses, other than for reason of "financial insolvency", then our payment for such "loss" will not be subject to any deductible and the "association" shall be responsible for, and shall hold us harmless from, and shall reimburse us for such "loss" up to the deductible shown in the Schedule.

- E.** For the purposes of the coverage provided by this endorsement, the **Duties In The Event Of Occurrence, Offense, Claim Or Suit** condition is replaced by the following:

Duties In The Event Of A Claim Or A Wrongful Act That May Result In A Claim

1. You must see to it that we are notified as soon as practicable of a "wrongful act" which may result in a "claim". To the extent possible, notice should include:
 - a. How, when and where the "wrongful act" took place;
 - b. The names and addresses of any person involved in the specific "wrongful act", including names and addresses of the potential claimants;
 - c. Particulars as to the reasons for anticipating a "claim" which may result from such specific "wrongful act";
 - d. The nature of the alleged or potential damages arising from such specific "wrongful act"; and
 - e. The circumstances by which the insureds first became aware of the specific "wrongful act".
2. If a "claim" is received by any insured, you must:
 - a. Immediately record the specifics of the "claim" and the date received; and
 - b. Notify us as soon as practicable.

You must see to it that we receive written notice of the "claim" as soon as practicable.

3. You and any other involved insured must:

- a. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim";
- b. Authorize us to obtain records and other information;
- c. Cooperate with us in the investigation or settlement of the "claim"; and
- d. Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of "wrongful acts" to which this insurance may also apply.

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

- F.** For the purposes of the coverage provided by this endorsement, the following is added to Paragraph **E. Liability And Medical Expenses General Conditions:**

Consent To Settle

1. If we recommend a settlement to the insured which is acceptable to the claimant, but to which the insured does not consent, the most we will pay as damages in the event of any later settlement or judgment is the amount for which the "claim" could have been settled, to which the insured did not give consent, plus "claims expenses" incurred as of the date such settlement was proposed in writing by us to the insured.
2. **Your Right To Wrongful Act Or Claim Information**

We will provide the first Named Insured shown in the Declarations the following information relating to this and any preceding Condominiums, Co-ops, Associations – Directors And Officers Liability Coverage Endorsement we have issued to you during the previous three years:

- a. A list or other record of each "wrongful act" not previously reported to any other insurer, of which we were notified in accordance with Paragraph **1.** of the Duties In The Event Of A Claim Or A Wrongful Act That May Result In A Claim condition (Paragraph **E.**). We will include the date and brief description of the "wrongful act" if that information was in the notice we received.
- b. A summary by policy year, of payments made and amounts reserved, stated separately, under any applicable Aggregate Limit.

Amounts reserved are based on our judgment. They are subject to change and should not be regarded as ultimate settlement values.

If we cancel or elect not to renew the Condominiums, Co-ops, Associations – Directors And Officers Liability Coverage Endorsement, we will provide such information no later than 30 days before the date of policy termination. In other circumstances, we will provide this information only if we receive a written request from the first Named Insured within 60 days after the end of the policy period. In this case, we will provide the information within 30 days of receipt of the request.

We compile "claim" and "wrongful act" information for our own business purposes and exercise reasonable care in doing so. In providing this information to the first Named Insured, we make no representations or warranties to insureds, insurers, or others to whom this information is furnished by or on behalf of any insured. Cancellation or nonrenewal will be effective even if we inadvertently provide inaccurate information

G. Extended Reporting Period

For the purposes of the coverage provided by this endorsement, the following Extended Reporting Period provisions are added:

1. You will have the right to purchase an Extended Reporting Period from us if:
 - a. This endorsement is cancelled or not renewed for any reason; or
 - b. We renew or replace this endorsement with insurance that:
 - (1) Has a Retroactive Date later than the date shown in the Schedule of this endorsement; or
 - (2) Does not apply to "wrongful acts" on a claims-made basis.
2. An Extended Reporting Period, as specified in Paragraph **G.1.** of this endorsement, lasts up to three years and is available only for an additional premium.
3. The Extended Reporting Period starts with the end of the policy period. It does not extend the policy period or change the scope of the coverage provided. It applies only to "claims" to which the following applies:
 - a. The "claim" is first made during the Extended Reporting Period;
 - b. The "wrongful act" occurs before the end of the policy period; and
 - c. The "wrongful act" did not commence before the Retroactive Date.

4. You must give us a written request for the Extended Reporting Period within 30 days after the end of the policy period or the effective date of cancellation, whichever comes first.
5. The Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due and any premium or deductible you owe us for coverage provided under this endorsement. Once in effect, the Extended Reporting Period may not be cancelled.
6. We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:
 - a. The exposures insured;
 - b. Previous types and amounts of insurance;
 - c. Limit of Insurance available under this endorsement for future payment of damages; and
 - d. Other related factors.

The additional premium may not exceed 200% of the annual premium for this endorsement. The premium for the Extended Reporting Period will be deemed fully earned as of the date it is purchased.

7. There is no separate or additional Limit of Insurance for the Extended Reporting Period. The Limit of Insurance available during the Extended Reporting Period, if purchased, shall be the remaining amount, if any, of the aggregate Limit of Insurance available at the time this policy was cancelled or nonrenewed.

H. For the purposes of the coverage provided by this endorsement, the following is added to Paragraph **F. Liability And Medical Expenses Definitions of Section II – Liability:**

1. "Association" means the entity named in the Schedule as the named association.
2. "Claim" means:
 - a. A written demand for monetary damages against any insured;
 - b. A civil proceeding against any insured commenced by the service of a complaint or similar pleading;
 - c. A criminal proceeding against any "insured person" commenced by a return of an indictment; or
 - d. A formal administrative or regulatory proceeding against any insured commenced by the filing of a notice of charges, formal investigative order or similar document;for a "wrongful act", including any appeal therefrom.

3. "Claims expenses" means that part of a "loss" consisting of reasonable and necessary fees (including attorneys' and experts' fees), expenses incurred in the defense or appeal of a "claim", and the premium for appeal, attachment or similar bonds (without any obligation on our part to provide such bonds), excluding the wages, salaries, benefits or expenses of any "insured person".
4. "Financial insolvency" means the status of the "association" resulting from:
 - a. The appointment of any receiver, conservator, liquidator, trustee, rehabilitator or similar official to control, supervise, manage or liquidate the "association"; or
 - b. The "association" becoming a debtor in possession.
5. "Insured person" means any former, present or future director, officer, trustee, employee or volunteer of the "association".
6. "Interrelated wrongful act" means all causally connected "wrongful acts".
7. "Loss" means "claims expenses", compensatory damages, settlement amounts, legal fees and costs awarded pursuant to judgments. "Loss" does not include civil or criminal fines or penalties imposed by law, punitive or exemplary damages, the multiplied portion of multiplied damages, taxes or matters that are uninsurable pursuant to applicable law.
8. "Wrongful act" includes a "wrongful employment practices act" and means:
 - a. With respect to the "insured person", any actual or alleged error, misstatement, misleading statement, neglect or breach of duty, omission or act by the "insured person" in their insured position or capacity for the "association"; or any matter claimed against them solely by reason of their serving in such insured position or capacity. This does not apply to a position or capacity in any entity other than the "association", even if the "association" directed or requested the "insured person" to serve in such other position or capacity.
 - b. With respect to the "association", any actual or alleged error, misstatement, misleading statement, neglect or breach of duty, omission or act by the "association".
9. "Wrongful employment practices act" means any actual or alleged:
 - a. Wrongful dismissal, discharge or termination of employment;
 - b. Breach of any implied employment contract;
 - c. Employment-related misrepresentation;
 - d. Violation of any federal, state or local statute, regulation, ordinance or common law concerning employment or discrimination in employment;
 - e. Sexual harassment (as that term is defined by the Federal Equal Employment Opportunity Commission) or other illegal workplace harassment;
 - f. Wrongful failure to employ or promote;
 - g. Wrongful reference, discipline or deprivation of a career opportunity;
 - h. Failure to adopt adequate workplace or employment policies and procedures; or
 - i. Illegal retaliatory treatment.
- I. For the purposes of the coverage provided by this endorsement, the definition of "suit" in Paragraph **F. Liability And Medical Expenses Definitions** is replaced by the following:

"Suit" means a civil proceeding in which damages because of a "wrongful act" 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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DEDUCTIBLE ENDORSEMENT - PROPERTY

This endorsement modifies insurance provided under the following:

BUSINESSOWNER'S COVERAGE FORM

Paragraph **D.1. Deductibles** of **SECTION I – PROPERTY** is replaced with the following:

D. Deductibles

- We will not pay for loss or damage to Covered Property caused by or resulting from a Covered Cause of Loss as a result of one occurrence until the amount of such loss or damage exceeds the applicable Deductible shown in the Declarations or as set forth below. We will then pay the amount of such loss or damage in excess of the Deductible up to the applicable Limit of Insurance of **Section 1 - Property**. In the event of loss or damage to Covered Property caused by or resulting from a Covered Cause of Loss at one or more buildings at the same location, as a result of one occurrence, only the single largest deductible scheduled for loss at such building(s) will apply to all such loss or damage regardless of the number of buildings involved in the loss. However, this Paragraph **D.1** does not apply to loss or damage from Earthquake or Windstorm or Hail causes of loss.

EXAMPLES

Example 1 - Loss at multiple buildings, same location.

A fire damages Buildings 1 and 2 which results in a spoilage loss at Buildings 3 and 4 due to a power outage from the fire.

Property Deductible – Building 1:	\$250
Property Deductible – Building 2:	\$250
Limit of Insurance – Building 1:	\$60,000
Limit of Insurance – Building 2:	\$80,000
Loss to Building 1:	\$50,100
Loss to Building 2:	\$70,000

Spoilage Deductible – Building 3	:	
	\$500	
Spoilage Deductible – Building 4	:	
	\$500	
Spoilage Limit of Insurance – Building 3:	\$5,000	
Spoilage Limit of Insurance – Building 4:	\$2,000	
Spoilage loss at Building 3:	\$2,500	
Spoilage loss at Building 4:	\$1,500	

The largest deductible involved in the occurrence was the \$500 spoilage deductible and will be subtracted from the total Loss Payable:

\$ 50,100 – Building 1 loss	
+ \$ 70,000 – Building 2 loss	
+ \$ 2,500 – Spoilage loss at Building 3	
+ \$ 1,500 – Spoilage loss at Building 4	
<u>\$ 124,100 – Total loss</u>	
- \$ 500 – Largest deductible involved in loss	
\$ 123,600 – Total loss payable	

Example 2 - Identical loss occurs but only at building 1, no loss at other buildings (same deductibles and limits)

Property Deductible – Building 1:	\$250
Limit of Insurance – Building 1:	\$60,000
Loss to Building 1:	\$50,100
Spoilage Loss at Building 1:	\$2,500

The largest deductible involved in the occurrence was the \$500 spoilage deductible for Building 1 and will be subtracted from the total Loss Payable.

\$ 50,100 - Building 1 loss	
+ \$ 2,500 - Spoilage loss at Building 1	
<u>\$ 52,600 - Total Loss at Building 1</u>	
- \$ 500 - Largest deductible involved in loss	
\$ 52,100 - Total loss payable.	

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF COSMETIC DAMAGE TO ROOF COVERINGS CAUSED BY HAIL – SCHEDULED BUILDINGS

This endorsement modifies insurance provided under the following:

BUSINESSOWNER'S COVERAGE FORM

SCHEDULE

Prem. No.	Bldg. No.	Address
001	001	3049-3089 W 18th Ave 1800-1816 Grove St, Denver, CO 80204
001	002	3049-3089 W 18th Ave 1800-1816 Grove St, Denver, CO 80204

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

With respect to the location(s) indicated in the Schedule, the following provisions apply:

A. The following is added to Paragraph B.1. Exclusions in SECTION I – PROPERTY:

We do not cover cosmetic loss or damage to roof coverings caused by the peril of hail.

“Cosmetic loss or damage” means damage to any portion of the roof covering that alters only its physical appearance but does not result in the failure of the roof covering to perform its intended function of keeping out the elements for the remainder of its original, useful life.

We do cover hail damage to that portion of the roof covering that will allow the penetration of water or results in the failure of the roof covering to perform its intended function of keeping out the elements for the remainder of its original, useful life.

B. For the purpose of this endorsement, roof covering means the roofing material exposed to the elements, the underlayments applied for moisture protection, and all flashings required in the replacement of the roofing material or underlayments.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DUTIES AFTER A LOSS – PERIL OF HAIL

This endorsement modifies insurance provided under the following:

BUSINESSOWNER'S COVERAGE FORM

1. Paragraph **E.3., Duties In The Event Of Loss Or Damage** in **SECTION I – PROPERTY** is amended:
 - a. Paragraph **a.(2)** is deleted and replaced with the following:
 - (2)** Give us prompt notice of the loss or damage. Include a description of the property involved. If loss is caused by or results from the peril of hail, loss must be reported to us within 180 days of the loss event.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CYBER INCIDENT EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNER'S COVERAGE FORM

Section I – Property is amended as follows:

A. The following exclusion is added to Paragraph **B. Exclusions:**

We will not pay for loss or damage caused directly or indirectly by the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

Cyber Incident

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

B. Exceptions And Limitations

1. Fire Or Explosion

If a cyber incident as described in Paragraphs **A.1.** through **A.3.** of this exclusion results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

2. Additional Coverage

The exclusion in Paragraph **A.** does not apply to the extent that coverage is provided in the:

- a. Additional Coverage – Electronic Data; or
- b. Additional Coverage – Interruption Of Computer Operations.

3. Computer Fraud And Funds Transfer Fraud Endorsement

The exclusion in Paragraph **A.** does not apply to the Computer Fraud And Funds Transfer Fraud endorsement or other endorsement that includes the Computer Fraud And Funds Transfer Fraud coverage when attached to your policy.

4. Cyber Suite Coverage Endorsement

The exclusion in Paragraph **A.** does not apply to the Cyber Suite Coverage endorsement when attached to your policy.

5. Data Compromise Coverage Endorsement

The exclusion in Paragraph **A.** does not apply to the Data Compromise Coverage endorsement when attached to your policy.

C. Vandalism

The following is added to Vandalism:

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

D. Spoilage Coverage

The exclusion in Paragraph **A.** shall apply to any endorsement providing Spoilage Coverage when attached to your policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WATER BACK-UP AND SUMP OVERFLOW

This endorsement modifies insurance provided under the following:

BUSINESSOWNER'S COVERAGE FORM

SCHEDULE

Premises Number	Covered Property Annual Aggregate Limit Of Insurance	Business Income And Extra Expense Annual Aggregate Limit Of Insurance
Location 001, Building 002	\$10,000	\$10,000
Location 001, Building 001	\$100,000	\$100,000
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

A. We will pay for direct physical loss or damage to Covered Property, covered under Section I – Property, caused by or resulting from:

1. Water or waterborne material which backs up through or overflows or is otherwise discharged from a sewer or drain; or
2. 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 **A.2.**, we will not pay the cost of repairing or replacing a sump pump or its related equipment in the event of mechanical breakdown.

THIS IS NOT FLOOD INSURANCE. We will not pay for loss or damage from water or other materials that back up or overflow from any sewer, drain or sump that itself is caused, directly or indirectly, in whole or in part, by any flood. Flood means the overflow of surface water, waves, tides, tidal waves, streams, or other bodies of water, or their spray, all whether driven by wind or not.

B. The coverage described in Paragraph **A.** of this endorsement does not apply to loss or damage resulting from an insured's failure to:

1. Keep a sump pump or its related equipment in proper working condition; or

2. Perform the routine maintenance or repair necessary to keep a sewer or drain free from obstructions.

C. The most we will pay for the coverage provided under this endorsement for all direct physical loss or damage to Covered Property is the Covered Property Annual Aggregate Limit of Insurance. That limit is \$5,000 per location, unless a different Covered Property Annual Aggregate Limit of Insurance is indicated in the Schedule of this endorsement.

The applicable Covered Property Annual Aggregate Limit of Insurance is the most we will pay under this endorsement for the total of all direct physical loss or damage sustained in any one policy year, regardless of the number of occurrences that cause or result in loss or damage to Covered Property. If loss payment for the first such occurrence does not exhaust the applicable Limit of Insurance, then the balance of that Limit is available for subsequent loss or damage sustained in, but not after, that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

D. The following provisions apply to **Section I – Property** and supersede any provisions to the contrary:

The most we will pay under:

1. Paragraph **A.5.f. Business Income** Additional Coverage for all loss of Business Income you sustain due to the necessary suspension of your "operations" caused by direct physical loss or damage to Covered Property as described in Paragraph **A.** of this endorsement; and
2. Paragraph **A.5.g. Extra Expense** Additional Coverage for all necessary Extra Expense you incur and that you would not have incurred if there had been no direct physical loss or damage to Covered Property as described in Paragraph **A.** of this endorsement;

is the Business Income And Extra Expense Annual Aggregate Limit of Insurance. That limit is \$5,000 per location, unless a different Business Income And Extra Expense Annual Aggregate Limit of Insurance is shown in the Schedule.

The applicable Business Income And Extra Expense Annual Aggregate Limit of Insurance is the most we will pay under this endorsement for the total of all loss of Business Income you sustain and Extra Expense you incur in any one policy year, regardless of the number of occurrences that cause or result in loss or damage to Covered Property as described in Paragraph **A.** of this endorsement. If loss payment during an earlier "period of restoration" in the policy year does not exhaust the applicable Limit of Insurance, then the balance of that Limit is available for loss of Business Income you sustain or Extra Expense you incur during a subsequent "period of restoration" beginning in, but not after, that policy year. With respect to a "period of restoration" which begins in one policy year and continues in a subsequent policy year(s), all loss of Business Income you sustain or Extra Expense you incur is deemed to be sustained or incurred in the policy year in which the "period of restoration" began.

- E.** With respect to the coverage provided under this endorsement, the **Water** Exclusion in **Section I – Property** is replaced by the following exclusion:

Water

1. Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
2. Mudslide or mudflow; or
3. Water under the ground surface pressing on, or flowing or seeping through:
 - a. Foundations, walls, floors or paved surfaces;
 - b. Basements, whether paved or not; or
 - c. Doors, windows or other openings; or

4. Waterborne material carried or otherwise moved by any of the water referred to in Paragraph **1.** or **3.**, or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs **1.** through **4.**, 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 **4.**, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESS INCOME CHANGES – TIME PERIOD

This endorsement modifies insurance provided under the following:

BUSINESSOWNER'S COVERAGE FORM

SCHEDULE

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

Section I – Property is amended as follows:

A. Paragraph A.5.i. Civil Authority Additional Coverage is amended by deleting the second paragraph and replacing it with the following:

Civil Authority coverage for Business Income will begin the number of hours shown in the Schedule of this endorsement after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

B. Paragraph A.5.m.(5)(a) Business Income From Dependent Properties Additional Coverage is replaced by the following:

(5) The coverage period for Business Income under this Additional Coverage:

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

C. Paragraph H.9.a.(1)(a) of the "period of restoration" definition is replaced by the following:

(a) The number of hours shown in the Schedule of this endorsement after the time of direct physical loss or damage for Business Income Coverage; or

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**DATA COMPROMISE COVERAGE
RESPONSE EXPENSES AND DEFENSE AND LIABILITY**

This endorsement modifies insurance provided under the following:

BUSINESSOWNER'S COVERAGE FORM

SECTION 1 – RESPONSE EXPENSES		
Data Compromise		
Response Expenses Limit:		Annual Aggregate
Sublimits		
Named Malware (Sec. 1)		Any one "Personal Data Compromise"
Forensic IT Review:		
Legal Review:		
PR Services:		
Response Expenses Deductible:		Any one "Personal Data Compromise"
SECTION 2 – DEFENSE AND LIABILITY		
Data Compromise		
Defense and Liability Limit:		Annual Aggregate
Sublimits		
Named Malware (Sec. 2)		Any one "Personal Data Compromise"
Defense and Liability Deductible:		Each "Data Compromise Suit"

The following is added as an Additional Coverage to the Property section:

SECTION 1 – RESPONSE EXPENSES

DATA COMPROMISE COVERED CAUSE OF LOSS

Coverage under this Data Compromise Coverage endorsement applies only if all of the following conditions are met:

1. There has been a "personal data compromise"; and
2. Such "personal data compromise" is first discovered by you during the policy period for which this Data Compromise Coverage endorsement is applicable; and
3. Such "personal data compromise" is reported to us within 60 days after the date it is first discovered by you.

COVERAGE – SECTION 1

If the three conditions listed above in DATA COMPROMISE – COVERED CAUSE OF LOSS have been met, then we will provide coverage for the following expenses when they arise directly from the covered cause of loss and are necessary and reasonable. Coverages 4 and 5 apply only if there has been a notification of the "personal data compromise" to "affected individuals" as covered under coverage 3.

1. Forensic IT Review

Professional information technologies review if needed to determine, within the constraints of what is possible and reasonable, the nature and extent of the "personal data compromise" and the number and identities of the "affected individuals".

This does not include costs to analyze, research or determine any of the following:

- a. Vulnerabilities in systems, procedures or physical security;

- b. Compliance with PCI or other industry security standards; or
- c. The nature or extent of loss or damage to data that is not “personally identifying information” or “personally sensitive information”.

If there is reasonable cause to suspect that a covered “personal data compromise” may have occurred, we will pay for costs covered under Forensic IT Review, even if it is eventually determined that there was no covered “personal data compromise”. However, once it is determined that there was no covered “personal data compromise”, we will not pay for any further costs.

2. Legal Review

Professional legal counsel review of the “personal data compromise” and how you should best respond to it.

If there is reasonable cause to suspect that a covered “personal data compromise” may have occurred, we will pay for costs covered under Legal Review, even if it is eventually determined that there was no covered “personal data compromise”. However, once it is determined that there was no covered “personal data compromise”, we will not pay for any further costs.

3. Notification to Affected Individuals

We will pay your necessary and reasonable costs to provide notification of the “personal data compromise” to “affected individuals”.

4. Services to Affected Individuals

We will pay your necessary and reasonable costs to provide the following services to “affected individuals”.

- a. The following services apply to any “personal data compromise”.
 - 1) Informational Materials
A packet of loss prevention and customer support information.
 - 2) Help Line
A toll-free telephone line for “affected individuals” with questions about the “personal data compromise”. Where applicable, the line can also be used to request additional services as listed in b. 1) and 2).
- b. The following additional services apply to “personal data compromise” events involving “personally identifying information”.
 - 1) Credit Report and Monitoring
A credit report and an electronic service automatically monitoring for activities affecting an individual’s credit records. This

service is subject to the “affected individual” enrolling for this service with the designated service provider.

2) Identity Restoration Case Management

As respects any “affected individual” who is or appears to be a victim of “identity theft” that may reasonably have arisen from the “personal data compromise”, the services of an identity restoration professional who will assist that “affected individual” through the process of correcting credit and other records and, within the constraints of what is possible and reasonable, restoring control over his or her personal identity.

5. PR Services

Professional public relations firm review of and response to the potential impact of the “personal data compromise” on your business relationships.

This includes costs to implement public relations recommendations of such firm. This may include advertising and special promotions designed to retain your relationship with “affected individuals”. However, we will not pay for promotions:

- a. Provided to any of your directors or employees; or;
- b. Costing more than \$25 per “affected individual”.

LIMITS – SECTION 1

The most we will pay under Response Expenses coverage is the Data Compromise Response Expenses Limit indicated for this endorsement.

The Data Compromise Response Expenses Limit is an annual aggregate limit. This amount is the most we will pay for the total of all loss covered under Section 1 arising out of all “personal data compromise” events which are first discovered by you during the present annual policy period. This limit applies regardless of the number of “personal data compromise” events discovered by you during that period.

A “personal data compromise” may be first discovered by you in one policy period but cause covered costs in one or more subsequent policy periods. If so, all covered costs arising from such “personal data compromise” will be subject to the Data Compromise Response Expenses Limit applicable to the policy period when the “personal data compromise” was first discovered by you.

The most we will pay under Response Expenses coverage for loss arising from any “malware-related compromise” is the Named Malware (Sec. 1) sublimit indicated for this endorsement. For the purpose of the Named Malware (Sec. 1) sublimit, all “malware-related compromises” that are caused, enabled or abetted by the same virus or other malicious code are considered to be a single “personal data compromise”. This sublimit is part

of, and not in addition to the Data Compromise Response Expenses Limit.

The most we will pay under Forensic IT Review, Legal Review and PR Services coverages for loss arising from any one "personal data compromise" is the applicable sublimit for each of those coverages indicated for this endorsement. These sublimits are part of, and not in addition to, the Data Compromise Response Expenses Limit. PR Services coverage is also subject to a limit per "affected individual" as described in 5. PR Services.

Coverage for Services to "affected individuals" is limited to costs to provide such services for a period of up to one year from the date of the notification to the "affected individuals". Notwithstanding, coverage for Identity Restoration Case Management services initiated within such one year period may continue for a period of up to one year from the date such Identity Restoration Case Management services are initiated.

DEDUCTIBLE – SECTION 1

Response Expenses coverage is subject to the Response Expenses Deductible indicated for this endorsement. You shall be responsible for such deductible amount as respects each "personal data compromise" covered under this endorsement.

SECTION 2 – DEFENSE AND LIABILITY

DEFENSE AND LIABILITY COVERED CAUSE OF LOSS

Coverage under this Data Compromise Coverage endorsement applies only if all three of the conditions in DATA COMPROMISE – COVERED CAUSE OF LOSS are met.

Only with regard to Section 2 – Defense and Liability coverage, the following conditions must also be met:

1. You have provided notifications and services to "affected individuals" in consultation with us pursuant to Response Expenses coverage; and
2. You receive notice of a "data compromise suit" brought by one or more "affected individuals" or by a governmental entity on behalf of one or more "affected individuals"; and
3. Notice of such "data compromise suit" is received by you within two years of the date that the "affected individuals" are notified of the "personal data compromise"; and
4. Such "data compromise suit" is reported to us as soon as practicable, but in no event more than 60 days after the date it is first received by you.

COVERAGE – SECTION 2

If all of the conditions listed above in DEFENSE AND LIABILITY – COVERED CAUSE OF LOSS have been met, then we will provide coverage for "data compromise defense costs" and "data compromise liability" directly arising from the covered cause of loss.

LIMITS – SECTION 2

The most we will pay under Defense and Liability coverage (other than post-judgment interest) is the Data Compromise Defense and Liability Limit indicated for this endorsement.

The Data Compromise Defense and Liability Limit is an annual aggregate limit. This amount is the most we will pay for all loss covered under Section 2 (other than post-judgment interest) arising out of all "personal data compromise" events which are first discovered by you during the present annual policy period. This limit applies regardless of the number of "personal data compromise" events discovered by you during that period.

A "personal data compromise" may be first discovered by you in one policy period but cause covered costs in one or more subsequent policy periods. If so, all covered costs arising from such "personal data compromise" (other than post-judgment interest) will be subject to the Data Compromise Defense and Liability Limit applicable to the policy period when the "personal data compromise" was first discovered by you.

The most we will pay under Defense and Liability coverage for loss arising from any "malware-related compromise" is the Named Malware (Sec. 2) sublimit indicated for this endorsement. For the purpose of the Named Malware (Sec. 2) sublimit, all "malware-related compromises" that are caused, enabled or abetted by the same virus or other malicious code are considered to be a single "personal data compromise". This sublimit is part of, and not in addition to, the Defense and Liability Limit.

DEDUCTIBLE – SECTION 2

Defense and Liability coverage is subject to the Defense and Liability Deductible indicated for this endorsement. You shall be responsible for such deductible amount as respects each "data compromise suit" covered under this endorsement.

EXCLUSIONS, ADDITIONAL CONDITIONS AND DEFINITIONS APPLICABLE TO BOTH SECTION 1 AND SECTION 2

EXCLUSIONS

The following additional exclusions apply to this coverage: We will not pay for costs arising from the following:

1. Your intentional or willful complicity in a "personal data compromise".

2. Any criminal, fraudulent or dishonest act, error or omission, or any intentional or knowing violation of the law by you.
3. Any "personal data compromise" occurring prior to the first inception of this Data Compromise Coverage endorsement or any coverage substantially similar to that described in this endorsement.
4. Costs to research or correct any deficiency. This includes, but is not limited to, any deficiency in your systems, procedures or physical security that may have contributed to a "personal data compromise".
5. Any fines or penalties. This includes, but is not limited to, fees or surcharges from affected financial institutions.
6. Any criminal investigations or proceedings.
7. Any extortion or blackmail. This includes, but is not limited to, ransom payments and private security assistance.
8. Any "personal data compromise" involving data that is being transmitted electronically, unless such data is encrypted to protect the security of the transmission.
9. Your reckless disregard for the security of "personally identifying information" or "personally sensitive information" in your care, custody or control.
10. That part of any "data compromise suit" seeking any non-monetary relief.

ADDITIONAL CONDITIONS

The following Additional Conditions apply to all coverages under this endorsement.

A. Data Compromise Liability Defense

1. We shall have the right and the duty to assume the defense of any applicable "data compromise suit" against you. You shall give us such information and cooperation as we may reasonably require.
2. You shall not admit liability for or settle any "data compromise suit" or incur any defense costs without our prior written consent.
3. If you refuse to consent to any settlement recommended by us and acceptable to the claimant, we may then withdraw from your defense by tendering control of the defense to you. From that point forward, you shall, at your own expense, negotiate or defend such "data compromise suit" independently of us. Our liability shall not exceed the amount for which the claim or suit could have been settled if such recommendation was consented to, plus defense costs incurred by us, and defense costs incurred by you with our written consent, prior to the date of such refusal.
4. We shall not be obligated to pay any damages or

defense costs, or to defend or continue to defend any "data compromise suit", after the Data Compromise Defense and Liability Limit has been exhausted.

5. We shall pay all interest on that amount of any judgment within the Data Compromise Defense and Liability Limit which accrues:
 - a. after entry of judgment; and
 - b. before we pay, offer to pay or deposit in court that part of the judgment within the Data Compromise Defense and Liability Limit or, in any case, before we pay or offer to pay the entire Data Compromise Defense and Liability Limit.

These interest payments shall be in addition to and not part of the Data Compromise Defense and Liability Limit.

B. Duties in the Event of a "Data Compromise Suit"

1. If a "data compromise suit" is brought against you, you must:
 - a. Immediately record the specifics of the "data compromise suit" and the date received; and
 - b. Provide us with written notice, as soon as practicable, but in no event more than 60 days after the date the "data compromise suit" is first received by you.
 - c. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "data compromise suit";
 - d. Authorize us to obtain records and other information;
 - e. Cooperate with us in the investigation, settlement or defense of the "data compromise suit";
 - f. Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to you because of loss to which this insurance may also apply; and
 - g. Not take any action, or fail to take any required action, that prejudices your rights or our rights with respect to such "data compromise suit".
2. You may not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our prior written consent.
3. If you become aware of a claim or complaint that may become a "data compromise suit", you shall promptly inform us of such claim or complaint.

C. Due Diligence

You agree to use due diligence to prevent and mitigate costs covered under this endorsement. This includes,

but is not limited to, complying with, and requiring your vendors to comply with, reasonable and industry-accepted protocols for:

1. Providing and maintaining appropriate physical security for your premises, computer systems and hard copy files;
2. Providing and maintaining appropriate computer and Internet security;
3. Maintaining and updating at appropriate intervals backups of computer data;
4. Protecting transactions, such as processing credit card, debit card and check payments; and
5. Appropriate disposal of files containing “personally identifying information” or “personally sensitive information”, including shredding hard copy files and destroying physical media used to store electronic data.

D. Legal Advice

We are not your legal advisor. Our determination of what is or is not covered under this Data Compromise Coverage endorsement does not represent advice or counsel from us about what you should or should not do.

E. Pre-Notification Consultation

You agree to consult with us prior to the issuance of notification to “affected individuals”. We assume no responsibility under this Data Compromise Coverage for any services promised to “affected individuals” without our prior agreement. If possible, this pre-notification consultation will also include the designated service provider(s) as agreed to under Additional Condition F. Service Providers. You must provide the following at our pre-notification consultation with you:

1. The exact list of “affected individuals” to be notified, including contact information.
2. Information about the “personal data compromise” that may appropriately be communicated with “affected individuals”.
3. The scope of services that you desire for the “affected individuals”. For example, coverage may be structured to provide fewer services in order to make those services available to more “affected individuals” without exceeding the available Response Expenses Limit.

F. Service Providers

1. We will only pay under this Data Compromise Coverage for services that are provided by service providers approved by us. You must obtain our prior approval for any service provider whose expenses you want covered under this Data Compromise Coverage. We will not unreasonably

withhold such approval.

2. Prior to the Pre-Notification Consultation described in Additional Condition E. above, you must come to agreement with us regarding the service provider(s) to be used for the Notification to Affected Individuals and Services to Affected Individuals. We will suggest a service provider. If you prefer to use an alternate service provider, our coverage is subject to the following limitations:
 - a. Such alternate service provider must be approved by us;
 - b. Such alternate service provider must provide services that are reasonably equivalent or superior in both kind and quality to the services that would have been provided by the service provider we had suggested; and
 - c. Our payment for services provided by any alternate service provider will not exceed the amount that we would have paid using the service provider we had suggested.

G. Services

The following conditions apply as respects any services provided to you or any “affected individual” by us, our designees or any service firm paid for in whole or in part under this Data Compromise coverage:

1. The effectiveness of such services depends on your cooperation and assistance.
2. All services may not be available or applicable to all individuals. For example, “affected individuals” who are minors or foreign nationals may not have credit records that can be provided or monitored. Service in Canada will be different from service in the United States and Puerto Rico in accordance with local conditions.
3. We do not warrant or guarantee that the services will end or eliminate all problems associated with the covered events.
4. You will have a direct relationship with the professional service firms paid for in whole or in part under this coverage. Those firms work for you.

DEFINITIONS

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

1. “Affected Individual” means any person who is your current, former or prospective customer, client, member, owner, director or employee and whose “personally identifying information” or “personally sensitive information” is lost, stolen, accidentally released or accidentally published by a “personal data compromise” covered under this endorsement. This definition is subject to the following provisions:
 - a. “Affected individual” does not include any

business or organization. Only an individual person may be an "affected individual".

b. An "affected individual" must have a direct relationship with your interests as insured under this policy. The following are examples of individuals who would not meet this requirement:

1) If you aggregate or sell information about individuals as part of your business, the individuals about whom you keep such information do not qualify as "affected individuals". However, specific individuals may qualify as "affected individuals" for another reason, such as being an employee of yours.

2) If you store, process, transmit or transport records, the individuals whose "personally identifying information" or "personally sensitive information" you are storing, processing, transmitting or transporting for another entity do not qualify as "affected individuals". However, specific individuals may qualify as "affected individuals" for another reason, such as being an employee of yours.

3) You may have operations, interests or properties that are not insured under this policy. Individuals who have a relationship with you through such other operations, interests or properties do not qualify as "affected individuals". However, specific individuals may qualify as "affected individuals" for another reason, such as being an employee of the operation insured under this policy.

c. An "affected individual" may reside anywhere in the world.

2. "Data Compromise Defense Costs" means expenses resulting solely from the investigation, defense and appeal of any "data compromise suit" against you. Such expenses must be reasonable and necessary. They will be incurred by us. They do not include your salaries or your loss of earnings. They do include premiums for any appeal bond, attachment bond or similar bond, but without any obligation to apply for or furnish any such bond.

3. "Data Compromise Liability"

a. "Data compromise liability" means the following, when they arise from a "data compromise suit":

- 1) Damages, judgments or settlements to "affected individuals";
- 2) Defense costs added to that part of any judgment paid by us, when such defense costs are awarded by law or court order; and
- 3) Pre-judgment interest on that part of any

judgment paid by us.

b. "Data compromise liability" does not mean:

- 1) Damages, judgments or settlements to anyone who is not an "affected individual";
- 2) Civil or criminal fines or penalties imposed by law;
- 3) Punitive or exemplary damages;
- 4) The multiplied portion of multiplied damages;
- 5) Taxes; or
- 6) Matters which may be deemed uninsurable under the applicable law.

4. "Data Compromise Suit"

a. "Data Compromise Suit" means a civil proceeding in which damages to one or more "affected individuals" arising from a "personal data compromise" or the violation of a governmental statute or regulation are alleged. Such proceeding must be brought in the United States of America, Puerto Rico or Canada. "Data compromise suit" includes:

- 1) An arbitration proceeding in which such damages are claimed and to which you must submit or do submit with our consent;
- 2) Any other alternative dispute resolution proceeding in which such damages are claimed and to which you submit with our consent; or
- 3) A written demand for money, when such demand could reasonably result in a civil proceeding as described in this definition.

b. "Data compromise suit" does not mean any demand or action brought by or on behalf of someone who is:

- 1) Your director or officer;
- 2) Your owner or part-owner; or
- 3) A holder of your securities;

in their capacity as such, whether directly, derivatively, or by class action. "Data compromise suit" will include proceedings brought by such individuals in their capacity as "affected individuals", but only to the extent that the damages claimed are the same as would apply to any other "affected individual".

c. "Data compromise suit" does not mean any demand or action brought by an organization, business, institution, or any other party that is not an "affected individual" or governmental entity. "Data compromise suit" does not mean any demand or action brought on behalf of an organization, business, institution, governmental entity or any other party that is not an "affected individual".

5. "Identity Theft" means the fraudulent use of

“personally identifying information”. This includes fraudulently using such information to establish credit accounts, secure loans, enter into contracts or commit crimes.

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

6. “Malware-Related Compromise” means a “personal data compromise” that is caused, enabled or abetted by a virus or other malicious code that, at the time of the “personal data compromise”, is named and recognized by the CERT® Coordination Center, McAfee®, Secunia, Symantec or other comparable third party monitors of malicious code activity.

7. “Personal Data Compromise” means the loss, theft, accidental release or accidental publication of “personally identifying information” or “personally sensitive information” as respects one or more “affected individuals”. If the loss, theft, accidental release or accidental publication involves “personally identifying information”, such loss, theft, accidental release or accidental publication must result in or have the reasonable possibility of resulting in the fraudulent use of such information. This definition is subject to the following provisions:

a. At the time of the loss, theft, accidental release or accidental publication, the “personally identifying information” or “personally sensitive information” need not be at the insured premises but must be in the direct care, custody or control of:

- 1) You; or
- 2) A professional entity with which you have a direct relationship and to which you (or an “affected individual” at your direction) have turned over (directly or via a professional transmission or transportation provider) such information for storage, processing, transmission or transportation of such information.

b. “Personal data compromise” includes disposal or abandonment of “personally identifying information” or “personally sensitive information” without appropriate safeguards such as shredding or destruction, subject to the following provisions:

- 1) The failure to use appropriate safeguards must be accidental and not reckless or deliberate; and
- 2) Such disposal or abandonment must take place during the time period for which this Data Compromise Coverage endorsement is effective.

c. “Personal data compromise” includes situations where there is a reasonable cause to suspect that

such “personally identifying information” or “personally sensitive information” has been lost, stolen, accidentally released or accidentally published, even if there is no firm proof.

d. All incidents of “personal data compromise” that are discovered at the same time or arise from the same cause will be considered one “personal data compromise”.

8. “Personally Identifying Information” means information, including health information, that could be used to commit fraud or other illegal activity involving the credit, access to health care or identity of an “affected individual”. This includes, but is not limited to, Social Security numbers or account numbers.

“Personally identifying information” does not mean or include information that is otherwise available to the public, such as names and addresses.

9. “Personally Sensitive Information” means private information specific to an individual the release of which requires notification of “affected individuals” under any applicable law.

“Personally sensitive information” does not mean or include “personally identifying information”.

All other provisions of this policy apply.

**DISCLOSURE FORM
CLAIMS-MADE COVERAGES
IMPORTANT NOTICE TO POLICYHOLDER**

THIS DISCLOSURE FORM IS NOT YOUR POLICY. IT DESCRIBES SOME OF THE MAJOR FEATURES OF THE CLAIMS-MADE COVERAGES THAT MAY BE ATTACHED TO YOUR POLICY. READ YOUR POLICY CAREFULLY TO DETERMINE RIGHTS, DUTIES, AND WHAT IS AND IS NOT COVERED. ONLY THE PROVISIONS OF YOUR POLICY DETERMINE THE SCOPE OF YOUR INSURANCE PROTECTION.

YOUR POLICY

Your policy contains one or more claims-made coverages. They provide coverage only for injury or damage occurring after the policy retroactive date (if any) shown on your policy and the incident is reported to your insurer prior to the end of the policy period. Upon termination of the claims-made coverages, an extended reporting period option is available from your insurer.

There is no difference in the kind of injury or damage covered by occurrence or claims-made coverage. Claims for damages may be assigned to different policy periods, depending on which type of coverage you have.

If you make a claim under your claims-made coverage, the claim must be a demand for damages by an injured party and does not have to be in writing. Under most circumstances, a claim is considered made when it is received and recorded by you or by us. Sometimes, a claim may be deemed made at an earlier time. This can happen when another claim for the same injury or damage has already been made, or when the claim is received and recorded during an extended reporting period.

PRINCIPAL BENEFITS

This paragraph applies to Businessowner's Policies:

This policy has been endorsed to provide one or more of the following coverages: Data Compromise (BP 99 91), Cyber Suite (BP 99 288), Contractors Errors & Omissions (BP 99 366), Employment-related Practices Liability (BP 99 141), Employee Benefits Liability (BP 99 140), Miscellaneous Professional Liability (BP 99 143) or Condominiums, Co-ops, Associations – Directors and Officers Liability (BP 99 142) up to the maximum dollar limit specified in the policy. Refer to your Declarations to see which coverage(s) are included on your policy.

This paragraph applies to Commercial Umbrella Policies:

This policy has been endorsed to provide coverage for Employee Benefits Liability (CU 04 03) up to the maximum dollar limit specified in the policy. Refer to your Declarations to see the coverage included on your policy.

The principal benefits and coverages are explained in detail in your claims-made coverage. Please read it carefully and consult your insurance producer about any questions you might have.

EXCEPTIONS, REDUCTIONS AND LIMITATIONS

Your claims-made coverage contains certain exceptions, reductions and limitations. Please read them carefully and consult your insurance producer about any questions you might have.

RENEWALS AND EXTENDED REPORTING PERIODS

Your claims-made coverage has some unique features relating to renewal, extended reporting periods and coverage for events with long periods of potential liability exposure.

If there is a retroactive date in your coverage, no event or occurrence prior to that date will be covered under the coverage even if reported during the policy period. It is therefore important for you to be certain that there are no gaps in your insurance coverage. These gaps can occur in several ways. Among the most common are:

1. If you switch from an occurrence coverage to a claims-made coverage, the retroactive date in your claims-made coverage should be no later than the expiration date of the occurrence coverage.
2. When replacing a claims-made coverage with a claims-made coverage, you should consider the following:
 - a. The retroactive date in the replacement coverage should extend far enough back in time to cover any events with long periods of liability exposure, or
 - b. If the retroactive date in the replacement coverage does not extend far enough back in time to cover events with long periods of liability exposure, you should consider purchasing extended reporting period coverage under the old claims-made coverage.
3. If you replace this claims-made coverage with an occurrence coverage, you may not have insurance coverage for a claim arising during the period of claims-made coverage unless you have purchased an extended reporting period under the claims-made coverage. Extended reporting period coverage must be offered to you by law for at least one year after the expiration of the claims-made coverage at a premium not to exceed 200% of your last policy premium.

CAREFULLY REVIEW YOUR POLICY REGARDING THE AVAILABILITY OF EXTENDED REPORTING PERIOD COVERAGE, INCLUDING THE LENGTH OF COVERAGE, THE PRICE AND THE TIME PERIOD DURING WHICH YOU MUST PURCHASE OR ACCEPT ANY OFFER FOR EXTENDED REPORTING PERIOD COVERAGE.