



MARCH 14, 2025

Welcome to The Hartford

Policy Number: 01 SBW BP9JF3

We and NORTHEAST AGENCIES INC/PHS thank you for your business. We look forward to providing you with exceptional customer service in the years to come.

HERE'S YOUR NEW POLICY

Enclosed is your new business insurance policy. It includes forms, notices, disclosures and other important information about your coverage. In some cases, you may have paperwork that requires your special attention. If so, you'll see those documents packaged together right after this letter.

WHAT TO DO NEXT

Want a digital version of your policy? We make it easy. You can download a copy instantly when you access your account online. Plus, you'll also be able to quickly and easily do things like:

- Pay bills
- Request certificates of insurance
- Change coverage

Visit <https://business.thehartford.com> to get started today.

Thank you,

Your Customer Service Team from The Hartford

HOW TO REACH US

If you have questions, you can reach The Hartford the following ways:

ONLINE BY VISITING

<https://business.thehartford.com>

POLICY QUESTIONS

1-866-467-8730,
Monday - Friday
7 a.m. - 7 p.m. CT

24 HOUR CLAIMS HOTLINE

1-800-327-3636, always open

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



IMPORTANT NOTICE TO POLICYHOLDERS

Enclosed is your spectrum policy from The Hartford. We are providing you with a complete set of policy forms, notices and brochures. In the interest of paper conservation and to reduce expenses, at renewal of this policy we will be providing you only with those documents which have changed from those now being provided. You should retain all of these documents indefinitely so that you will have a complete set of policy forms at all times for your reference.

If you have questions, or if at any time you need copies of any of the forms listed on your policy you may access them by registering for access to the customer service portal at business.TheHartford.com. You may also request them by calling your Hartford agent or broker, or the office of the Hartford identified on your policy, as appropriate.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



MISSOURI ACKNOWLEDGMENT - DEFENSE WITHIN LIMITS

POLICY NUMBER: 01 SBW BP9JF3

This endorsement modifies insurance provided under the following:

EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM

I understand and acknowledge that the attached Coverage Part contains a Defense Within Limits provision which means that "claims expenses" will reduce the Limits of Liability and may exhaust them completely and should that occur, the "insured" shall be liable for any further "loss" or "claims expenses". In addition, "claims expenses" are applied against the deductible.

"Claims expenses" means:

1. reasonable and necessary legal fees and expenses incurred in the defense or appeal of a "claim";
2. "extradition costs"; or
3. the costs of appeal, attachment or similar bonds, provided that the Insurer shall have no obligation to furnish such bonds.

However, "claims expenses" shall not include:

- a. salaries, wages, remuneration, overhead or benefit expenses associated with any "insureds";
- b. any fees, expenses or costs which are incurred by or on behalf of a party which is not a covered "insured"; or
- c. any fees, expenses or costs which were incurred prior to the date on which we received written notice of "claim" from the "insured".

All other terms and conditions remain unchanged.

Insured's Signature



IMPORTANT NOTICE TO POLICYHOLDERS THE HARTFORD CYBER CENTER WEBSITE ACCESS

Thank you for choosing The Hartford for your business insurance needs.

You are receiving this Notice because you purchased a business owner's policy from The Hartford, (your Policy was issued by The Hartford writing company identified on your policy Declarations page) which includes access to The Hartford Cyber Center. This portal was created because we recognize that businesses face a variety of cyber-related exposures and need help managing the related risks. These exposures include data breaches, computer virus attacks and cyber extortion threats.

Through The Hartford Cyber Center, you have access to:

1. A panel of third party incident response service providers
2. Third party cybersecurity pre-incident service providers and a list of approved services to help protect your business before a cyber-threat occurs
3. Risk management tools, including self-assessments, best practice guides, templates, sample incident response plans, and data breach cost calculators
4. White papers, blogs and webinars from leading privacy and security practitioners
5. Up-to-date cyber-related news and events, including examples of privacy and security related events

Accessing The Hartford Cyber Center is easy

1. Visit www.thehartford.com/cybercenter
2. Enter policyholder information
3. Access code: 952689
4. Login to The Hartford Cyber Center

This Notice does not amend or otherwise affect the provisions of your business owner's policy.

Coverage Options:

The Hartford offers a variety of endorsements to your business owner's policy that can help protect your business from a broad range of cyber-related threats. Please review your coverage with your insurance agent or broker to determine the most appropriate cyber coverages and limits for your business.

Claims Reporting:

If you have a claim, you can report it by calling The Hartford's toll-free claims line at **1-800-327-3636**.

Should you have any questions, please contact your insurance agent, broker or you may contact us directly.

We appreciate your business and look forward to being of continued service to you.

Please be aware that:

1. The Hartford Cyber Center is a proprietary web portal exclusively provided to customers of The Hartford. Please do not share the access code with anyone outside your organization.
2. Registration is required to access the Cyber Center. You may register as many users as necessary.
3. Contacting a service provider about any issue does not constitute providing The Hartford notice of a claim as required under your insurance policy. Read your insurance policy and discuss any questions with your agent or broker.

The Hartford Cyber Center provides third party service provider references and materials for educational purposes only. The Hartford does not specifically endorse any such service provider within The Hartford Cyber Center and hereby disclaims all liability with respect to use of or reliance on such service providers. All service providers are independent contractors and not agents of The Hartford. The Hartford does not warrant the performance of the service providers, even if such services are covered under your Business Owners Policy. We strongly encourage you to conduct your own assessments of the service providers' services and the fitness or adequacy of such services for your particular needs.



BUSINESS OWNER'S POLICY



Declarations: Business Owner's Policy

Policy Number: 01 SBW BP9JF3

Policy Period: 03/24/2025 to 03/24/2026,
12:01 a.m., Standard time at your mailing
address shown here. Exception: 12 noon in
New Hampshire.

Insurer:

Property and Casualty Insurance Company of
Hartford, a property and casualty company of
The Hartford.

One Hartford Plaza, Hartford, CT 06155

Named Insured and Mailing Address:

Simply Threads LLC
109 SE 3RD ST
LEES SUMMIT, MO 64063-2719

Type of Business: Clothing Store - Ladies &
Girls

Name of Agency/Broker:

NORTHEAST AGENCIES INC/PHS
PO BOX 661039
DALLAS, TX 75266

Code: 01210619

Previous Policy Number:

New

Organization Type: LLC

Audit Period: Non-Auditable

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

TOTAL PREMIUM:

\$1,735*

*Total Premium includes the premium for all Coverage Parts issued to you in this policy, as well as any companion policies delivered with this policy. Total Premium includes any applicable fees and surcharges. Total Premium may change based on coverage changes made through endorsement or if your policy is subject to Premium Audit.

Countersigned by: *Susan L. Castaneda*

03/14/2025

Authorized Representative

Date

A Business Owner's Policy typically covers property and business liability risks. Generally, Property insurance pays you if a covered cause of loss damages property that you own, rent or lease. Business liability insurance pays in certain cases where something you do or something you own causes injury or damage to someone else, or someone else's property. Please see the coverages and limits described in your Declarations for details regarding the insurance you purchased.

This Spectrum® Business Owner's Policy consists of the Declarations, Coverage Forms, Coverage Parts, Common Policy Conditions and any other Forms and endorsements issued to be a part of the Policy. The Hartford® is Hartford Fire Insurance Company and its affiliated property and casualty insurance companies.



Declarations: Business Owner's Policy



Glossary of Terms*

TERM	DEFINITION
Audit Period	Your Policy period, which may be auditable or non-auditable. If your Policy is auditable, we will examine your business records to determine actual exposures for final premium calculation.
Base Coverage Form	Each Coverage Part has a form that explains, generally, what is and is not covered. This is the first building block of the Coverage Part. All other forms directly or indirectly modify the Base Coverage Form and are attached to it.
Coverage Part	A section of the Policy for a particular coverage. Unless otherwise stated in a specific Coverage Part, a Coverage Part consists of a Declarations page, a Base Coverage Form, all forms that modify the Base Coverage Form, and other forms applicable to the Coverage Part or the entire Policy.
Declarations	The part of the insurance contract that specifies the named insured, address, policy period, covered locations, limits of insurance and other key information such as forms applicable to the Coverage Part.
Policy	A contract between you and us to provide you with certain insurance coverages. Your Spectrum Business Owner's Policy consists of all Coverage Parts and forms common to some or all Coverage Parts.
STRETCH®	A unique feature of The Hartford's policy is an optional enhancement to the policy which increases the limit of insurance for several coverages and adds new coverages to the policy.
STRETCH® Blanket Limit	Provides a single limit of insurance that applies to more than one Coverage. Coverages subject to the STRETCH® Blanket Limit may also have additional limits of insurance which would apply in addition to the STRETCH® Blanket Limit.

*The terms and definitions contained in the Glossary of Terms are provided to help you better understand your Business Owners Policy and how it is constructed. These terms and definitions are not definitions that apply to any Coverage Part or Policy you have purchased and should not be construed as such. Please refer to the applicable provisions in your coverage parts or policies for complete details of the defined terms, including but not limited to the applicable Definitions section of such Coverage Part or Policy.



Declarations: Locations and Location-Based Coverages

Here's how your Business Owner's insurance coverage and limits apply to your business locations (LOC). If you have more than one location or building (BLDG), we break out your coverage and limits separately for each LOC.

LOC 1, BLDG 1

Class: Clothing Store - Ladies & Girls
Location: 109 SE 3rd St Lees Summit, MO 64063
Construction Type: Joisted Masonry
Year Built: 1940
Property Deductible: \$5,000

Valuation

Business Personal Property (BPP):
Replacement Cost

LOC 1, BLDG 1: LOCATION-BASED COVERAGES AND FEATURES	LIMIT OF INSURANCE
Covered Property (Form Number SP 00 00 10 18)	
Business Personal Property, includes: <ul style="list-style-type: none">• Tenant's Improvements and Betterments• Personal Property of Others	\$50,000
Business Personal Property (BPP) - Business Personal Property Limit - Additional Seasonal Increase %	25% - Included
Building	\$0



Declarations:

Property Coverage Part

The coverages listed below apply to the location(s) for which you purchased property coverage. The limits in the right-hand column show the maximum amount we'll pay. Read the entire Coverage Part to determine your rights, duties and what is and is not covered under the coverages listed below.

STRETCH® Blanket Limit: \$50,000

FORM NUMBER	FORM NAME	LIMIT OF INSURANCE
SP 30 23 10 18	ACCOUNTS RECEIVABLE	Included in STRETCH® Blanket Limit
SP 30 18 10 18	ARSON AND THEFT REWARD	\$10,000
SP 30 57 10 18	BACK-UP OF SEWERS AND DRAINS COVERAGE	Included ²
SP 30 31 10 18	BRANDS AND LABELS	Included ²
SP 30 59 10 18	BUILDING PROPERTY OF OTHERS	\$10,000
SP 30 13 10 18	BUSINESS INCOME AND EXTRA EXPENSE	
	Extended Business Income	60 days
	Limit Type	Actual Loss Sustained
	Period of Restoration	12 months
	Waiting Period	None
SP 30 19 10 18	BUSINESS INCOME FOR CIVIL AUTHORITY ORDERS	
	Duration of Coverage	30 days
	Waiting Period	None
SP 30 40 10 18	BUSINESS INCOME FOR OFF-PREMISES UTILITY SERVICES	
	Limit	\$25,000
	Waiting Period	12 hours
SP 30 14 10 18	BUSINESS INCOME FROM DEPENDENT PROPERTIES	
	Limit	\$25,000
	Period of Restoration	12 months
	Waiting Period	None
SP 30 45 10 18	BUSINESS INCOME FROM OFF-PREMISES OPERATIONS	
	Extended Business Income	60 days
	Limit	\$25,000
	Waiting Period	None
SP 30 47 10 18	BUSINESS INCOME FROM WEBSITES	
	Limit	\$10,000
	Max Period of Restoration	7 days
	Waiting Period	12 hours
SP 30 32 10 18	CLAIM EXPENSE	\$10,000
SP 30 00 10 18	COLLAPSE	Included ²
SP 30 60 10 18	COMPUTERS WORLDWIDE	Included in STRETCH® Blanket Limit



Declarations: Property Coverage Part

CONTINUED

FORM NUMBER	FORM NAME	LIMIT OF INSURANCE
SP 30 37 10 18	CONTRACT PENALTIES	\$1,000
SP 31 53 09 24	CYBER VIRUS AND MALWARE COVERAGE	
	Business Income & Extra Expense Waiting Period	12 hours
	Business Income Period of Restoration	12 months
	Digital Ransom and Extortion Threats - Sublimit	\$5,000
	Policy Year Limit	\$5,000
SP 02 25 10 18	DEBRIS REMOVAL -MISSOURI	Included in STRETCH® Blanket Limit
	Limit	25% of amount paid for covered loss
SP 30 29 09 24	ELECTRONIC DATA	
	Policy Year Limit	\$50,000
SP 30 42 10 18	EMPLOYEE DISHONESTY COVERAGE - EXCLUDES ERISA COMPLIANCE	\$10,000
SP 30 02 10 18	EQUIPMENT BREAKDOWN	Included ²
	Deductible	Property Deductible
	Defense	Included
	Expediting Expenses	\$50,000
	Hazardous Substances	\$50,000
	Supplementary Payments	Included
SP 30 38 10 18	EXPEDITING EXPENSES	\$10,000
SP 30 55 10 18	FINE ARTS COVERAGE	\$10,000
SP 30 03 10 18	FIRE DEPARTMENT SERVICE CHARGE	Included in STRETCH® Blanket Limit
SP 30 04 10 18	FIRE EXTINGUISHER RECHARGE	Included ²
SP 30 16 12 19	FORGERY COVERAGE (INCLUDING CREDIT CARDS, CURRENCY AND MONEY ORDERS)	\$25,000
SP 30 46 10 18	FRAUDULENT TRANSFER COVERAGE	\$10,000
SP 31 51 12 23	FUNGI, WET ROT OR DRY ROT - LIMITED COVERAGE	
	Limit	\$50,000
	Period of Restoration	30 days
SP 30 05 10 18	GARAGES, STORAGE BUILDINGS, AND OTHER APPURTENANT STRUCTURES	\$50,000
SP 30 06 10 18	GLASS EXPENSE	Included ²
SP 30 22 10 18	IDENTITY RECOVERY FOR BUSINESSOWNERS AND EMPLOYEES	
	Deductible	\$250
	Limit	\$15,000



Declarations: Property Coverage Part

CONTINUED

FORM NUMBER	FORM NAME	LIMIT OF INSURANCE
	Lost Wages and Child and Elder Care Expense	\$250 per day, \$5,000 per policy year
	Mental Health Sublimit	\$1,500
SP 30 30 09 24	INTERRUPTION OF COMPUTER OPERATIONS	
	Period of Restoration	12 months
	Policy Year Limit	\$25,000
	Waiting Period	12 hours
SP 30 07 10 18	LEASE ASSESSMENT	\$2,500
SP 30 54 10 18	LEASEHOLD IMPROVEMENTS	\$25,000
SP 30 08 10 18	LOCK AND KEY REPLACEMENT	\$1,000
SP 30 36 03 20	LOST KEYS	\$1,000
SP 30 28 10 18	MONEY AND SECURITIES COVERAGE	
	Inside the Premises Limit	\$10,000
	Outside the Premises Limit	\$5,000
SP 30 24 12 21	NEWLY ACQUIRED OR CONSTRUCTED PROPERTY	
	Newly Acquired or Constructed BI/EE Limit	\$250,000
	Newly Acquired or Constructed BPP Limit	\$500,000
SP 30 39 10 18	NON-OWNED DETACHED TRAILERS	Included in STRETCH® Blanket Limit
SP 30 50 10 18	OFF-PREMISES UTILITY SERVICES - DIRECT DAMAGE	\$10,000
SP 30 11 12 19	ORDINANCE OR LAW COVERAGE	
	Increased Cost of Construction & Demolition Costs Limit	\$25,000
	Undamaged Part Limit	\$25,000
SP 30 25 12 21	OUTDOOR PROPERTY	\$25,000
SP 31 35 10 18	OUTDOOR SIGNS ON PREMISES	\$10,000
SP 30 33 10 18	PAIRS OR SETS	Included ²
SP 30 53 10 18	PAVED SURFACES	\$15,000
SP 30 09 10 18	PERSONAL EFFECTS	Included in STRETCH® Blanket Limit
SP 02 23 10 18	POLLUTANTS AND CONTAMINANTS CLEANUP AND REMOVAL (MISSOURI)	\$15,000
SP 30 10 10 18	PRESERVATION OF PROPERTY	45 days
SP 30 26 10 18	PROPERTY OFF-PREMISES	\$25,000
SP 30 34 10 18	SALESPERSONS SAMPLES	\$1,000
SP 30 51 10 18	SPOILAGE	Included in STRETCH® Blanket Limit
	Business Income Limit	\$10,000
	Waiting Period	12 hours



Declarations: Property Coverage Part

CONTINUED

FORM NUMBER	FORM NAME	LIMIT OF INSURANCE
SP 30 49 10 18	SUMP OVERFLOW OR SUMP PUMP FAILURE	\$15,000
SP 30 44 10 18	THEFT DAMAGE TO BUILDING	Included ²
SP 30 61 10 18	TRANSIT BUSINESS INCOME	
	Limit	\$10,000
	Period of Restoration	12 months
	Waiting Period	None
SP 30 48 10 18	TRANSIT COVERAGE	\$10,000
SP 30 52 10 18	UNAUTHORIZED BUSINESS CARD USE	\$2,500
SP 30 12 10 18	VALUABLE PAPERS AND RECORDS	Included in STRETCH® Blanket Limit
SP 30 35 10 18	VALUATION CHANGES: COMMODITY, FINISHED AND MERCANTILE STOCK	Included within Covered Property Limit (Building and/or BPP)
SP 30 27 10 18	WATER DAMAGE, OTHER LIQUID, POWDER OR MOLTEN MATERIAL DAMAGE	Included ²

²Included within Covered Property Limit(s) (Building and/or Business Personal Property)

ALL OTHER PROPERTY FORMS	
Form Number	Form Name
SP 01 24 04 22	MISSOURI CHANGES - SPECIAL PROPERTY COVERAGE FORM
SP 20 08 10 18	PERILS SPECIFICALLY EXCEPTED
SP 00 00 10 18	SPECIAL PROPERTY COVERAGE FORM

PROPERTY COVERAGE PREMIUM:	\$1,032*
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* Price is subject to fees and surcharges. For more details, refer to Page 10



Declarations: Business Liability Coverage Part

Your policy includes the liability coverages listed below. The limits in the right-hand column show the maximum amount we'll pay.

FORM NUMBER	FORM NAME	LIMIT OF INSURANCE
SL 00 00 10 18	BUSINESS LIABILITY COVERAGE FORM	
	Damage To Premises Rented To You Limit	\$1,000,000
	General Aggregate Limit	\$2,000,000
	Liability and Medical Expenses Limit	\$1,000,000
	Medical Expenses Limit	\$10,000
	Personal and Advertising Injury Limit	\$1,000,000
	Products-Completed Operations Aggregate Limit	\$2,000,000
	Property Damage Liability Deductible	No Deductible

ALL OTHER BUSINESS LIABILITY FORMS	
Form Number	Form Name
SL 20 06 10 18	EXCLUSION - NUCLEAR ENERGY LIABILITY
SL 21 15 09 22	EXCLUSION - PERFLUOROALKYL AND POLYFLUOROALKYL SUBSTANCES (PFAS)
SL 20 78 10 18	EXCLUSION - SILICA - BUSINESS LIABILITY COVERAGE FORM
SL 55 51 10 18	IMPORTANT NOTICE TO MISSOURI POLICYHOLDER CLAIMS MADE COVERAGE
SL 01 23 10 18	MISSOURI CHANGES - BUSINESS LIABILITY COVERAGE

BUSINESS LIABILITY COVERAGE PREMIUM:	\$475*
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* Price is subject to fees and surcharges. For more details, refer to Page 10



Declarations: Other Liability Coverages

Your policy also includes the following additional liability Coverage Parts or policies. Please see the applicable Declaration form for details.

DECLARATION FORM NUMBER	COVERAGE NAME	PREMIUM
SL 55 74 10 18	Employment Practices Liability Insurance	Included



Declarations: Common Forms

Your policy includes the Common Forms listed below. These forms apply to all Coverage Parts on your policy.

FORM NUMBER	FORM NAME
SC 00 00 10 18	COMMON POLICY CONDITIONS
SC 00 01 10 18	DECLARATIONS: BUSINESS OWNER'S POLICY
SC 70 00 12 20	DISCLOSURE - CAP ON LOSSES - TERRORISM RISK INSURANCE ACT
IH12050221	GOODS AND SERVICES ENDORSEMENT
SC 50 13 10 18	IMPORTANT INFORMATION FOR MISSOURI POLICYHOLDERS
SC 50 63 06 20	IMPORTANT NOTICE TO POLICYHOLDER'S
SC 90 04 10 18	IMPORTANT NOTICE TO POLICYHOLDERS THE HARTFORD CYBER CENTER WEBSITE ACCESS
100722	INSURANCE POLICY BILLING INFORMATION
SC 01 24 06 23	MISSOURI CHANGES - COMMON POLICY CONDITIONS
SC 50 31 10 18	PRODUCER COMPENSATION NOTICE
SC 00 12 10 18	SPECTRUM BUSINESS OWNER'S POLICY JACKET
SC 90 16 10 18	TRADE OR ECONOMIC SANCTIONS ENDORSEMENT
SC 90 15 10 18	US DEPARTMENT OF THE TREASURY, OFFICE OF FOREIGN ASSETS CONTROL (OFAC) ADVISORY NOTICE TO POLICYHOLDERS



Declarations: Other Charges

States laws and regulations may require you to pay taxes, fees, surcharges or other costs. We've listed those charges below

DESCRIPTION	COST
Other Premiums	
Policy Base Premium	\$194
Terrorism Premium	\$34



Declarations: Employment Practices Liability Coverage Part

COVERAGE PROVIDED BY THIS COVERAGE PART IS CLAIMS MADE COVERAGE. EXCEPT AS OTHERWISE SPECIFIED HEREIN: COVERAGE APPLIES ONLY TO A CLAIM FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD AND WHICH HAS BEEN REPORTED TO US IN ACCORDANCE WITH THE APPLICABLE NOTICE PROVISIONS. COVERAGE IS SUBJECT TO THE INSURED'S PAYMENT OF THE APPLICABLE DEDUCTIBLE. PAYMENTS OF CLAIM EXPENSES ARE SUBJECT TO, AND REDUCE, THE AVAILABLE LIMITS OF LIABILITY. PLEASE READ THE COVERAGE PART CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER. UPON TERMINATION OF THIS COVERAGE PART, EXTENDED REPORTING PERIOD COVERAGE IS AVAILABLE.

This Declarations Page, with Common Policy Conditions, Employment Practices Liability Coverage Form and Endorsements, if any, shall together constitute this Employment Practices Liability Coverage Part, which in turn forms a part of the Policy Number shown below.

The Nuclear Energy Liability Exclusion (Form SL 20 06) of the Policy to which this Coverage Part is attached also applies to this Coverage Part.

Policy Number: 01 SBW BP9JF3

Policy Period

Effective date: 03/24/2025

Expiration date: 03/24/2026

12:01 A.M., Standard time at the address of the named insured as stated herein. 12 noon in New Hampshire.

Insurer:

Property and Casualty Insurance Company of Hartford
One Hartford Plaza, Hartford, CT 06155

Named Insured and Mailing Address:

Simply Threads LLC

109 SE 3RD ST

LEES SUMMIT, MO 64063-2719

PREMIUM:

Included

This Spectrum® Business Owner's Policy consists of the Declarations, Coverage Forms, Coverage Parts, Common Policy Conditions and any other Forms and endorsements issued to be a part of the Policy. The Hartford® is Hartford Fire Insurance Company and its affiliated property and casualty insurance companies.





Declarations: Employment Practices Liability Coverage Part

POLICY PERIOD

12:01 A.M., Standard time at the address of the named insured as stated herein. Exception: 12 noon in New Hampshire.

EFFECTIVE DATE: 03/24/2025**EXPIRATION DATE:** 03/24/2026**LIMITS OF LIABILITY****EACH CLAIM LIMIT:** \$25,000**ANNUAL AGGREGATE LIMIT:** \$25,000**RETROACTIVE DATE:** 03/24/2025

If no date is entered, the Retroactive Date is the same as the effective date of this Coverage Part.

DEDUCTIBLE: None**Form Numbers of Forms and Endorsements that apply:**

FORM NUMBER	FORM NAME
SL 55 74 10 18	DECLARATIONS - EMPLOYMENT PRACTICES LIABILITY COVERAGE PART
SL 55 36 10 18	THIRD PARTY LIABILITY ENDORSEMENT - EMPLOYMENT PRACTICES LIABILITY
SL 55 02 10 18	EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM (CLAIMS MADE)
SL 55 37 10 18	RETROACTIVE DATE ENDORSEMENT - EMPLOYMENT PRACTICES LIABILITY
SL 55 10 10 18	MISSOURI CHANGES - EMPLOYMENT PRACTICES LIABILITY INSURANCE
SL 55 58 10 18	MISSOURI ACKNOWLEDGEMENT - DEFENSE WITHIN LIMITS
SL 55 34 10 18	WAGE AND HOUR CLAIMS EXPENSES - EMPLOYMENT PRACTICES LIABILITY

Countersigned by:*Susan L. Castaneda*

03/14/2025

Authorized Representative

Date



SPECIAL PROPERTY COVERAGE FORM

SPECIAL PROPERTY COVERAGE FORM READ YOUR POLICY CAREFULLY

QUICK REFERENCE	Beginning on Page
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SPECIAL PROPERTY COVERAGE FORM

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

Throughout this Coverage Part 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.

"Policy period", as used in this Coverage Part, means the period from the effective date of this Coverage Part to the expiration date of the Coverage Part as stated in the Declarations or the date of cancellation, whichever is earlier.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section **G., PROPERTY DEFINITIONS**.

A. COVERAGE

We will pay for direct physical loss of or direct physical damage to Covered Property at the premises described in the Declarations (also called "scheduled premises" in this Coverage Part) caused by or resulting from a Covered Cause of Loss.

1. Covered Property

Covered Property as used in this Coverage Part, means the following types of property for which a Limit of Insurance is shown in the Declarations:

a. Buildings, meaning the building(s) and structure(s) 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) Building Glass, meaning glass that is part of a building or structure;
- (6) Personal property owned by you that is used to maintain or service the buildings or structures on the premises, including:
 - (a) Fire extinguishing equipment;
 - (b) Outdoor furniture;
 - (c) Floor coverings; and
 - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- (7) If not covered by other insurance:
 - (a) Additions under construction, alterations and repairs to the buildings or structures;
 - (b) Materials, equipment, supplies and temporary structures, on or within 1,000 feet of the "scheduled premises", used for making additions, alterations or repairs to the buildings or structures.

b. Business Personal Property located in or on the building(s) or structure(s) described in the Declarations at the "scheduled premises" or in the open (or in a vehicle) within 1,000 feet of the building(s) or structure(s) or within 1,000 feet of the "scheduled premises", whichever distance is greater, including:

- (1) Property you own that is used in your business;
- (2) Tools and equipment owned by your "employees", which are used in your business "operations";
- (3) Property of others that is in your care, custody or control;
- (4) "Tenant improvements and betterments";
- (5) Leased personal property for which you have contractual responsibility to insure, unless otherwise provided for under this Coverage Part; and



- (6) Exterior building glass, if you are a tenant and no Limit of Insurance is shown in the Declarations for Building property. The glass must be owned by you or in your care, custody or control and for which the lease holds you responsible.

2. Property Not Covered

Covered Property does not include:

- a. Aircraft (including "unmanned aircraft", other than "unmanned aircraft" held for sale);
- b. Automobiles, motortrucks and other vehicles subject to motor vehicle registration;
- c. Automobiles held for sale;
- d. Trailers or semi-trailers except as otherwise provided for in this Coverage Part;
- e. "Money", bank notes and "securities", except as otherwise provided in this Coverage Part;
- f. Contraband, or property in the course of illegal transportation or trade;
- g. Land, whether or not resurfaced with stone, gravel or similar layer or a paved surface, (including land on which the property is located), land improvements, water (including water that is natural, metered water that is purchased from a utility company or other supplier, water that is located within a swimming pool, and/or bulk containerized water which is used for a fire suppression system. This does not include containerized water that is "stock"), growing crops, standing timber or lawns (other than lawns which are part of a vegetated roof);
- h. Outdoor fences, radio or television antennas (including satellite dishes), including their lead-in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants (other than "stock" of trees, shrubs or plants or trees, shrubs or plants which are sold but not delivered or which are part of a vegetated roof), except as otherwise provided for in this Coverage Part;
- i. Watercraft (including motors, equipment and accessories) while afloat;
- j. "Valuable papers and records" (including the cost to research, replace or restore the information on "valuable papers and records"), except as otherwise provided for in this Coverage Part;
- k. "Electronic data" (including the cost to research, replace or restore "electronic data") except as otherwise provided for in this Coverage Part. This Paragraph k. does not apply to your "stock" of prepackaged software;
- l. Accounts, bills, food stamps, other evidences of debt or accounts receivable, except as otherwise provided for in this Coverage Part;
- m. "Computer(s)" which are permanently installed in aircraft, watercraft, motor truck, or other vehicles subject to motor vehicle registration;
- n. Live eggs, embryos and cells;
- o. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings, except as otherwise provided for in this Coverage Part; and
- p. Property that is more specifically covered, insured or described elsewhere within this Coverage Part or in any other policy, except for the excess of the amount due (whether you can collect on it or not) from other insurance.

3. Covered Causes of Loss

Covered Cause of Loss means direct physical loss or direct physical damage unless the loss or damage is excluded or limited in this Coverage Part.

4. Limitations

- a. We will not pay for loss of or damage to:
 - (1) 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;
 - (2) Property that has been transferred to a person or to a place outside the "scheduled premises" on the basis of unauthorized instructions, except as otherwise provided for in this Coverage Part; or
 - (3) The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:



- (a) The building or structure first sustains physical 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. Pets and animals are covered only if they are:
 - (1) Stolen; or
 - (2) Their destruction is made necessary by or are killed by a "specified cause of loss".
- c. For direct physical loss or direct physical 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; and
 - (4) \$500 for stamps, lottery tickets held for sale and letters of credit.
- d. We will not pay for loss or damage to lawns, trees, shrubs or plants which are part of a vegetated roof, caused by or resulting from:
 - (1) Dampness or dryness of atmosphere or of soil supporting the vegetation;
 - (2) Changes in or extremes of temperature;
 - (3) Frost or hail; or
 - (4) Rain, snow, ice or sleet.
- e. The most we will pay for direct physical loss or direct physical damage to outdoor signs attached to buildings is \$5,000 per sign in any one occurrence.

5. Additional Coverages

Additional Coverages may be attached to this Coverage Part by endorsement and would be shown in the Declarations. Unless otherwise stated, the Limits of Insurance available under these Additional Coverages are subject to and not in addition to the Limits of Insurance in this Coverage Form.

6. Coverage Extensions

Coverage Extensions may be attached to this Coverage Part by endorsement and would be shown in the Declarations. Unless otherwise stated, the Limits of Insurance available under these Coverage Extensions are in addition to the Limits of Insurance in this Coverage Form.

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. **Earth Movement**
 - (1) Earthquake, meaning a shaking or trembling of the earth's crust, including tremors and aftershocks, resulting in breaking, shifting, rising, settling, sinking or lateral movement;
 - (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 damage to Covered Property, we will pay for the physical loss or physical damage to Covered Property caused by that fire or explosion.

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

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

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

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

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

This Exclusion applies regardless of whether any of the above, in Paragraphs (1) through (5), is caused by weather, an act of nature or by an artificial, man-made or other cause.

b. Governmental Action

Seizure or destruction of property by order of governmental authority.

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

c. Nuclear Hazard

- (1) Nuclear reaction, nuclear radiation or radioactive contamination, however caused, whether intentional or unintentional. This includes, but is not limited to, the release, dispersal or application of radioactive material, or the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination or radioactive force.

- (2) When state standard fire policy law requires that we cover any resulting fire damage, we will pay only for the resulting damage to Covered Property caused by that resulting fire, if the fire would be covered under this Coverage Part. We will pay only the actual cash value for the damaged property. Therefore, we will not pay for any indirect or related loss(es), such as Business Income, Extra Expense, legal liability, or leasehold interest loss(es).

d. Utility Services

The failure of "communication supply services", "power supply services", "wastewater removal services", "water supply services" or other utility service supplied to the "scheduled premises", however caused, if the failure:

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

Failure of any utility service includes lack of sufficient capacity and reduction in supply necessary to maintain normal "operations".

But if physical loss or physical damage to Covered Property by a Covered Cause of Loss results, we will pay for that resulting physical loss or physical damage.

e. War and Military Action

- (1) War, including undeclared or civil war;
- (2) Hostile or warlike action, in time of peace or war, including action in hindering, combating or defending against an actual or expected attack, by any of the following:

- (a) Government or sovereign power (including quasi and de facto forms), or by any authority maintaining or using military, naval or air forces;
 - (b) Military, naval or air forces; or
 - (c) An agent of such government, power, authority or forces.
- (3) Invasion, insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering, combating or defending against such actual or expected event by any government, power, authority, forces or agents described in Paragraphs (2)(a) through (2)(c) above.

f. Water

- (1) Flood, surface water, waves (including tidal waves and tsunami), tides, tidal water, overflow of streams or any other natural or man-made bodies of water, or spray from any of these, all whether or not driven by wind (including storm surge);
- (2) Mudslide or mudflow;
- (3) Water or sewage 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;
- (5) Waterborne material carried or otherwise moved by any of the water referred to in Paragraphs (1), (3) or (4), or material carried or otherwise moved by mudslide or mudflow.

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

- (6) Water damage caused by or resulting from earthquake or volcanic eruption as described in Exclusion 1.a., **Earth Movement**.

This Exclusion applies regardless of whether any of the above, in Paragraphs (1) through (6), is caused by an act of nature or by an artificial, man-made or other cause.

g. “Fungi”, Wet Rot or Dry Rot

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

But if “fungi”, wet rot or dry rot results in a “specified cause of loss” to Covered Property, we will pay for the loss or damage caused by the “specified cause of loss”.

This exclusion does not apply when “fungi”, wet rot or dry rot results from fire or lightning.

h. Virus or Bacteria

- (1) Any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.
- (2) With respect to any loss or damage subject to the exclusion in Paragraph (1) above, such exclusion supersedes any exclusion relating to “pollutants and contaminants”.

i. Ordinance Or Law

- (1) The enforcement of or compliance with 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 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.

j. Electronic Vandalism or Corruption of “Electronic Data” or Corruption of “Computer(s)”

- (1) Destruction or corruption of “electronic data” caused by virus, malicious 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 destroy or corrupt “electronic data”;
- (2) Unauthorized viewing, copying or use of “electronic data” (or any proprietary or confidential information or intellectual property in any form) by any person, even if such activity is characterized as theft;
- (3) Manipulation of your “computer” system including “electronic data” by any person(s), for the purpose of diverting or destroying “electronic data” or causing fraudulent or illegal transfer of any property;
- (4) Interruption in normal “computer” function on network service or function due to insufficient capacity to process transactions or to an overload of activity on the system or network;
- (5) Unexplained or indeterminable failure, malfunction or slowdown of a “computer” system, including “electronic data” or the inability to access or properly manipulate the “electronic data”;
- (6) Complete or substantial failure, disablement or shutdown of the internet, regardless of cause;
- (7) The inability of a “computer” system to correctly recognize, process, distinguish, interpret or accept one or more dates or times.

But if direct physical loss or direct physical damage occurs to Covered Property from a resulting Covered Cause of Loss, we will pay for that resulting direct physical loss or direct physical damage. Mere loss of use or loss of functionality of any property is not considered physical loss or physical damage

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

a. Electrical Apparatus

- (1) Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:
 - (a) Electrical or electronic wire, device, appliance, system or network; or
 - (b) Device, appliance, system or network utilizing cellular or satellite technology.
- (2) For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:
 - (a) Electrical current, including arcing;
 - (b) Electrical charge produced or conducted by a magnetic or electromagnetic field;
 - (c) Pulse of electromagnetic energy; or
 - (d) Electromagnetic waves or microwaves.

But if fire damage to Covered Property results, we will pay for the direct physical loss or direct physical damage caused by fire.

- (3) 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:
 - (a) An occurrence that took place within 1,000 feet of the “scheduled premises”; or
 - (b) Interruption of electric power supply, power surge, blackout or brownout if the cause of such occurrence took place within 1,000 feet of the “scheduled 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 damage to Covered Property, we will pay for the direct physical loss or direct physical damage caused by that fire or combustion explosion. We will also pay for direct physical loss or direct physical damage to Covered Property 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. Other Types of Loss

- (1) Wear and tear;
- (2) Rust, 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, mold, spore 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 direct physical loss or direct physical damage to Covered Property by a "specified cause of loss" or building glass breakage results, we will pay for that resulting direct physical loss or direct physical damage.

f. Frozen Plumbing

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

- (1) You use all reasonable means 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.

g. Dishonesty

Dishonest or criminal act (including theft) by you, anyone else with an interest in the property, 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 whether acting alone or in collusion with any other party.

This exclusion:

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

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

h. False Pretense

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

i. Exposed Property

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

j. Collapse

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



But if collapse results in direct physical loss or direct physical damage to Covered Property caused by a Covered Cause of Loss at the "scheduled premises", we will pay for the direct physical loss or direct physical damage caused by that Covered Cause of Loss.

(2) This exclusion does not apply to collapse caused by one or more of the following:

- (a) A "specified cause of loss";
- (b) Breakage of building glass;
- (c) Weight of rain that collects on a roof; or
- (d) Weight of people or personal property.

k. Pathogenic or Poisonous Biological or Chemical Materials

The deliberate or intentional dispersal or application of any pathogenic or poisonous biological or chemical materials.

But if direct physical loss or direct physical damage to Covered Property by fire results, we will pay for the resulting direct physical loss or direct physical damage caused by that fire.

l. Pollution

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

m. 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.

n. Errors, Omissions, or Deficiency in Design

Errors, omissions, or deficiency in design 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 direct physical damage to Covered Property caused by resulting fire, explosion or sprinkler leakage.

o. Electrical Disturbance

Electrical or magnetic injury, disturbance or erasure of "electronic data".

However, we will pay for direct physical loss or direct physical damage to Covered Property caused by lightning.

p. Installation, Testing, Repair

Errors, omissions, 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 direct physical damage to Covered Property caused by resulting fire, explosion, or sprinkler leakage.

q. 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. But if direct physical loss or direct physical damage to Covered Property by a Covered Cause of Loss results, we will pay for that resulting direct physical loss or direct physical damage.



a. Weather Conditions

Weather conditions. 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 physical loss or physical 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 "scheduled premises".

4. 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 direct physical loss or direct physical damage to Covered Property by a Covered Cause of Loss, we will pay for the direct physical loss or direct physical damage caused by that Covered Cause of Loss.

5. Testing of Certain Types of Property

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

- (a) A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel; or
- (b) An insulation breakdown test of any type of electrical equipment.

But if direct physical loss or direct physical damage to Covered Property by a "specified cause of loss" results, we will pay for the resulting direct physical loss or direct physical damage caused by that "specified cause of loss."

C. LIMITS OF INSURANCE

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

2. Building Limit - Automatic Increase

- a. If covered loss or damage to Building property at a "scheduled premises" exceeds the Limit of Insurance stated in the Declarations, the Limit of Insurance available for the covered loss or damage to Building property in that occurrence will automatically increase by up to 8%.

- b. The amount of increase will be:

- (1) The Limit of Insurance for Buildings that applied on the most recent of the:

- (a) Coverage Part inception date
- (b) Coverage Part anniversary date; or
- (c) The date of any other Coverage Part change amending the Building Limit,

multiplied by

- (2) The 8% annualized percentage of Automatic Increase, expressed as a decimal (.08), multiplied by
- (3) The number of days since the beginning of the current policy period or the effective date of the most recent Coverage Part change amending the Limit of Insurance for Buildings, divided by 365.



Example:

The applicable Limit of Insurance for Buildings is \$100,000. The Automatic Increase percentage is 8%. The number of days since the beginning of the policy period (or last Coverage Part change) is 146.

The amount of the increase is:

$(\$100,000 \times .08 \times 146) \text{ divided by } 365 = \$3,200$

3. Business Personal Property Limit - Seasonal Increase

- a. If covered loss or damage to Business Personal Property exceeds the Limit of Insurance stated in the Declarations, the Limit of Insurance for Business Personal Property will automatically increase by the percentage shown in the Declarations to provide for seasonal variations.
- b. This increase will apply only if all Limits of Insurance shown in the Declarations for Business Personal Property at the "scheduled premises" is at least 100% of your average monthly values during the lesser of:
 - (1) The 12 months immediately preceding the date the physical loss or physical damage occurs; or
 - (2) The period of time you have been in business as of the date the physical loss or physical 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 Coverage Part Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Coverage Part Deductible up to the applicable Limit of Insurance.
2. Unless a separate Deductible is indicated, the Deductible applicable to the Additional Coverages and Coverage Extensions is the Coverage Part Deductible.
3. Each Deductible applicable to this Coverage Part shall be applied separately but only to the coverage specified, and the total Deductible for all losses in any one occurrence shall be the highest Deductible amount that applies to the occurrence.

E. PROPERTY LOSS CONDITIONS

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

If we and you disagree on the amount of loss, either may make written demand for an appraisal of the loss. In that event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If the appraisers cannot agree on an umpire, we or you, after providing notice to the other party, 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 of or damage to Covered Property:
 - (1) Notify the police if a law may have been broken.
 - (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
 - (3) As soon as possible, give us description of how, when and where the loss or damage occurred.
 - (4) Take all reasonable steps to protect the Covered Property from further damage. If feasible, set the damaged property aside in the best possible order for examination. Also, keep a record of your expenses for emergency and temporary repairs, for consideration in the settlement of the claim.

This will not increase the Limits of Insurance.



However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss.

- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values 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 statement 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 part or all of your "operations" as quickly as possible.

- b. We may examine any insured under oath, while not in the presence of any other insured or "employee", at such times as may be reasonably required about any matter relating to this insurance or your claim, including an insured's books and records. At our option and expense, any examination under oath may be video or audio taped as well as being recorded by stenographic record. If a written transcript is prepared of the testimony, then at our request, your answers under oath must be signed under penalty of perjury.

4. Legal Action Against Us

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

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

5. Loss Payment

In the event of loss or damage covered by this Coverage Part:

- 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.
- b. We will give notice of our intentions within 30 days after we receive the sworn statement of loss.
- c. We will not pay you more than your financial interest in the Covered Property.
- d. We will determine the value of Covered Property as follows:
 - (1) At replacement cost (without deduction for depreciation), except as provided in (2) through (10) below.
 - (a) 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 physical loss or physical damage.
 - (b) 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 physical damage.

However, if the cost to repair or replace the damaged property is \$2,500 or less, we will settle the loss according to the provisions of Paragraph d.(1)(a) above whether or not the actual repair or replacement is complete.

- (c) We will not pay more for loss or damage on a replacement cost basis than the least of:

- (i) The cost to replace, on the same premises, the lost or damaged property with other property of comparable material and quality and which is used for the same purpose; or
 - (ii) The amount you actually spend that is necessary to repair or replace the lost or damaged 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) Manuscripts;
 - (b) Works of art, antiques or rare articles, including etchings, pictures, statuary, objects of marble, bronzes, porcelains and bric-a-brac;
 - (c) Household contents, except personal property in apartments or rooms furnished by you as landlord;
 - (d) Used or secondhand merchandise held in storage or for sale; and
 - (e) 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.
- (4) Glass at the cost of replacement with safety glazing material if required by law.
- (5) "Tenant 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.

Example:

The original cost of the "tenant improvements and betterments" was \$100,000. The number of days between the date the damage occurred and the expiration of the lease is 200. The number of days between the installation of the "tenant improvements and betterments" and the expiration of the lease is 500.

The proportionate value is:

$(\$100,000 \times 200) \text{ divided by } 500 = \$40,000$

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) "Valuable papers and records", at your incurred cost of:
 - (a) Blank materials for reproducing the records (including blank prepackaged programs when replaced); and
 - (b) Labor to transcribe or copy the records and to research, replace or restore the lost information, including research and development documentation.

To the extent "valuable papers and records" are not replaced or restored, the loss will be valued at the cost of replacement of the media on which the "valuable papers and records" were stored, with blank media of substantially identical type.
- (7) "Money" and "securities":
 - (a) "Money" at its face value; and
 - (b) "Securities" at their value at the close of business on the day the loss is discovered.



(8) The value of United States Government Internal Revenue taxes and custom duties and refundable state and local taxes paid or fully determined on the following property held for sale will not be considered in determining the value of Covered Property:

- (a) Distilled spirits;
- (b) Wines;
- (c) Rectified products; or
- (d) Beer.

(9) "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.

(10) Applicable to accounts receivable:

(a) If you cannot accurately establish the amount of the accounts receivable outstanding as of the time of physical loss or physical damage the following method will be used:

- (i) Determine the total of the average monthly value of accounts receivable for 12 months immediately preceding the month in which the direct physical loss or physical damage occurred; and
- (ii) Adjust the total determined in paragraph (i) above for any normal fluctuations in the value of accounts receivable for the month in which the direct physical loss or physical damage occurred for any demonstrated variance from the average of that month.

(b) The following will be deducted from the total value of accounts receivable, however that value is established:

- (i) The value of the accounts for which there is no physical loss or physical damage;
- (ii) The value of the accounts that you are able to re-establish or collect;
- (iii) A value to allow for probable bad debts that you are normally unable to collect; and
- (iv) All unearned interest and services charged.

e. Our payment for physical loss of or physical 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 payment will satisfy your claims against us for the owners' property.

We will not pay the owners more than their financial interest in the Covered Property.

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 statement of loss, if you have complied with all 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 Paragraph F.6., **Transfer Of Rights of Recovery Against Others To Us.**

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.

7. Salvage

In the event we pay to replace Covered Property or any component thereof, we retain our right to salvage such property.

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 Coverage Part 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 Coverage Part is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:

(i) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; and/or

(ii) Used by the building owner to conduct customary operations.

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

b. Vacancy Provisions

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

(1) We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:

(a) Vandalism;

(b) Sprinkler leakage, unless you had protected the system against freezing;

(c) Building glass breakage;

(d) Water;

(e) Theft; or

(f) Attempted theft.

(2) With respect to Covered Causes of Loss other than those listed in **b.(1)(a)** through **b.(1)(f)** above, we will reduce the amount we would otherwise pay for the physical loss or physical 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 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 statement of loss within 60 days after receiving notice from us of your failure to do so; and

(3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

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

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

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

(2) The mortgageholder's rights to recover the full amount of the mortgageholder's claim will not be impaired.

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

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

(1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or

(2) 30 days before the effective date of cancellation if we cancel for any other reason.

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

3. No Benefit to Bailee

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

4. Other Insurance

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.

5. Policy Period, Coverage Territory

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.

6. Transfer Of Rights of Recovery Against Others To Us

a. 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:

(1) Prior to a loss to your Covered Property; or

(2) After a loss to your Covered Property only if, at time of loss, that party is one of the following:

(a) Someone insured by this insurance;

(b) A business firm:

(i) Owned or controlled by you; or

(ii) That owns or controls you; or

(c) 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.

- b. Any recovery from subrogation proceedings, less costs incurred by us in such proceedings, will be payable to you in the proportion that the amount of:
 - (1) Any applicable deductible; and/or
 - (2) Any provable uninsured loss,
 bears to the entire provable loss amount.

G. PROPERTY DEFINITIONS

1. "Communication supply services" means property, including overhead transmission lines, supplying communication services, including telephone, radio, microwave or television services, to the "scheduled premises", such as:
 - a. Communication transmission lines, including optic fiber transmission lines;
 - b. Coaxial cables; and
 - c. Microwave radio relays except satellites.

2. "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.

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.

"Electronic data" it is not considered physical property under this Coverage Part and is covered only as expressly provided for in this Coverage Part. Any such coverage does not indicate that "electronic data" is considered to be tangible property subject to physical loss or physical damage for purposes of any business interruption coverage or other coverage that requires physical loss or physical damage.

4. "Employee"
 - a. Means:
 - (1) Any natural person:
 - (a) While in your service (and for 60 days after termination of service); and
 - (b) Whom you compensate directly by salary, wages or commissions; and
 - (c) Whom you have the right to direct and control while performing services for you;
 - (2) Any natural person employed by an employment contractor 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 your partner or member of a limited liability corporation;
 - (4) Any natural person, whether or not compensated, while performing services for you as the chairman or a member of any committee;
 - (5) Any natural person who is a non-compensated officer;
 - (6) Any natural person who is a director or trustee while acting as a member of any of your elected or appointed committees or while acting within the scope of the usual duties of an "employee";
 - (7) Any natural person who is a non-compensated volunteer, while performing services for you that are usual to the duties of an "employee";



- (8) Any natural person who is a former employee, director, partner, member, representative or trustee retained as a consultant while performing services for you;
 - (9) Any natural person who is a student intern who is pursuing studies or acting within the scope of the usual duties of an "employee";
 - (10) Any natural person, who is a student enrolled in your facility, while handling or has possession of property or funds in connection with sanctioned student activities; and
 - (11) The spouses of and children over 18 years old who reside with any "employee" who is a building manager, superintendent or janitor. Each family is deemed to be, collectively, one "employee" for the purposes of this insurance, except that any Termination Condition applies individually to the spouse and children.
- b. "Employee" does not mean:
- (1) An agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
 - (2) Any manager, director, partner, member or trustee, except while acting within the scope of the usual duties of an "employee".
5. "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.
6. "Manager" means a person serving in a directorial capacity for a limited liability company.
7. "Member" means an owner of a limited liability company represented by its membership interest, who also may serve as a "manager".
8. "Money" means:
- a. Currency, coins and bank notes in current use; and
 - b. Travelers checks, registered checks and money orders held for sale to the public.
9. "Operations" means your business activities occurring at the "scheduled premises" and tenantability of the "scheduled premises".
10. "Period of restoration"
- a. Means the period of time that:
 - (1) Begins:
 - (a) The number of hours shown in the Declarations after the time of direct physical loss or direct physical damage for Business Income coverage; or
 - (b) Immediately after the time of direct physical loss or direct physical damage for Extra Expense coverage;
 - (2) Ends on the earlier of:
 - (a) The date when the property at the "scheduled premises" should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (b) The date when your business is resumed at a new, permanent location; or
 - (c) Exhaustion of the number of consecutive months as shown on the Declarations.
 - b. Does not include any increased period required due to enforcement of or compliance with 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, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to "pollutants and contaminants".

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

11. "Pollutants and contaminants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, chemicals and waste, or any other material which causes or threatens to cause physical loss, physical damage, impurity to property, unwholesomeness, undesirability, loss of



marketability, loss of use of property, or which threatens human health or welfare. Waste includes materials to be recycled, reconditioned or reclaimed.

12. "Power supply services" means the following types of property supplying electricity, steam or gas, including overhead transmission lines to the "scheduled premises":
- a. Utility generating plants;
 - b. Switching stations;
 - c. Substations;
 - d. Transformers; and
 - e. Transmission Lines.

13. "Scheduled premises" means any premises listed by location address in the Coverage Part Declarations.

14. "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or other property and includes:

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

Lottery tickets held for sale and postage stamps in current use and having face value are not "securities".

15. "Specified cause of loss" means the following:

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

- a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:

- (1) The cost of filling sinkholes; or
- (2) Sinking or collapse of land into man-made underground cavities.

- b. Falling objects does not include loss of or damage to:

- (1) Personal property in the open; or
- (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.

- c. Water damage means

- (1) Accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam; and
- (2) Accidental discharge or leakage of water or waterborne material as the direct result of the breaking apart or cracking of a water or sewer pipe that is located off the "scheduled premises" and is part of a municipal potable water supply system or municipal sanitary sewer system, if the breakage or cracking is caused by wear and tear.

But water damage does not include loss or damage otherwise excluded under Exclusion **B.1.f., Water**. Therefore, for example, there is no coverage in the situation in which discharge or leakage of water results from the breaking apart or cracking of a pipe which was caused by or related to weather-induced flooding, even if wear and tear contributed to the breakage or cracking. As another example, and also in accordance Exclusion **B.1.f., Water**, there is no coverage for loss or damage caused by or related to weather-induced flooding which follows or is exacerbated by pipe breakage or cracking attributable to wear and tear.

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

16. "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.
17. "Suit" means a civil proceeding and includes:
- a. An arbitration proceeding in which damages are claimed and to which you must submit or do submit with our consent; or
 - b. Any other alternative dispute resolution proceeding in which damages are claimed and to which you submit with our consent.
18. "Tenant improvements and betterments" means 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.
19. "Unmanned aircraft" means an aircraft that is not:
- a. Designed;
 - b. Manufactured; or
 - c. Modified after manufacture
- to be controlled directly by a person from within or on the aircraft and which is owned by you or owned by others but in your care, custody, or control.
- "Unmanned aircraft" includes equipment designed for and used exclusively with the "unmanned aircraft", provided such equipment is essential for operation of the "unmanned aircraft" or for executing "unmanned aircraft operations".
20. "Unmanned aircraft operations" means your business activities in support of the specific operations listed in the Description of Business section of the Declarations.
21. "Valuable papers and records" means inscribed, printed or written:
- a. Documents;
 - b. Manuscripts; or
 - c. Records
- including abstracts, books, deeds, drawings, films, maps or mortgages.
- But "valuable papers and records" does not mean "money", "securities" or "electronic data" or the materials on which the "electronic data" is recorded.
22. "Wastewater removal services" means a utility system for removing wastewater and sewage from the "scheduled premises", other than a system designed primarily for draining storm water. The utility property includes sewer mains, pumping stations and similar equipment for moving the effluent to a holding, treatment or disposal facility, and includes such facilities.
23. "Water supply services" means the following types of property supplying water to the "scheduled premises":
- a. Pumping stations; and
 - b. Water mains.



MISSOURI CHANGES – SPECIAL PROPERTY COVERAGE FORM

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

A. The following provision is added to Paragraph 2., of Section B., EXCLUSIONS:

Intentional Loss

We will not pay for loss or damage arising out of any act an insured commits or conspires to commit with the intent to cause a loss.

In the event of such loss, no insured is entitled to coverage, even insureds who did not commit or conspire to commit the act causing the loss.

However, this exclusion will not apply to deny coverage to an innocent coinsured who did not cooperate in or contribute to the creation of the loss, provided the loss is otherwise covered under this Policy and the loss arose out of domestic violence. Such coverage will be provided only if the innocent coinsured files a police report and completes a sworn affidavit indicating both:

(1) The cause of the loss; and

(2) A pledge to cooperate in any criminal prosecution of the person committing the act causing the loss.

If we pay a claim to an innocent coinsured pursuant to the above paragraph our payment to the innocent coinsured will be limited to that insured's ownership interest in the property as reduced by any payment to a mortgagee or other secured interest.

However, we shall not be required to make any subsequent payment for any loss for which the innocent coinsured has received payment. In no event will we pay more than the Limit of Insurance.

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

Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser and notify the other of the appraiser selected within 20 days of the written demand for appraisal. The two appraisers will select an umpire. If they cannot agree upon an umpire within 15 days, then, upon your or our request, an umpire shall be selected by a judge of a court of record in the state and county (or city if the city is not within a county) in which the property covered is located. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their difference to the umpire. The umpire shall make an award within 30 days after the umpire receives the appraisers' submissions of their differences. A decision agreed to by any two will be binding. Each party will:

a. Pay its chosen appraiser; and

b. Bear the other expenses of the appraisal and umpire equally.

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

C. Paragraph 4., Legal Action Against Us of Section E., PROPERTY LOSS CONDITIONS, is deleted and replaced by the following:

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 10 years after the date on which the direct physical loss or damage occurred.



D. Paragraph 5., Loss Payment, of Section E., PROPERTY LOSS CONDITIONS is amended as follows:

1. Paragraph b. is deleted and replaced by the following:

In the event of any loss or damage covered by this Policy, we will give you notice within 15 working days after we receive a properly executed proof of loss, that we:

- (1)** Accept your claim;
- (2)** Deny your claim; or
- (3)** Need more time to determine whether your claim should be accepted or denied.

If we deny your claim, such notice will be in writing, and will state any Policy provision, condition or exclusion used as a basis for the denial.

If we need more time to determine whether your claim should be accepted or denied, the written notice will state the reason(s) why more time is needed.

If we have not completed our investigation, we will notify you again in writing, within 45 days after the date the initial notice is sent as provided in **(3)** above and thereafter every 45 days.

The written notice shall state why more time is needed to investigate your claim.

2. The following provision is added to Paragraph d.(1):

When the value of the Covered Property is determined at replacement cost, the following is added with respect to such coverage, and relates only to the requirement to notify us of your intent to submit an additional claim (for the difference between actual cash value and replacement cost) to us within 180 days after the loss or damage occurs:

If you fail to notify us of your intent to submit the additional claim to us within the 180-day time frame, such failure will not invalidate that claim, unless such failure operates to prejudice our rights.

E. Paragraph 4., Other Insurance of Section F., PROPERTY GENERAL CONDITIONS, is deleted and replaced by the following:

We shall not be liable for a greater proportion of any loss than the amount hereby insured shall bear to all insurance covering the property against the peril involved, whether collectible or not.

F. The following provision is added to Paragraph 6., Transfer Of Rights Of Recovery Against Others To Us, of Section F., PROPERTY GENERAL CONDITIONS:

If we pay an innocent coinsured for loss arising out of an act of domestic violence by another insured, the rights of the innocent coinsured to recover damages from the abuser are transferred to us to the extent of our payment. Following the loss the innocent coinsured may not waive such rights to recover against the abuser.



POLLUTANTS AND CONTAMINANTS CLEAN UP AND REMOVAL - MISSOURI

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

The following is added to Paragraph **A.6. Coverage Extensions** of the Special Property Coverage Form:

"Pollutants and Contaminants" Clean Up and Removal

- (1) We will pay your expense to extract "pollutants and contaminants" from land or water at the "scheduled premises" if the discharge, dispersal, seepage, migration, release or escape of the "pollutants and contaminants" 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. If you fail to report the expenses to us within the 180 day time frame, such failure will not invalidate a claim under this coverage unless such failure operates to prejudice our rights.
- (2) This Coverage Extension does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants and contaminants". But we will pay for testing which is performed in the course of extracting the "pollutants and contaminants" from the land or water.
- (3) Paragraph 2.I., **Pollution** of Section B., **EXCLUSIONS**, does not apply to this Coverage Extension.
- (4) The most we will pay in any one occurrence under this Coverage Extension for the sum of all such expenses arising out of Covered Causes of Loss, is the Limit of Insurance shown in the Declarations for Pollutants and Contaminants Clean Up and Removal.



DEBRIS REMOVAL – MISSOURI

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

The following is added to Paragraph **A.5. Additional Coverages** of the Special Property Coverage Form:

Debris Removal

- (1) Subject to Paragraphs (2), (3) and (4) below, we will pay your expense to remove debris of Covered Property and other debris that is on the "scheduled premises" when such debris is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or direct physical damage. If you fail to report the expenses to us within the 180 day time frame, such failure will not invalidate a claim under this coverage unless such failure operates to prejudice our rights.
- (2) Debris Removal does not apply to costs to:
 - (a) Remove debris of property of yours that is not insured under this Coverage Part, or property in your possession that is not Covered Property;
 - (b) Remove debris of property owned by or leased to the landlord of the building where your described premises are located, unless you have a contractual responsibility to insure such property and it is insured under this Coverage Part;
 - (c) Remove any property listed under Paragraph **A.2. Property Not Covered** except as otherwise provided for in this Coverage Part;
 - (d) Remove property of others of a type that would not be Covered Property under this Coverage Part;
 - (e) Remove deposits of mud or earth from the grounds of the "scheduled premises";
 - (f) Extract "pollutants and contaminants" from land or water; or
 - (g) Remove, restore or replace polluted land or water.
- (3) Subject to the exceptions in Paragraph (4) below, the following provisions apply:
 - (a) The most we will pay for the total of direct physical loss or direct physical damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.
 - (b) Subject to Paragraph (3)(a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the Deductible plus the amount that we pay for direct physical loss or direct physical damage to the Covered Property that has sustained loss or damage. However, if no Covered Property has sustained direct physical loss or direct physical damage, the most we will pay for removal of other debris that is on the "scheduled premises" when such debris is caused by or results from a Covered Cause of Loss (if such removal is covered under this Additional Coverage) is \$5,000 at each location.
- (4) We will pay up to the Limit of Insurance listed under Debris Removal – Additional Limit in the Declarations for debris removal expense for each location, in any one occurrence of physical loss or physical 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 direct physical 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 direct physical 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 the amount listed in the Declarations under Debris Removal – Additional Limit.

(5) Examples

Example 1

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

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

Example 2

Limit of Insurance	\$ 90,000
Amount of Deductible	\$ 500
Amount of Loss	\$ 80,000
Amount of Loss Payable	\$ 79,500
	(\$80,000 – \$500)
Debris Removal Expense	\$ 40,000
Debris Removal Expense Payable	
Basic Amount	\$ 10,500
Additional Limit	\$ 25,000

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

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph **(4)**, because the debris removal expense (\$40,000) exceeds 25% of the loss payable plus the Deductible (\$40,000 is 50% of \$80,000), and because the sum of the loss payable and debris removal expense (\$79,500 + \$40,000 = \$119,500) would exceed the Limit of Insurance (\$90,000). In this example, the Debris Removal – Additional Limit shown in the Declarations is \$25,000. Thus, the total payable for debris removal expense in this example is \$35,500; \$4,500 of the debris removal expense is not covered.



PERILS SPECIFICALLY EXCEPTED

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

As used herein, peril means a cause of physical loss or damage to property. It has this meaning whether or not it is called a peril or a cause of loss in this Coverage Part.

A. The following is added to Section B., EXCLUSIONS:

Perils Specifically Excepted

Even if any of the terms of this Coverage Part might be construed otherwise, the following perils, as described in Paragraphs **a. and b.** below, are **SPECIFICALLY EXCEPTED FROM THIS COVERAGE PART.**

WE DO NOT COVER OR INSURE AGAINST LOSS OR DAMAGE DIRECTLY OR INDIRECTLY CAUSED BY, RESULTING FROM, CONTRIBUTED TO OR AGGRAVATED BY, OR WHICH WOULD NOT HAVE OCCURRED BUT FOR, EITHER OF THESE PERILS:

a. ACTS, ERRORS OR OMISSIONS

(1) Acts, errors or omissions by you or others in:

- (a)** Planning, zoning, developing, surveying, testing or siting property;
- (b)** Establishing or enforcing any building code, or any standard, ordinance or law about the construction, use or repair of any property or materials, or requiring the tearing down of any property, including the removal of its debris;
- (c)** The design, specifications, workmanship, repair, construction, renovation, remodeling, grading or compaction of all or any part of the following:
 - (i)** Land or buildings or other structures;
 - (ii)** Roads, water or gas mains, sewers, drainage ditches, levees, dams, or other facilities; or
 - (iii)** Other improvements or changes in or additions to land or other property.
- (d)** The furnishing of work, materials, parts or equipment in connection with the design, specifications, workmanship, repair, construction, renovation, remodeling, grading or compaction of any of the above property or facilities; or
- (e)** The maintenance of any of such property or facilities.

(2) This exception applies whether or not the property or facilities described above are covered:

- (a)** Under this Coverage Part; or
- (b)** On or away from the "scheduled premises".

This exception does not reduce the insurance for loss or damage caused directly by a "covered peril".

b. COLLAPSE, "CRACKING" OR "SHIFTING"

- (1) Collapse, "cracking" or "shifting" of buildings, other structures or facilities, or their parts, if the collapse, "cracking" or "shifting":**
 - (a)** Occurs during "earth movement," "volcanic eruption" or "flood" conditions or within 72 hours after they cease; and
 - (b)** Would not have occurred but for "earth movement," "volcanic eruption" or "flood."
- (2) If loss or damage by a "covered peril" ensues at the "scheduled premises", we will pay for that ensuing loss or damage.**



- (3) This exception applies whether or not there are other provisions in this Coverage Part relating to collapse, "cracking" or "shifting" of buildings, other structures or facilities, or their parts. Any such provision is revised by this endorsement to include this exception.
- (4) If this Coverage Part specifically covers (by endorsement or in any other way) loss or damage caused by one or more of the following perils:
 - (a) "Earthquake";
 - (b) "Flood";
 - (c) Volcanic action;
 - (d) "Volcanic eruption"; or
 - (e) Sinkhole collapse,this exception will not reduce that coverage.

B. Solely for the purposes of this endorsement, the following changes are made to Section G., PROPERTY DEFINITIONS:

- 1. The following definition is added:
"Cracking" means cracking, separating, shrinking, bulging, or expanding.
- 2. The following definition is added:
"Shifting" means shifting, rising, settling, sinking, or lateral or other movement.
- 3. The following definition is added:
"Earth movement" means any earth movement, including but not limited to "earthquake," landslide, mudflow, erosion, contraction or expansion, subsidence, any movement of earth resulting from water combining with the ground or soil, and any other "shifting" of earth; all whether or not combined with "flood" or "volcanic eruption." It does not include sinkhole collapse if loss by sinkhole collapse is specifically covered in this Coverage Part.
- 4. The following definition is added:
"Earthquake" means a shaking or trembling of the earth's crust, caused by underground volcanic or tectonic forces or by breaking or "shifting" of rock beneath the surface of the ground from natural causes. An "earthquake" includes all related shocks and aftershocks.
- 5. The following definition is added:
"Volcanic eruption" means the eruption, explosion or effusion of a volcano. It does not include volcanic action if loss by volcanic action is specifically covered in this Coverage Part.
- 6. The following definition is added:
"Flood" means:
 - a. Flood, surface water, waves (including tidal waves and tsunami), tides, tidal water, high water, and overflow of streams or any other natural or man-made bodies of water, or spray from any of these, all whether driven by wind or not (including storm surge);
 - b. Release of water held by a dam, levy or dike or by a water or flood control device;
 - c. Water that backs up from a sewer or drain; or
 - d. Water under the ground surface pressing on, or flowing, leaking or seeping through:
 - (1) Foundations, walls, floors or paved surfaces;
 - (2) Basements, whether paved or not; or
 - (3) Doors, windows or other openings.
- 7. The following definition is added:
"Covered peril" means
 - a. When this Coverage Part grants coverage based on the risk of loss from a "specified cause of loss", "covered peril" means any peril specifically named as a "specified cause of loss"; or

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



- b.** When this Coverage Part grants coverage based on the risk of loss without specifying a "specified cause of loss", "covered peril" means any peril not described above and not otherwise excluded or excepted from a "specified cause of loss" covered by this Coverage Part.



COLLAPSE

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

The following is added to Paragraph **A.5., Additional Coverages**, of the Special Property Coverage Form:

Collapse

The coverage provided under this Additional Coverage applies only to an abrupt collapse as described and limited in Paragraphs **(1)** through **(6)** below.

- (1)** For the purpose of this Additional Coverage, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.
- (2)** We will pay for direct physical loss or direct physical damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this Coverage Part or that contains Covered Property insured under this Coverage Part, if such collapse is caused by one or more of the following:
 - (a)** Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
 - (b)** Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
 - (c)** Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation;
 - (d)** Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:
 - (i)** A cause of loss listed in Paragraphs **(2)(a)** or **(2)(b)** above;
 - (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 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)** above, 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 Coverage Part and the property is Covered Property under this Coverage Part.

- (5)** If personal property abruptly falls down or caves in and such collapse is not the result of an 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)** above, 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.

Collapse of personal property does not mean cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

- (6)** Paragraph **2.j., Collapse**, of Section **B., EXCLUSIONS**, does not apply to this Additional Coverage.
- (7)** This Additional Coverage does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.



EQUIPMENT BREAKDOWN

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

A. The following is added to Paragraph A.5., **Additional Coverages**, of the Special Property Coverage Form:

Equipment Breakdown

- (1) We will pay for direct physical loss or direct physical damage to "equipment breakdown property" caused by or resulting from an "equipment breakdown accident". If an initial "equipment breakdown accident" causes other "equipment breakdown accidents", all will be considered one "equipment breakdown accident". All "equipment breakdown accidents" that are the result of the same event will be considered one "equipment breakdown accident".

(2) Coverage Extensions

The following Coverage Extensions apply only to direct physical loss or direct physical damage to "equipment breakdown property" caused by or resulting from an "equipment breakdown accident":

(a) Hazardous Substances

We will pay in any one occurrence for the additional cost, not to exceed the Limit of Insurance shown in the Declarations for Equipment Breakdown – Hazardous Substances, to repair or replace Covered Property because of contamination by a "hazardous substance". This includes the expenses to clean up or dispose of such property. This does not include contamination of "perishable goods" by a refrigerant, including but not limited to ammonia.

Additional cost means those beyond what would have been required had no "hazardous substance" been involved.

This limit is in addition to the Limits of Insurance for Covered Property.

(b) Expediting Expenses

With respect to your damaged Covered Property, we will pay in any one occurrence, up to the Limit of Insurance shown in the Declarations for Equipment Breakdown – Expediting Expenses, for the reasonable and necessary additional expenses you incur to:

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

This limit is in addition to the Limits of Insurance for Covered Property.

(c) Defense

If a claim or "suit" is brought against you alleging that you are liable for damage to property of another in your care, custody or control directly caused by an "equipment breakdown accident", we will either:

- (i) Settle the claim or "suit"; or
- (ii) Defend you against the claim or "suit," but keep for ourselves the right to settle it at any point.

Payments under this Coverage Extension will not reduce the Limits of Insurance for Covered Property.

(d) Supplementary Payments

We will pay, with respect to any claim or "suit" we defend:

- (i) All expenses we incur;
- (ii) The cost of bonds to release attachments, but only for bond amounts within the Limit of Insurance. We do not have to furnish these bonds;



- (iii) All reasonable expenses incurred by you at our request to assist us in the investigation or defense of the claim or "suit" including actual loss of earnings up to \$100 a day because of time off from work;
- (iv) All costs taxed against you in any "suit" we defend;
- (v) Prejudgment interest awarded against you on that part of the judgment we pay. If we make an offer to pay the applicable Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer; and
- (vi) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the Limit of Insurance shown in the Declarations.

Payments under this Coverage Extension will not reduce the Limits of Insurance for Covered Property.

(e) Environment, Safety and Efficiency Improvements

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

However, we will not pay more than 125% of what the cost would have been to repair or replace with property of comparable material and quality. This coverage does not increase any of the applicable Limits of Insurance. This coverage does not apply to any property indicated as being valued on an Actual Cash Value basis.

If you wish to retrofit air conditioning or refrigeration equipment that utilizes a refrigerant containing CFC (chlorofluorocarbon) substances to accept a non-CFC refrigerant or replace the system with a system using a non-CFC refrigerant, we will consider this better for the environment. Any associated Business Income or Extra Expense will be included in determining the additional cost, if the Business Income and Extra Expense Additional Coverage applies to this Coverage Part.

(3) Additional Conditions

(a) Bankruptcy

The bankruptcy or insolvency of you or your estate will not relieve us of any obligation under this Additional Coverage.

(b) Jurisdictional Inspections

If any "equipment breakdown property" 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.

(c) Suspension

When any "equipment breakdown property" is found to be in or exposed to a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an "equipment breakdown accident" to that "equipment breakdown property". We can do this by mailing or delivering a written notice of suspension to:

- (i) Your address as shown in the Declarations; or
- (ii) The address where the "equipment breakdown property" is located.

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



- (4) We will not pay for direct physical loss or direct physical damage in any one occurrence unless the amount of direct physical loss or direct physical damage exceeds the Equipment Breakdown Deductible stated in the Declarations. We will then pay the amount of the direct physical loss or direct physical damage in excess of the Equipment Breakdown Deductible up to the applicable Limit of Insurance for Covered Property.

B. The following changes are made to Section B., EXCLUSIONS:

1. Exclusion **B.2.a., Electrical Apparatus**, is deleted.
2. Exclusion **B.2.d., Steam Apparatus**, is deleted.
3. Paragraph (6) of Exclusion **B.2.e., Other Types of Loss**, is deleted.
4. Paragraph **B.2.o., Electrical Disturbance**, is deleted.

C. The following changes are made to Section G., PROPERTY DEFINITIONS:

1. The following definition is added:

“Equipment breakdown accident” means a fortuitous event that causes direct physical loss or direct physical damage to “equipment breakdown property”. 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 or otherwise interferes with any electrical or electronic wire, device, appliance or network.
- c. Explosion of steam boilers, steam piping, steam engines or steam turbines owned or leased by you, or operated under your control.
- d. Physical loss or physical damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such boilers or equipment.
- e. Physical loss or physical 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. The following definition is added:

“Equipment breakdown property” means Covered Property which, during normal usage, operates under vacuum or pressure, other than the weight of contents, or that generates, transmits or utilizes energy.

The following is not “equipment breakdown property”:

- a. Any structure, foundation, cabinet, compartment or air supported structure or building;
- b. Any insulating or refractory material;
- c. Any sewer piping, any underground vessels or piping, any piping forming a part of a sprinkler system, water piping other than boiler feedwater piping, boiler condensate return piping, or water piping forming a part of a refrigerating or air conditioning system;
- d. Any dragline, excavation or construction equipment;
- e. Any vehicle or any equipment mounted on a vehicle. As used here, vehicle means any machine or apparatus that is used for transportation or moves under its own power. Vehicle includes, but is not limited to: car, truck, bus, trailer, train, aircraft, watercraft, forklift, bulldozer, tractor or harvester. However, any property that is stationary, permanently installed at a “scheduled premises” and that receives electrical power from an external power source will not be considered a vehicle; or
- f. Any equipment manufactured by you for sale.

3. The following definition is added:

“Hazardous substance” means any substance that is hazardous to health or has been declared to be hazardous to health by a governmental agency.

4. The following definition is added:

“Perishable goods” means personal property:

- a. Maintained under controlled temperature or humidity conditions for preservation; and
- b. Susceptible to loss or damage if the controlled temperature or humidity conditions change.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



FIRE DEPARTMENT SERVICE CHARGE

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

The following is added to Paragraph **A.6., Coverage Extensions**, of the Special Property Coverage Form:

Fire Department Service Charge

- (1)** When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to the Limit of Insurance shown in the Declarations for Fire Department Service Charge in any one occurrence for your liability for fire department service charges:
 - (a)** Assumed by contract or agreement prior to loss; or
 - (b)** Required by local ordinance.
- (2)** No deductible applies to this Coverage Extension.



FIRE EXTINGUISHER RECHARGE

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

The following is added to Paragraph **A.5., Additional Coverages**, of the Special Property Coverage Form:

Fire Extinguisher Recharge

- (1)** You may extend the insurance that applies to Covered Property to apply to:
 - (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 while fighting a covered fire on or within 1,000 feet of the "scheduled premises"; and
 - (b)** For direct physical loss or direct physical damage to Covered Property if such loss or damage is the result of an accidental discharge of chemicals from a fire extinguisher or fire extinguishing system.
- (2)** No coverage will apply if the fire extinguisher or fire extinguishing system is discharged during installation or testing.
- (3)** No deductible applies to this Additional Coverage.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



GARAGES, STORAGE BUILDINGS AND OTHER APPURTENANT STRUCTURES

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

The following is added to Paragraph **A.6., Coverage Extensions**, of the Special Property Coverage Form:

Garages, Storage Buildings and Other Appurtenant Structures

- (1)** You may extend the insurance that applies to Buildings to apply to garages, storage buildings and other appurtenant structures, except outdoor fixtures, at the "scheduled premises".
- (2)** You may extend the insurance that applies to Business Personal Property to apply to Business Personal Property in garages, storage buildings and other appurtenant structures at the "scheduled premises".
- (3)** The most we will pay in any one occurrence under this Coverage Extension is the Limit of Insurance shown in the Declarations for Garages, Storage Buildings, and Other Appurtenant Structures.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



GLASS EXPENSE

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

The following is added to Paragraph **A.5., Additional Coverages**, of the Special Property Coverage Form:

Glass Expense

In the event of covered loss or damage to Covered Property, we will pay the necessary expenses incurred to:

- (1) Put up temporary plates or board up openings if repair or replacement of damaged glass is delayed;
- (2) Repair or replace encasing frames; and
- (3) Remove or replace obstructions when repairing or replacing glass that is part of a building;

This does not include removing or replacing window displays.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



LEASE ASSESSMENT

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

The following is added to Paragraph **A.6., Coverage Extensions**, of the Special Property Coverage Form:

Lease Assessment

- (1) You may extend the insurance that applies to Covered Property to apply to your share of any assessment charged to all tenants by the building owner as a result of direct physical damage caused by or resulting from a Covered Cause of Loss to building property you occupy as agreed to in your written lease agreement.
- (2) The most we will pay in any one occurrence under this Coverage Extension is the Limit of Insurance shown in the Declarations for Lease Assessment.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



LOCK AND KEY REPLACEMENT

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

The following is added to Paragraph **A.6., Coverage Extensions**, of the Special Property Coverage Form:

Lock and Key Replacement

- (1)** You may extend the insurance that applies to Covered Property to apply to the re-keying of locks or the repair or replacement of locks at the "scheduled premises" following the theft or the attempted theft of keys by burglars.
- (2)** The most we will pay in any one occurrence under this Coverage Extension is the Limit of Insurance shown in the Declarations for Lock and Key Replacement.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



PERSONAL EFFECTS

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

The following is added to Paragraph **A.6., Coverage Extensions**, of the Special Property Coverage Form:

Personal Effects

- (1)** We will pay for direct physical loss or direct physical damage to personal effects owned by you, your officers, your partners, "managers", "members", or your "employees" caused by or resulting from a Covered Cause of Loss.
- (2)** This Coverage Extension does not apply to:
 - (a)** Tools or equipment used in your business; and
 - (b)** Tools and small equipment owned by any "employee(s)";
- (3)** The most we will pay in any one occurrence under this Coverage Extension is the Limit of Insurance shown in the Declarations for Personal Effects.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



PRESERVATION OF PROPERTY

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

The following is added to Paragraph **A.5., Additional Coverages**, of the Special Property Coverage Form:

Preservation of Property

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

- (1)** While it is being moved or while temporarily stored at another location; and
- (2)** Only if the direct physical loss or direct physical damage occurs within the number days shown in the Declarations for Preservation of Property after the property is first moved.



ORDINANCE OR LAW COVERAGE

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

The following is added to Paragraph **A.6., Coverage Extension**, of the Special Property Coverage Form:

Ordinance or Law

(1) Application of Coverage

The coverage(s) provided by this Coverage Extension applies only if both **(1)(a)** and **(1)(b)** are satisfied and are then subject to the qualifications set forth in **(1)(c)**.

(a) The ordinance or law:

- (i)** Regulates the demolition, construction, or repair of Buildings or “tenant improvements and betterments”, or establishes zoning or land use requirements at the “scheduled premises”; and
- (ii)** Is in force at the time of loss.

But coverage under this Coverage Extension 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.

(b) The Building or “tenant improvements and betterments” sustain direct physical damage:

- (i)** That is covered under this Policy and as a result of such damage, you are required to comply with the ordinance or law; or
- (ii)** That is both covered under this Policy and direct physical damage that is not covered under this Policy, and as a result of the Building or “tenant improvements and betterments” damage in its entirety, you are required to comply with the ordinance or law.
- (iii)** 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 Coverage Extension even if the Building or “tenant improvements and betterments” have also sustained covered direct physical damage.

(c) In the situation described in **(1)(b)(ii) above, we will not pay the full amount of loss otherwise payable under the coverages described in **(2)** below. 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.**

(Paragraph **(6)** of this Coverage Extension provides an example of this procedure)

However, if the covered direct physical damage alone would have resulted in a requirement to comply with the ordinance or law, then we will pay the full amount of loss otherwise payable under the terms of the coverages described in **(2)** below.

(2) Coverage

(a) Undamaged Part

With respect to the Building or “tenant improvements and betterments” that have sustained direct physical damage, we will pay for the loss in value of the undamaged portion of the Building or “tenant improvements and betterments” as a consequence of a requirement to comply with an ordinance or law that requires demolition of undamaged parts of the same Building or “tenant improvements and betterments”.

(b) Demolition Cost and Increased Cost of Construction

(i) Demolition Cost

With respect to the Building or “tenant improvements and betterments” that have sustained covered direct physical damage, we will pay the cost to demolish and clear the site of undamaged parts of the same Building or “tenant improvements and betterments”, as a consequence of a



requirement to comply with an ordinance or law that requires demolition of such undamaged property.

(ii) Increased Cost of Construction

With respect to the Building or “tenant improvements and betterments” that have sustained covered direct physical damage, we will pay the increased cost to:

- (aa)** Repair or reconstruct damaged portions of that Building or “tenant improvements and betterments”; and/or
- (bb)** Reconstruct or remodel undamaged portions of that Building or “tenant improvements and betterments”, whether or not demolition is required;

when the increased cost is a consequence of a requirement to comply with the minimum standards of the ordinance or law.

However 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. Additionally, we will not pay for the increased cost of construction if the Building or “tenant improvements and betterments” are not repaired, reconstructed, or remodeled.

Paragraph **E.5.d** within the **Loss Payment** condition does not apply to Demolition Cost and Increased Cost of Construction coverages.

(3) Loss Payment

- (a)** All following loss payment provisions **(3)(b)** and **(3)(c)** are subject to the apportionment procedure set forth in Paragraph **(1)(c)** of this Coverage Extension.
- (b)** When there is a loss in value of an undamaged portion of a Building or “tenant improvements and betterments” to which Undamaged Part coverage applies, the loss payment for that Building or “tenant improvements and betterments”, including damaged and undamaged portions, will be as follows:
 - (i)** If the property is repaired or replaced on the same or another premises, we will not pay more than the lesser of:
 - (aa)** The amount you actually spend to repair, rebuild, or reconstruct the Building or “tenant improvements and betterments” but not more than the amount it would cost to restore the Building or “tenant improvements and betterments” at the same premises and to the same height, floor area, style, and comparable quality of the original property insured; or
 - (bb)** The Limit of Insurance shown in the Declarations for Ordinance or Law - Undamaged Part.
 - (ii)** If the property is not repaired or replaced, we will not pay more than the lesser of:
 - (aa)** The actual cash value of the Building or “tenant improvements and betterments” at the time of loss; or
 - (bb)** The Limit of Insurance shown in the Declarations for Ordinance or Law - Undamaged Part.
- (c)** The most we will pay for the total of all covered losses for Demolition Cost and Increased Cost of Construction coverage is the Limit of Insurance shown in the Declarations for Ordinance or Law – Demolition Cost and Increased Cost of Construction. Subject to this combined Limit of Insurance, the following loss payment provisions apply:
 - (i)** For Demolition Cost coverage, we will not pay more than the amount you actually spend to demolish and clear the site of the “scheduled premises”.
 - (ii)** With respect to the Increased Cost of Construction:
 - (aa)** We will not pay for the increased cost of construction until the property is actually repaired or replaced at the same or another premises; and
 - (bb)** Unless the repairs or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.



- (iii) If the Building or “tenant improvements and betterments” are 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 Coverage is the lesser of:
- (aa) The increased cost of construction at the same premises; or
 - (bb) The Limit of Insurance shown in the Declarations for Ordinance or Law – Demolition Cost and Increased Cost of Construction.
- (iv) If the ordinance or law requires relocation to another premises, the most we will pay for the increased cost of construction is the lesser of:
- (aa) The increased cost of construction at the new premises; or
 - (bb) The Limit of Insurance shown in the Declarations for Ordinance or Law – Demolition Cost and Increased Cost of Construction.
- (4) Paragraph 1.i., **Ordinance or Law**, of Section B., **EXCLUSIONS**, does not apply to this Coverage Extension.
- (5) **Additional Exclusions**
- We will not pay under this Coverage Extension for:
- (a) The enforcement of or compliance with any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by “pollutants and contaminants” or due to the presence, growth, proliferation, spread of any activity of “fungi”, wet or dry rot, bacteria or virus;
 - (b) The costs associated with the enforcement of or compliance with any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of “pollutants or contaminants”, “fungi”, wet or dry rot, bacteria or virus; or
 - (c) Loss due to any ordinance or law that:
 - (i) You were required to comply with before the loss even if the Building or “tenant improvements and betterments” were undamaged; and
 - (ii) You failed to comply with.
- (6) Example of Proportionate Loss Payment for Ordinance or Law Coverage Losses (procedure as set forth in Paragraph (1)(c) of this Coverage Extension).

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 Increased Cost of Construction of this Coverage Extension: \$60,000.

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

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

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

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

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

NOTE: The same procedure applies to losses under Undamaged Part and Demolition Cost coverage of this endorsement.



VALUABLE PAPERS AND RECORDS

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

The following is added to Paragraph **A.6., Coverage Extensions**, of the Special Property Coverage Form:

Valuable Papers and Records

- (1) You may extend the insurance that applies to Covered Property to apply to your "valuable papers and records" or "valuable papers and records" of others while in your care, custody or control while on or away from the "scheduled premises", including while in transit.
- (2) Under this Coverage Extension, we will not pay for "valuable papers and records":
 - (a) Held as samples or for delivery after sale;
 - (b) In storage away from the "scheduled premises"; or
 - (c) If such "valuable papers and records" cannot be replaced with other property of like kind and quality.
- (3) Section **B., EXCLUSIONS**, does not apply to this Coverage Extension except for:
 - (a) Exclusion **B.1.b., Governmental Action**;
 - (b) Exclusion **B.1.c., Nuclear Hazard**; and
 - (c) Exclusion **B.1.e., War and Military Action**.
- (4) The most we will pay in any one occurrence under this Coverage Extension is the Limit of Insurance shown in the Declarations for Valuable Papers and Records.



BUSINESS INCOME AND EXTRA EXPENSE

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

A. The following changes are made to Section A., COVERAGE:

1. The following is added to Paragraph 6., Coverage Extensions:

Business Income

- (1) 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 or direct physical damage to property at the "scheduled premises", including personal property in the open (or in a vehicle) within 1,000 feet of the "scheduled premises", caused by or resulting from a Covered Cause of Loss.
- (2) With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the "scheduled premises" are located, your "scheduled premises" also means:
 - (a) The portion of the building which you rent, lease or occupy; and
 - (b) The area within 1,000 feet of the building or within 1,000 feet of the "scheduled premises", whichever distance is greater (with respect to loss of or damage to personal property in the open or personal property in a vehicle); and
 - (c) Any area within the building or on the site at which the "scheduled premises" are located, but only if that area services, or is used to gain access to, the "scheduled premises".
- (3) Business Income means the:
 - (a) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if no direct physical loss or direct physical 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
 - (b) Continuing normal operating expenses incurred, including payroll expenses.
- (4) Payroll expenses includes:
 - (a) Payroll;
 - (b) Employee benefits; if directly related to payroll;
 - (c) FICA payments you pay;
 - (d) Union dues you pay; and
 - (e) Workers' compensation premiums.
- (5) With respect to the coverage provided in this Coverage Extension, suspension means:
 - (a) The partial slowdown or complete cessation of your business activities; or
 - (b) That part or all of the "scheduled premises" is rendered untenable as a result of a Covered Cause of Loss if coverage for Business Income applies to the Coverage Part.
- (6) We will not pay for any 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;
 - (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"; or



(c) Any other consequential loss.

- (7) You must resume all or part of your "operations" as quickly as possible. We will reduce the amount of your Business Income loss 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 "scheduled premises" or elsewhere.
- (8) Under this Coverage Extension, coverage for Business Income does not apply when the suspension of "operations" is caused by destruction or corruption of "electronic data", or any loss or damage to "electronic data".
- (9) A waiting period may apply, however, no other deductible applies to this Coverage Extension.

2. The following is added to Paragraph 6., **Coverage Extensions:**

Extended Business Income

- (1) If the necessary suspension of your "operations" produces a Business Income loss payable under the Business Income Coverage Extension, we will pay for the actual loss of Business Income you incur during the period that:
- (a) Begins on the date property, other than finished "stock", is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (b) Ends on the earlier of:
- (i) The date you could restore your "operations" with reasonable speed, to the condition that would have existed if no direct physical loss or direct physical damage occurred; or
- (ii) 45 consecutive days after the date determined in Paragraph (1)(a) above, unless a different time period is shown in the Declarations for Extended Business Income.

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 "scheduled premises" is located.

- (2) With respect to the coverage provided in this Coverage Extension, suspension means:
- (a) The partial slowdown or complete cessation of your business activities; and
- (b) That a part or all of the "scheduled premises" is rendered untenable as a result of a Covered Cause of Loss.
- (3) We will not pay for any Extended 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;
- (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"; or
- (c) Any other consequential loss.
- (4) No deductible applies to this Coverage Extension.

3. The following is added to Paragraph 6., **Coverage Extensions:**

Extra Expense

- (1) We will pay reasonable and 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 direct physical damage to property at the "scheduled premises", including personal property in the open (or in a vehicle) within 1,000 feet, caused by or resulting from a Covered Cause of Loss.
- (2) With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the "scheduled premises" are located, your "scheduled premises" also means:
- (a) The portion of the building which you rent, lease or occupy; and



- (b) The area within 1,000 feet of the building or within 1,000 feet of the "scheduled premises", whichever distance is greater (with respect to loss of or damage to personal property in the open or personal property in a vehicle); and
 - (c) Any area within the building or on the site at which the "scheduled premises" are located, but only if that area services, or is used to gain access to, the "scheduled premises".
- (3) Extra Expense means expense incurred:
 - (a) To avoid or minimize the suspension of business and to continue "operations":
 - (i) At the "scheduled premises"; or
 - (ii) At replacement premises or at temporary locations, including:
 - (aa) Relocation expenses; and
 - (bb) Cost to equip and operate the replacement or temporary location, other than those costs necessary to repair or to replace damaged "stock" and equipment.
 - (b) To minimize the suspension of business if you cannot continue "operations".
 - (c) To:
 - (i) Repair or replace any property; or
 - (ii) Research, replace or restore the lost information on damaged "valuable papers and records"; to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Extension or the Business Income Coverage Extension.
- (4) With respect to the coverage provided in this Coverage Extension, suspension means:
 - (a) The partial slowdown or complete cessation of your business activities; or
 - (b) That part or all of the "scheduled premises" is rendered untenable as a result of a Covered Cause of Loss if coverage for Extra Expense applies to the Coverage Part.
- (5) This Extra Expense Coverage Extension does not apply to:
 - (a) Any deficiencies in insuring Building or Business Personal Property; or
 - (b) Any expense related to any recall of products you manufacture, handle or distribute.
- (6) We will deduct from the total Extra Expense to be paid:
 - (a) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
 - (b) Any Extra Expense that is paid for by other insurance.
- (7) We will not pay for any Extra Expense 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;
 - (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"; or
 - (c) Any other consequential loss
- (8) You must resume all or part of your "operations" as quickly as possible. We will reduce the amount of your Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense
- (9) Under this Coverage Extension, coverage for Extra Expense does not apply when the suspension of "operations" is caused by destruction or corruption of "electronic data", or any loss or damage to "electronic data".
- (10) No deductible applies to this Coverage Extension.



BUSINESS INCOME FROM DEPENDENT PROPERTIES

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

A. The following is added to Paragraph A.6., Coverage Extensions:

Business Income From Dependent Properties

- (1) We will pay the actual loss of Business Income you sustain and necessary Extra Expense you incur during the "dependent property period of restoration" due to direct physical loss or direct physical damage at the premises of a "dependent property" or "secondary dependent property" caused by or resulting from a Covered Cause of Loss.

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

- (2) Coverage provisions respecting direct physical loss or direct physical damage will apply separately to each "dependent property" and "secondary dependent property" premises.

- (3) Business Income means the:

- (a) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if no direct physical loss or direct physical damage at the premises of a "dependent property" or "secondary dependent property" 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

- (b) Continuing normal operating expenses incurred, including payroll.

- (4) Payroll expenses include:

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

- (5) Extra Expense means expense incurred:

- (a) To avoid or minimize the suspension of business and to continue "operations";
(b) To minimize the suspension of business if you cannot continue "operations"; or
(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 Coverage Extension.

- (6) Extra Expense does not apply to:

- (a) Any deficiencies in insuring building or business personal property; or
(b) Any expense related to any recall of products you manufacture, handle or distribute.

- (7) With respect to the coverage provided in this Coverage Extension, suspension means the partial slowdown or complete cessation of your business activities.



- (8) We will deduct from the total Extra Expense to be paid:
 - (a) The salvage value that remains of any property bought for temporary use during the "dependent property period of restoration", once business operations are resumed; and
 - (b) Any Extra Expense that is paid for by other insurance.
- (9) You must resume all or part of your "operations" as quickly as possible. 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) Sources of materials; or
 - (b) Outlet for your products.
- (10) We will not pay for 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 "dependent property period of restoration".
 - (c) Any other consequential loss.
- (11) A waiting period may apply to Business Interruption, however, no other deductible applies to this Coverage Extension.
- (12) The most we will pay in any one occurrence under this Coverage Extension is the limit shown in the Declarations for Business Income From Dependent Properties.

B. The following changes are made to Section G. PROPERTY DEFINITIONS:

1. The following definition is added:

"Dependent property" means property owned, leased or operated by others whom you depend on to:

a. Deliver materials or services to you or to others for your account. But services do not include:

- (1) Water, wastewater removal, communication, power services or any other utility services; or
- (2) Any type of web site, or Internet service.

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 premises.

The "dependent property" must be located in the coverage territory of this Coverage Part.

2. The following definition is added:

"Dependent property period of restoration"

a. Means the period of time that:

(1) Begins:

(a) The number of hours shown in the Declarations after the time of direct physical loss or direct physical damage for Business Income for Dependent Properties coverage; or

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

caused by or resulting from any Covered Cause of Loss at the "dependent property" or "secondary dependent property"; and

(2) Ends on the earlier of:

(a) The date when the property at the "dependent property" or "secondary dependent property" should be repaired, rebuilt or replaced with reasonable speed and similar quality; or

(b) Exhaustion of the number of consecutive months as shown on the Declarations as the Business Income for Dependent Properties Period of Restoration.

b. Does not include any increased period required due to enforcement of or compliance with 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, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to "pollutants and contaminants".

The expiration date of this Coverage Part will not cut short the "dependent property period of restoration".

3. The following definition is added:

"Secondary dependent property"

- a.** Means an entity which is not owned, leased or operated by a "dependent property" and which:

(1) Deliver materials or services to a "dependent property", which in turn are used by the "dependent property" in providing materials or services to you; or

(2) Accepts materials or services from a "dependent property", which in turn accepts your materials or services.

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

- c.** Any property which delivers any of the following services is not a "secondary dependent property" with respect to such services:

(1) Water, wastewater removal, communication, power services or any other utility services; or

(2) Any type of web site, or Internet service.

The "secondary dependent property" must be located in the coverage territory of this Coverage Part.



FORGERY COVERAGE (INCLUDING CREDIT CARDS, CURRENCY AND MONEY ORDERS)

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

A. The following is added to Paragraph A.6., Coverage Extensions:

Forgery

- (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. This includes written instruments required in conjunction with any credit, debit, or charge card issued to you or any "employee" for business purposes.
- (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 and pay in that defense.
- (3) We will pay for loss resulting directly from your having accepted in good faith, in exchange for merchandise, "money" or services:
 - (a) Money orders, including counterfeit money orders, issued by any post office, express company or bank that are not paid upon presentation; and
 - (b) "Counterfeit money" that is acquired during the regular course of business.
- (4) For the purpose of this Coverage Extension, 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.
- (5) We will treat mechanically reproduced facsimile signatures the same as handwritten signatures.
- (6) You must include with your proof of loss any instrument involved in that loss, or, if that is not possible, an affidavit setting forth the amount and cause of loss.
- (7) With respect to this Coverage Extension only, Paragraphs **F.5.b.(1)** through **F.5.b.(3)** are deleted and replaced with the following:

Anywhere in the world.

- (8) All loss:
 - (a) Caused by one or more persons; or
 - (b) Involving a single act or series of related acts;is considered one occurrence.

(9) Additional Conditions:

(a) Discovery Period for Loss

We will pay only for covered loss discovered no later than one year from the end of the policy period.

Discovery of loss occurs when you first become aware of facts which would cause a reasonable person to assume that a loss covered by this Coverage Part has been, or may be incurred even though the exact amount or the details of the loss may not then be known.

Discovery also occurs when you receive notice of an actual or potential claim against you alleging facts, which if true, would be a covered loss under this Coverage Part.

(b) Non-Cumulation of Limit of Insurance

Regardless of the number of years this Coverage Part remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



(c) Ownership of Property, Interests Covered

The property covered under this Coverage Part is limited to property

(i) That you own or hold; or

(ii) For which you are legally liable.

However, this insurance is for your benefit only. It provides no rights or benefits to any other person or organization

(10) The most we will pay in any one occurrence, including legal expenses, under this Coverage Extension is the Limit of Insurance shown in the Declarations for Forgery Coverage.

B. The following changes are made to Section **G.**, **PROPERTY DEFINITIONS**:

1. The following definition is added:

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



ARSON AND THEFT REWARD

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

The following is added to Paragraph **A.6., Coverage Extensions**, of the Special Property Coverage Form:

Arson and Theft Reward

- (1) In the event that a covered fire loss was the result of an act of arson, we will reimburse you for rewards you pay for information leading to convictions for that act of arson.
- (2) In the event of a covered theft loss, we will reimburse you for rewards you pay for information leading to convictions for the theft loss.
- (3) No deductible applies to this Coverage Extension.
- (4) The most we will pay to reimburse you in any one occurrence under this Coverage Extension is the Limit of Insurance shown in the Declarations for Arson and Theft Reward.



BUSINESS INCOME FOR CIVIL AUTHORITY ACTIONS

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

A. The following is added to Paragraph A.6., Coverage Extensions:

Business Income for Civil Authority Actions

- (1) When a Covered Cause of Loss causes direct physical loss or direct physical damage to property other than at the "scheduled premises", we will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur during the "civil authority period of restoration" caused by action of civil authority that prohibits access to the "scheduled premises" provided that both of the following apply:
 - (a) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the "scheduled premises" are within that area but are not more than one mile from the damaged property; and
 - (b) 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.
- (2) With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the "scheduled premises" are located, your "scheduled premises" also means:
 - (a) The portion of the building which you rent, lease or occupy; and
 - (b) The area within 1,000 feet of the building or within 1,000 feet of the "scheduled premises", whichever distance is greater (with respect to loss of or damage to personal property in the open or personal property in a vehicle); and
 - (c) Any area within the building or on the site at which the "scheduled premises" are located, but only if that area services, or is used to gain access to, the "scheduled premises".
- (3) Business Income means the:
 - (a) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if access to the "scheduled premises" had not been prohibited by action of civil authority, 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
 - (b) Continuing normal operating expenses incurred, including payroll expenses.
- (4) Payroll expenses include:
 - (a) Payroll;
 - (b) Employee benefits; if directly related to payroll;
 - (c) FICA payments you pay;
 - (d) Union dues you pay; and
 - (e) Workers' compensation premiums.
- (5) Extra Expense means expense incurred:
 - (a) To avoid or minimize the suspension of business and to continue "operations";
 - (b) To minimize the suspension of business if you cannot continue "operations"; or
 - (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 Coverage Extension.
- (6) Extra Expense does not apply to:
 - (a) Any deficiencies in insuring Building or Business Personal Property; or
 - (b) Any expense related to any recall of products you manufacture, handle or distribute.
- (7) With respect to the coverage provided in this Coverage Extension, suspension means the partial slowdown or complete cessation of your business activities.
- (8) We will deduct from the total Extra Expense to be paid:
 - (a) The salvage value that remains of any property bought for temporary use during the "civil authority period of restoration", once business operations are resumed; and
 - (b) Any Extra Expense that is paid for by other insurance.
- (9) We will not pay for any increase of Business Income or Extra Expense 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 "civil authority period of restoration";
 - (c) Any other consequential loss.
- (10) A waiting period may apply, however, no other deductible applies to this Coverage Extension.

B. The following definition is added to Section G., PROPERTY DEFINITIONS:

"Civil authority period of restoration"

- a. Means the period of time that:
 - (1) Begins:
 - (a) The number of hours shown in the Declarations after action of civil authority for Business Income for Civil Authority Actions coverage; or
 - (b) Immediately after the action of civil authority damage for Extra Expense coverage;and
 - (2) Ends on the earlier of:
 - (a) When access to your "scheduled premises" is permitted; or
 - (b) 30 consecutive days after the order of the civil authority unless a different time period is shown in the Declarations as the Business Income for Civil Authority Actions Duration of Coverage.
- b. Does not include any increased period required due to enforcement of or compliance with 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, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to "pollutants and contaminants".

The expiration date of this Coverage Part will not cut short the "civil authority period of restoration".



IDENTITY RECOVERY FOR BUSINESSOWNERS AND EMPLOYEES

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

A. The following is added to Paragraph **A.6., Coverage Extensions**, of the Special Property Coverage Form:

Identity Recovery for Businessowners and Employees

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

- (a) There has been an "identity theft" involving the personal identity of an "identity recovery insured" under this Coverage Part;
- (b) Such "identity theft" is first discovered by the "identity recovery insured" during the policy period for which this Coverage Extension is applicable; and
- (c) Such "identity theft" is reported to us as soon as practicable but in no event later than 60 days after it is first discovered by the "identity recovery insured."

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

(a) Case Management Service

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

(b) Expense Reimbursement

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

(3) Additional Exclusions

Under this Coverage Extension, we will not cover loss or expense arising from any of the following:

- (a) Theft of a professional or business identity;
- (b) Any fraudulent, dishonest or criminal act by an "identity recovery insured" or any person aiding or abetting an "identity recovery insured", or by any authorized representative of an "identity recovery insured", whether acting alone or in collusion with others. However, this exclusion shall not apply to the interests of an "identity recovery insured" who has no knowledge of or involvement in such fraud, dishonesty or criminal act;
- (c) Loss other than "identity recovery expenses";
- (d) An "identity theft" that is first discovered by the "identity recovery insured" prior to or after the policy period for which this Coverage Extension applies. This exclusion applies whether or not such "identity theft" began or continued during the period of coverage;
- (e) An "identity theft" that is not reported to us within 60 days after it is first discovered by the "identity recovery insured."; or
- (f) An "identity theft" that is not reported in writing to the police.

(4) Limits of Insurance

- (a) The most we will pay in any one "policy year" per "identity recovery insured" under this Coverage Extension is the Limit of Insurance shown in the Declarations for Identity Recovery Coverage for Businessowners and Employees. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or expense arising out of all "identity thefts" to any one "identity recovery insured" which are first discovered by the "identity recovery insured" during a 12-month period starting with the beginning of the present annual policy period. If an "identity theft" is first discovered in one policy period and continues into other policy periods, all loss and expense arising from such



"identity theft" will be subject to the "policy year" limit applicable to the policy period when the "identity theft" was first discovered.

- (i) Legal costs as provided under Paragraph **d.** of the definition of "identity recovery expenses" are part of, and not in addition to, the Limit of Insurance for this Coverage Extension.
 - (ii) Lost Wages and Child and Elder Care Expenses as provided under Paragraphs **e.** and **f.** of the definition of "identity recovery expenses" are jointly subject to a sublimit of \$250 per day, not to exceed \$5,000 total (unless a different sublimit is displayed in the Declarations). This sublimit is part of, and not in addition to, the Limit of Insurance for this Coverage Extension. Coverage is limited to lost wages and expenses incurred within 12 months after the first discovery of the "identity theft" by the "identity recovery insured".
 - (iii) Mental Health Counseling as provided under Paragraph **g.** of the definition of "identity recovery expenses" is subject to the Mental Health sublimit shown in the Declarations. This sublimit is part of, and not in addition to, the Limit of Insurance for this Coverage Extension. Coverage is limited to counseling that takes place within 12 months after the first discovery of the "identity theft" by the "identity recovery insured".
- (b) Case Management Service is available as needed for any one "identity theft" for up to 12 consecutive months from the inception of the service. Expenses we incur to provide Case Management Service are part of, and not in addition to, the Limit of Insurance for this Coverage Extension.

(5) Deductible

- (a) No deductible applies to the Case Management Service coverage.
- (b) All other coverage provided under this Coverage Extension is subject to the Deductible shown in the Declarations for this Coverage Extension. Any one "identity recovery insured" shall be responsible for only one Deductible under this Coverage Extension during any one "policy year".

(6) Additional Conditions

(a) Assistance and Claims

- (i) For assistance, the "identity recovery insured" should call the **Identity Recovery Help Line** at **1-866-989-2905**.

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

- (aa) Information and advice for how to respond to a possible "identity theft"; and
 - (bb) Instructions for how to submit a service request for Case Management Service and/or a claim form for Expense Reimbursement Coverage.
- (ii) In some cases, we may provide Case Management services at our expense to an "identity recovery insured" prior to a determination that a covered "identity theft" has occurred. Our provision of such services is not an admission of liability under the Coverage Part. We reserve the right to deny further coverage or service if, after investigation, we determine that a covered "identity theft" has not occurred.
 - (iii) As respects Expense Reimbursement Coverage, the "identity recovery insured" must send to us, within 60 days after our request, receipts, bills or other records that support his or her claim for "identity recovery expenses."

(b) Discovery Period for Loss

We will pay only for covered loss discovered no later than one year from the end of the policy period.

Discovery of loss occurs when you first become aware of facts which would cause a reasonable person to assume that a loss covered by this Coverage Part has been, or may be incurred even though the exact amount or the details of the loss may not then be known.

Discovery also occurs when you receive notice of an actual or potential claim against you alleging facts, which if true, would be a covered loss under this Coverage Part.

(c) Non-Cumulation of Limit of Insurance



Regardless of the number of years this Coverage Part remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.

(d) Services

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

- (i) Our ability to provide helpful services in the event of an "identity theft" depends on the cooperation, permission and assistance of the "identity recovery insured."
- (ii) All services may not be available or applicable to all individuals. For example, "identity recovery insureds" who are minors or foreign nationals may not have credit records that can be provided or monitored. Service in Canada will be different from service in United States and Puerto Rico in accordance with local conditions.
- (iii) We do not warrant or guarantee that our services will end or eliminate all problems associated with an "identity theft" or prevent future "identity thefts."

B. The following changes are made to Section G., PROPERTY DEFINITIONS:

1. The following definition is added:

"Identity recovery case manager" means one or more individuals assigned by us to assist an "identity recovery insured" with communications we deem necessary for re-establishing the integrity of the personal identity of the "identity recovery insured." This includes, with the permission and cooperation of the "identity recovery insured," written and telephone communications with law enforcement authorities, governmental agencies, credit agencies and individual creditors and businesses.

2. The following definition is added:

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

- a. Costs for re-filing applications for loans, grants or other credit instruments that are rejected solely as a result of an "identity theft."
- b. Costs for notarizing affidavits or other similar documents, long distance telephone calls and postage solely as a result of your efforts to report an "identity theft" or amend or rectify records as to your true name or identity as a result of an "identity theft."
- c. Costs for up to twelve (12) credit reports from established credit bureaus dated within 12 months after your knowledge or discovery of an "identity theft."

d. Legal Costs

Fees and expenses for an attorney approved by us for:

- (1) Defending any civil suit brought against an "identity recovery insured" by a creditor or collection agency or entity acting on behalf of a creditor for non-payment of goods or services or default on a loan as a result of an "identity theft"; and
- (2) Removing any civil judgment wrongfully entered against an "identity recovery insured" as a result of the "identity theft."

e. Lost Wages

Actual lost wages of the "identity recovery insured" for time reasonably and necessarily taken away from work and away from the work premises. Time away from work includes partial or whole work days. Actual lost wages may include payment for vacation days, discretionary days, floating holidays and paid personal days. Actual lost wages does not include sick days or any loss arising from time taken away from self-employment. Necessary time off does not include time off to do tasks that could reasonably have been done during non-working hours.

f. Child and Elder Care Expenses

Actual costs for supervision of children or elderly or infirm relatives or dependents of the "identity recovery insured" during time reasonably and necessarily taken away from such supervision. Such care must be provided by a professional care provider who is not a relative of the "identity recovery insured".



g. Mental Health Counseling

Actual costs for counseling from a licensed mental health professional. Such care must be provided by a professional care provider who is not a relative of the "identity recovery insured".

3. The following definition is added:

"Identity recovery insured" means the following:

- a.** A full time "employee" of the entity insured under this Coverage Part; or
- b.** The owner of the entity insured under this Coverage Part who meets any of the following criteria:
 - (1)** A sole proprietor of the insured entity;
 - (2)** A partner in the insured entity; or
 - (3)** An individual having an ownership position of 20% or more of the insured entity.

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

4. The following definition is added:

"Identity theft" means the fraudulent use of the social security number or other method of identifying an "identity recovery insured." This includes fraudulently using the personal identity of an "identity recovery insured" to establish credit accounts, secure loans, enter into contracts or commit crimes.

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

5. The following definition is added:

"Policy year" means the period of time that:

- a.** Begins with the inception or anniversary date of this Coverage Part; and
- b.** Ends at the expiration or at the next anniversary date of this Coverage Part.



ACCOUNTS RECEIVABLE

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

The following is added to Paragraph **A.6., Coverage Extensions**, of the Special Property Coverage Form:

Accounts Receivable

- (1) You may extend the insurance that applies to Covered Property to apply to your accounts receivable while at or away from the "scheduled premises", including while in transit.
Under this Coverage Extension, we will pay for:
 - (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 the physical loss or physical damage; and
 - (d) Other reasonable expenses that you incur to reestablish your records of accounts receivable; that result from direct physical loss or direct physical damage by a Covered Cause of Loss to your records of accounts receivable.
- (2) Section **B., EXCLUSIONS**, do not apply to this Coverage Extension except for:
 - (a) Exclusion **B.1.b., Governmental Action**;
 - (b) Exclusion **B.1.c., Nuclear Hazard**;
 - (c) Exclusion **B.1.e., War and Military Action**;
 - (d) Exclusion **B.2.g., Dishonesty**;
 - (e) Exclusion **B.2.h. False Pretense**; and
 - (f) Exclusions **B.3.a., Weather Conditions**, through **B.3.c., Negligent Work**.
- (3) Under this 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; or
 - (c) Any loss or damage that requires any audit of records or any inventory computation to prove its factual existence.
- (4) The most we will pay in any one occurrence under this Coverage Extension is the Limit of Insurance shown in the Declarations for Accounts Receivable.



NEWLY ACQUIRED OR CONSTRUCTED PROPERTY

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

The following is added to Paragraph **A.6., Coverage Extensions**, of the Special Property Coverage Form:

Newly Acquired or Constructed Property

(1) Buildings

When a Limit of Insurance shown is in the Declarations for Newly Acquired or Constructed Building, you may extend the insurance that applies to Buildings to apply to:

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

The most we will pay in any one occurrence under this Coverage Extension is the Limit of Insurance shown in the Declarations for Newly Acquired or Constructed Building.

(2) Business Personal Property

- (a)** When a Limit of Insurance shown is in the Declarations for Newly Acquired or Constructed Business Personal Property, you may extend the insurance that applies to Business Personal Property to apply to:
 - (i)** Business Personal Property, including such property that you newly acquire, at any location you acquire;
 - (ii)** Business Personal Property, including such property that you newly acquire, located at your newly acquired or constructed buildings located at the "scheduled premises"; or
 - (iii)** Business Personal Property that you newly acquire, located at the "scheduled premises".
- (b)** This extension does not apply to:
 - (i)** Personal property that you temporarily acquire in the course of installing or performing work on such property;
 - (ii)** Personal property of others that you temporarily acquire in the course of your wholesaling activity.
- (c)** The most we will pay in any one occurrence under this Coverage Extension is the Limit of Insurance shown in the Declarations for Newly Acquired or Constructed Business Personal Property.
- (d)** If Covered Property is moved to a new premises endorsed onto this policy, from a "scheduled premises" being endorsed off this policy, the Limit of Insurance applicable to that vacated premises will apply proportionately to both premises as the property is moved. This coverage applies to up to 180 days after the move begins or upon completion of the move, whichever is sooner. This coverage does not apply to Business Personal Property while in transit.

(3) Business Income

- (a)** When a Limit of Insurance is shown in the Declarations for Newly Acquired or Constructed Business Income and Extra Expense, you may extend the insurance that applies to the Business Income and Extra Expense Coverage Extensions when such Coverage Extensions are attached to this Coverage Part to apply to newly acquired or constructed locations.
- (b)** The most we will pay in any one occurrence under this Coverage Extension is the lesser of:
 - (i)** The actual loss of Business Income and incurred Extra Expense you sustain; or
 - (ii)** The Limit of Insurance shown in the Declarations for Newly Acquired or Constructed Business Income and Extra Expense.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



- (4) Insurance under this Coverage Extension for each newly acquired or constructed property will end when any of the following first occurs:
- (a) This Coverage Part expires;
 - (b) 180 days after you acquire 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.



OUTDOOR PROPERTY

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

The following is added to Paragraph **A.6., Coverage Extensions**, of the Special Property Coverage Form:

Outdoor Property

- (1) You may extend the insurance provided by this Coverage Part to apply to your outdoor fences, signs (other than signs attached to buildings), radio and television antennas (including satellite dishes), trees, shrubs and plants (other than trees, shrubs or plants which are part of a vegetated roof), 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; or
 - (g) Aircraft.
- (2) Exclusion **B.2.i., Exposed Property**, does not apply to this Coverage Extension.
- (3) The most we will pay in any one occurrence, including debris removal expense, under this Coverage Extension is the Limit of Insurance shown in the Declarations for Outdoor Property.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



PROPERTY OFF-PREMISES

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

The following is added to Paragraph **A.6., Coverage Extensions**, of the Special Property Coverage Form:

Property Off-Premises

- (1) You may extend the insurance that applies to Covered Property, other than "money" and "securities", "valuable papers and records" or accounts receivable, to apply to such property in your care, custody or control while it is in the course of transit or at a premises you do not own, lease or operate.
- (2) The most we will pay in any one occurrence under this Coverage Extension is the Limit of Insurance shown in the Declarations for Property Off-Premises.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



WATER DAMAGE, OTHER LIQUID, POWDER OR MOLTEN MATERIAL DAMAGE

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

The following is added to Paragraph **A.5., Additional Coverages**, of the Special Property Coverage Form:

Water Damage, Other Liquid, Powder or Molten Material Damage

- (1)** If direct physical loss or direct physical damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes.
- (2)** We will not pay the cost to repair any defect that caused the direct physical loss or direct physical damage except as provided in the Equipment Breakdown Additional Coverage if such Additional Coverage is attached to this Coverage Part. But we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:
 - (a)** Results in discharge of any substance from an automatic fire protection system; or
 - (b)** Is directly caused by freezing.



MONEY AND SECURITIES COVERAGE

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

The following is added to Paragraph **A.6., Coverage Extensions**, of the Special Property Coverage Form:

Money and Securities

- (1) We will pay for loss of "money" and "securities" used in your business while at: a bank or savings institution, within your living quarters or the living quarters of your partners or any "employee" having use and custody of the property, at the "scheduled premises", or in transit between any of these places, resulting directly from:
 - (a) Theft;
 - (b) Disappearance; or
 - (c) Destruction.
- (2) In addition to the Limitations and Exclusions applicable to this Coverage Part, we will not pay for loss:
 - (a) Resulting from accounting or arithmetical errors or omissions;
 - (b) Due to the giving or surrendering of property in any exchange or purchase; or
 - (c) Loss or damage to "money" and "securities" following and directly related to the use of any "computer" to fraudulently cause a transfer of that property.
- (3) All loss:
 - (a) Caused by one or more persons; or
 - (b) Involving a single act or series of related acts;is considered one occurrence.
- (4) You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.
- (5) **Additional Conditions:**
 - (a) **Discovery Period for Loss**

We will pay only for covered loss discovered no later than one year from the end of the policy period.

Discovery of loss occurs when you first become aware of facts which would cause a reasonable person to assume that a loss covered by this Coverage Part has been, or may be incurred even though the exact amount or the details of the loss may not then be known.

Discovery also occurs when you receive notice of an actual or potential claim against you alleging facts, which if true, would be a covered loss under this Coverage Part.
 - (b) **Non-Cumulation of Limit of Insurance**

Regardless of the number of years this Coverage Part remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.
- (6) The most we will pay for loss in any one occurrence under this Coverage Extension is:
 - (a) The limit shown in the Declarations for Inside the Premises for "money" and "securities" while:
 - (i) In or on the "scheduled premises"; or
 - (ii) Within a bank or savings institution; and
 - (b) The limit shown in the Declarations for Outside the Premises for "money" and "securities" while anywhere else.



ELECTRONIC DATA

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

A. The following is added to Paragraph A.6., Coverage Extensions:

Electronic Data

(1) We will pay for the cost to replace or restore your "electronic data" or "electronic data" of others which is in your care, custody or control which has been destroyed or corrupted by a Covered Cause of Loss.

(2) Valuation

(a) Loss or damage to "electronic data" will be valued at the actual, reasonable and necessary costs you incur to restore or replace the "electronic data". But we will not pay the cost or expenses you incur to:

(i) Identify or remediate any errors or vulnerabilities or to update, restore, replace, upgrade, maintain or improve any "computer" or "computer" system;

(ii) Update, replace, restore or improve any "electronic data" to a level beyond the condition in which it existed immediately preceding the loss or damage; or

(iii) Duplicate research that led to the development of your "electronic data" or any proprietary or confidential information or intellectual property in any form.

(b) 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.

(c) If you recover from a licenser, lessor or any other party for loss or damage to "electronic data", our loss payment to you will be reduced by the amount of such recovery.

(3) We will not pay for:

(a) 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;

(b) Loss or damage caused by theft, observation, publication, unauthorized access to or loss of confidentiality of your "electronic data" or "electronic data" of others in your care, custody or control.

(4) This Coverage Extension does not apply to your "stock" of prepackaged software.

(5) The most we will pay for all occurrences in any one "policy year" under this Coverage Extension is the Limit of Insurance shown in the Declarations for Electronic Data.

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.

B. The following definition is added to Section G., PROPERTY DEFINITIONS:

"Policy year" means the period of time that:

a. Begins with the inception or anniversary date of this Coverage Part; and

b. Ends at the expiration or at the next anniversary date of this Coverage Part.



INTERRUPTION OF COMPUTER OPERATIONS

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

A. The following is added to Paragraph A.6., Coverage Extensions:

Interruption Of Computer Operations

- (1) We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur during the "computer operations period of restoration" due to a suspension of your "computer operations" caused by destruction or corruption of your "electronic data" or "electronic data" of others in your care, custody or control due to a Covered Cause of Loss.
- (2) Business Income means the:
 - (a) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if "computer operations" had not been interrupted, 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 conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses; and
 - (b) Continuing normal operating expenses incurred, including payroll expenses.
- (3) Payroll expenses include:
 - (a) Payroll;
 - (b) Employee benefits; if directly related to payroll;
 - (c) FICA payments you pay;
 - (d) Union dues you pay; and
 - (e) Workers' compensation premiums.
- (4) Extra Expense means expense incurred:
 - (a) To avoid or minimize the interruption of business and to continue "computer operations"; or
 - (b) To minimize the interruption of business if you cannot continue "computer" operations"; or to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Extension.
- (5) Extra Expense does not apply to:
 - (a) Any deficiencies in insuring Building or Business Personal Property; or
 - (b) Any expense related to any recall of products you manufacture, handle or distribute.
- (6) With respect to the coverage provided in this Coverage Extension, suspension means the partial slowdown or complete cessation of your "computer operations".
- (7) We will deduct from the total Extra Expense to be paid:
 - (a) The salvage value that remains of any property bought for temporary use during the "computer operations period of restoration", once "computer operations" are resumed; and
 - (b) Any Extra Expense that is paid for by other insurance.
- (8) You must resume all or part of your "computer operations" as quickly as possible. We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume "computer operations", in whole, or in part, by using any other available means to continue your "computer operations".
- (9) We will not pay for any loss of Business Income or incurred Extra Expense related to:
 - (a) 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.



- (b) Theft, observation, publication, unauthorized access to or loss of confidentiality of your "electronic data" or "electronic data" of others in your care, custody or control.
- (c) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the interruption of "computer operations", we will cover such loss that affects your Business Income during the "computer operations period of restoration".
- (d) Any other consequential loss.

(10) A waiting period may apply; however, no other deductible applies to this Coverage Extension.

(11) The most we will pay for all occurrences in any one "policy year" under this Coverage Extension is the Limit of Insurance shown in the Declarations for Interruption Of Computer Operations.

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.

B. The following changes are made to Section G., PROPERTY DEFINITIONS:

1. The following definition is added:

"Computer operations" means the use of your "computer" or "computers" of others in your care, custody or control that enables you to conduct your business activities whether such "computer" is located at or away from the "scheduled premises".

2. The following definition is added:

"Computer operations period of restoration" means:

a. The period of time that:

(1) Begins:

(a) The number of hours stated in the Declarations after the destruction or corruption of "electronic data" for Business Income Coverage; or

(b) Immediately upon (or after) the destruction or corruption of "electronic data" for Extra Expense Coverage;

and;

(2) Ends on the earlier of:

(a) The date when the "electronic data" should be replaced or restored with reasonable speed and similar quality; or

(b) The exhaustion of the number of consecutive months as shown in the Declarations.

The expiration date of this Policy will not cut short the "computer operations period of restoration".

3. The following definition is added:

"Policy year" means the period of time that:

a. Begins with the inception or anniversary date of this Coverage Part; and

b. Ends at the expiration or at the next anniversary date of this Coverage Part.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



BRANDS AND LABELS

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

The following is added to Paragraph **A.5., Additional Coverages**, of the Special Property Coverage Form:

Brands and Labels

If, in the event of covered physical loss or physical damage to "stock" that is branded or labeled, and we elect to take all or any part of the physically damaged property at an agreed or appraised value, you may extend the insurance that applies to Covered Property to apply to:

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



CLAIM EXPENSE

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

The following is added to Paragraph **A.6., Coverage Extensions**, of the Special Property Coverage Form:

Claim Expense

- (1)** In the event of covered physical loss or physical damage we will pay to cover reasonable expenses incurred by you at our specific request to assist us in:
 - (a)** The investigation of a claim or suit; or
 - (b)** The determination of the amount of loss, such as taking inventory, or auditing business records.
- (2)** The most we will pay in any one occurrence under this Coverage Extension is the Limit of Insurance shown in the Declarations for Claim Expense.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



PAIRS OR SETS

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

The following is added to Paragraph **A.5., Additional Coverages**, of the Special Property Coverage Form:

Pairs or Sets

- (1) We will pay for consequential loss to your undamaged "stock" which is part of a pair or set that has become unmarketable as a complete product because of covered physical loss or physical damage.
- (2) Under this Additional Coverage, we will pay for the reduction in value of the pair or set before and after the covered loss or damage.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



SALESPERSONS SAMPLES

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

The following is added to Paragraph **A.6., Coverage Extensions**, of the Special Property Coverage Form:

Salespersons Samples

- (1)** You may extend the insurance that applies to Covered Property to apply to:
 - (a)** Samples of your "stock" in trade (including containers); and
 - (b)** Similar property of others;
but only while such property is in your custody while acting as a sales representative or the custody of your sales representatives or agents.
- (2)** The most we will pay in any one occurrence under this Coverage Extension is the Limit of Insurance shown in the Declarations for Salespersons Samples.



VALUATION CHANGES: COMMODITY, FINISHED, AND MERCANTILE STOCK

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

A. The following changes are made to Paragraph 5.d. of Section E., **PROPERTY LOSS CONDITIONS**, of the Special Property Coverage Form:

1. The following is added:

Commodity "Stock"

We will determine the value of merchandise and raw materials that are bought and sold at an established market exchange. We will determine the value at:

- (a) The posted market price as of the time and place of loss; and
- (b) Less discounts and expenses you otherwise would have had.

2. The following is added:

Finished "Stock"

We will determine the value of goods that you have manufactured at the selling price less discounts and expenses you otherwise would have had.

3. The following is added:

Mercantile "Stock" - Sold

We will determine the value of goods you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



LOST KEYS

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

The following is added to Paragraph **A.6., Coverage Extensions**, of the Special Property Coverage Form:

Lost Keys

We will pay, in any one occurrence, up to the Limit of Insurance shown in the Declarations for Lost Keys to cover the loss of your keys used to secure the "scheduled premises" due to theft or the loss of your customer's keys that were in your care, custody or control,. We will not pay more than the cost of the least of the following:

- (1)** Re-key the locks;
- (2)** Install new lock cylinders;
- (3)** Provide new master keys; or
- (4)** Replace existing locks with new locks of like kind and quality.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



CONTRACT PENALTIES

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

The following is added to Paragraph **A.6., Coverage Extensions**, of the Special Property Coverage Form:

Contract Penalties

- (1) We will pay to cover contract penalties you are assessed due to your failure to complete a project within the time required as stipulated by contract if the failure to complete the project was caused by or resulted from a Covered Cause of Loss to Covered Property.
- (2) The most we will pay in any one occurrence under this Coverage Extension is the Limit of Insurance shown in the Declarations for Contract Penalties.



EXPEDITING EXPENSES

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

A. The following is added to Paragraph **A.6., Coverage Extensions**, of the Special Property Coverage Form:

Expediting Expenses

- (1)** You may extend the insurance that applies to the Extra Expense Coverage Extension to apply to necessary "expediting expenses" you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or direct physical damage to property at the "scheduled premises", including personal property in the open (or in a vehicle) within 1,000 feet of the "scheduled premises", caused by or resulting from a Covered Cause of Loss.
- (2)** The most we will pay in any one occurrence for loss under this Coverage Extension is the Limit of Insurance shown in the Declarations for Expediting Expenses.

B. The following definition is added to Section **G., PROPERTY DEFINITIONS**, of the Special Property Coverage Form:

"Expediting expense" means the following reasonable and necessary additional expenses:

- a.** Overtime wages;
- b.** Extra cost of express or rapid means of transportation;
- c.** Costs to make temporary repairs;
- d.** Costs to expedite permanent repair or replacement of damaged Covered Property; and
- e.** Additional costs to provide training on replacement equipment

that you incur in order to meet any delivery date that was scheduled immediately prior to the physical loss or physical damage to property at the "scheduled premises".



NON-OWNED DETACHED TRAILERS

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

The following is added to Paragraph **A.6., Coverage Extensions**, of the Special Property Coverage Form:

Non-owned Detached Trailers

- (1) We will pay for direct physical loss or direct physical damage caused by or resulting from a Covered Cause of Loss to trailers that you do not own, provided that the trailer:
 - (a) Is used in your business;
 - (b) Is in your care, custody or control at the "scheduled premises"; and
 - (c) You have a contractual responsibility to pay for loss or damage to the trailer.
- (2) We will not pay for any loss or damage that occurs:
 - (a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion; or
 - (b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.
- (3) Paragraph **d.** within Paragraph **A.2., Property Not Covered**, does not apply to this Coverage Extension.
- (4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.
- (5) The most we will pay in any one occurrence under this Coverage Extension is the Limit of Insurance shown in the Declarations for Non-Owned Detached Trailers.



BUSINESS INCOME FOR OFF-PREMISES UTILITY SERVICES

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

A. The following is added to Paragraph A.6., **Coverage Extensions**, of the Special Property Coverage Form:

Business Income For Off-Premises Utility Services

- (1) We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur during the "off-premises utility services period of restoration" due to the necessary suspension of your "operations" caused by the interruption of service to the "scheduled premises". The interruption must result from direct physical loss or direct physical damage by a Covered Cause of Loss to the following property not on the "scheduled premises":

- (a) "Communication supply services";
- (b) "Power supply services";
- (c) "Wastewater removal services" (other than an interruption in service caused by or resulting from a discharge of water or sewage due to heavy rainfall or flooding); or
- (d) "Water supply services".

However, coverage under this Coverage Extension does not apply to loss of Business Income or incurred Extra Expense related to interruption in utility service which causes loss or damage to "electronic data", including destruction or corruption of "electronic data".

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

- (a) The portion of the building which you rent, lease or occupy; and
- (b) The area within 1,000 feet of the building or within 1,000 feet of the "scheduled premises", whichever distance is greater (with respect to loss of or damage to personal property in the open or personal property in a vehicle); and
- (c) Any area within the building or on the site at which the "scheduled premises" are located, but only if that area services, or is used to gain access to, the "scheduled premises".

- (3) Business Income means the:

- (a) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if service to the "scheduled premises" had not been interrupted by direct physical damage or direct physical loss, 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
- (b) Continuing normal operating expenses incurred, including payroll expenses.

- (4) Payroll expenses includes:

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

- (5) Extra Expense means expense incurred:

- (a) To avoid or minimize the suspension of business and to continue "operations":
 - (i) At the "scheduled premises"; or
 - (ii) At replacement premises or at temporary locations, including:
 - (aa) Relocation expenses; and



- (bb) Cost to equip and operate the replacement or temporary location, other than those costs necessary to repair or to replace damaged stock and equipment.
- (b) To minimize the suspension of business if you cannot continue "operations".
- (c) To:
 - (i) Repair or replace any property; or
 - (ii) Research, replace or restore the lost information on damaged "valuable papers and records"; to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Extension or the Business Income Coverage Extension.
- (6) Extra Expense does not apply to:
 - (a) Any deficiencies in insuring Building or Business Personal Property; or
 - (b) Any expense related to any recall of products you manufacture, handle or distribute.
- (7) With respect to the coverage provided in this Coverage Extension, suspension means the partial slowdown or complete cessation of your business activities.
- (8) We will deduct from the total Extra Expense to be paid:
 - (a) The salvage value that remains of any property bought for temporary use during the "off-premises utility services period of restoration", once business operations are resumed; and
 - (b) Any Extra Expense that is paid for by other insurance.
- (9) We will not pay for 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".
 - (c) Any other consequential loss.
- (10) Exclusion **B.1.d., Utility Services** does not apply to this Coverage Extension.
- (11) A waiting period may apply, however, no other deductible applies to this Coverage Extension.
- (12) The most we will pay in any one occurrence under this Coverage Extension is the limit shown in the Declarations for Business Income For Off-Premises Utility Services.

B. The following changes are made to Section G., PROPERTY DEFINITIONS:

1. The following definition is added:

"Off-premises utility services period of restoration":

a. Means the period of time that begins:

- (1) The number of hours stated in the Declarations after direct physical loss of or direct physical damage to off-premises utility services for Business Income for Off-Premises Utility Services coverage; or
- (2) Immediately after the time of direct physical loss or direct physical damage to off-premises utility services for Extra Expense coverage;

and ends on the date when service to the "scheduled premises" should be restored with reasonable speed and similar quality.

b. Does not include any increased period required due to enforcement of or compliance with 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 and contaminants".

The expiration date of this Policy will not cut short the "off-premises utility services period of restoration".



EMPLOYEE DISHONESTY COVERAGE – EXCLUDES ERISA COVERAGE

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

The following is added to Paragraph **A.6., Coverage Extension**, of the Special Property Coverage Form:

Employee Dishonesty Coverage - Excludes Coverage For The Employee Retirement Income Security Act (ERISA)

- (1) We will pay for loss of, and loss from damage to, Covered Property resulting directly from the Covered Causes of Loss.

Covered Property, as used in this Coverage Extension, means "money", "securities", and other tangible property of intrinsic value which is not otherwise excluded.

Covered Causes of Loss, as used in this Coverage Extension, means dishonest acts committed by an "employee", except you, whether identified or not, acting alone or in collusion with other persons, with the manifest intent to:

- (a) Cause you to sustain loss; and also
- (b) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing or pensions or other "employee" benefits earned in the normal course of employment) for:
 - (i) That "employee"; or
 - (ii) Any person or organization intended by the "employee" to receive that benefit.

(2) Additional Coverages

- (a) We will pay for loss of Covered Property arising out of a Covered Cause of Loss caused by any "employee" while temporarily outside the Coverage Territory for a period of not more than 90 days.
- (b) We will pay for any loss of Covered Property arising out of a Covered Cause of Loss caused by your "employee" while at the premises of your client or customer.

Any claim for loss sustained by any client or customer and covered by this policy may only be made by you in your Proof of Loss. No third party has a direct right against this insurance and no third party may make a direct claim against us as the writer of your insurance.

- (3) Limitation **A.4.c.**, of the Special Property Coverage Form does not apply to coverage provided by this endorsement.

(4) Additional Exclusions

- (a) We will not pay for loss of funds and other property of any Employee Welfare Benefit Plan or an Employee Benefit Pension Plan that is subject to the bond requirements of Section 412 of ERISA.
- (b) We will not pay for loss caused by any "employee" of yours, or predecessor in interest of yours, for whom similar prior insurance has been terminated and not reinstated since the last such termination.
- (c) We will not pay for direct or indirect loss resulting from contractual or extra-contractual liability sustained by you in connection with the issuance of contracts or purported contracts of insurance, indemnity or suretyship.
- (d) We will not pay loss, or that part of any loss, if the proof of its existence or amount is dependent upon:
 - (i) An inventory computation; or
 - (ii) A profit and loss computation.
- (e) We will pay only for loss caused by any partner or "member" of a limited liability corporation that is in excess of the sum of:



- (i) Any amounts you owe that partner or "member"; and
 - (ii) The value of that partner's or "member's" ownership interest as determined by the closing of your organization's books on the date of discovery of the loss by anyone in your organization not involved in the "employee" dishonesty; and
 - (iii) Any applicable deductible amount.
- (f) We will not pay for loss resulting directly or indirectly from trading, whether in your name or in a genuine or fictitious account.

(5) Additional Conditions

- (a) This insurance is terminated as to any "employee":
- (i) Immediately upon discovery by you, or any of your partners, officers or directors not in collusion with the "employee", of any dishonest act committed by that "employee" whether before or after becoming employed by you; or
 - (ii) On the date specified in a notice mailed to you. That date will be at least 30 days after the date of mailing.

The mailing of notice to you at the last mailing address known to us will be sufficient proof of notice. Delivery of notice is the same as mailing.

- (b) As used in this Coverage Extension, occurrence means all loss caused by, or involving, one or more "employees", whether the result of a single act or series of acts.
- (c) We will pay only for covered loss discovered no later than one year from the end of the policy period. Discovery of loss occurs when you first become aware of facts which would cause a reasonable person to assume that a loss covered by this policy has been, or may be incurred even though the exact amount or the details of the loss may not then be known. Discovery also occurs when you receive notice of an actual or potential claim against you alleging facts, which if true, would be a covered loss under this policy.
- (d) Regardless of the number of years this insurance remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.
- (e) If any loss is covered under this Policy and under any prior cancelled or terminated insurance that we or any affiliate had issued to you, we will not pay more than the highest single Limit of Insurance.
- (f) The property covered under this insurance is limited to property:
- (i) That you own or hold; or
 - (ii) For which you are legally liable.

However, this insurance is for your benefit only. It provides not rights or benefits to any other person or organization.

- (6) The most we will pay in any one occurrence under this Coverage Extension is the Limit of Insurance shown in the Declarations for Employee Dishonesty Coverage - Excludes ERISA Compliance. The Additional Coverages listed in **(2)(a)** and **(2)(b)** above are included in this Limit of Insurance.



THEFT DAMAGE TO BUILDING

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

The following is added to Paragraph **A.5., Additional Coverages**, of the Special Property Coverage Form:

Theft Damage to Building

- (1)** This Additional Coverage applies only to premises where you are a tenant and are responsible in the lease for physical loss or physical damage to the building you lease, rent, or occupy that is caused by or results from "theft", burglary or robbery.
- (2)** We will pay for direct physical loss or direct physical damage directly resulting from "theft", burglary or robbery (except loss by fire or explosion) to a building:
 - (a)** You occupy, including personal property that is used to maintain or service the building; or
 - (b)** Containing covered personal property but only if you are legally liable for such physical loss or physical damage to the building.

But we will not pay for such physical loss of or physical damage to property that is away from the "scheduled premises".



BUSINESS INCOME FROM OFF-PREMISES OPERATIONS

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

A. The following is added to Paragraph A.6., Coverage Extensions:

Business Income From Off-Premises Operations

- (1) We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur during the "off-premises period of restoration" due to the necessary suspension of your "off-premises operations". The suspension must be caused by direct physical loss of or direct physical damage to Covered Property caused by or resulting from a Covered Cause of Loss. Such Covered Property must be in your care, custody, or control and more than 1,000 feet away from the "scheduled premises" (including while in transit) but located within the Coverage Territory.

However, this Coverage Extension does not apply to:

- (a) Any loss or damage to Covered Property located at a newly acquired or constructed location; or
- (b) At any location you own or lease which is not a "scheduled premises".

- (2) Business Income means the:

- (a) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if no direct physical loss or direct physical 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
- (b) Continuing normal operating expenses incurred, including payroll expenses.

- (3) Payroll expenses include:

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

- (4) Extra Expense means expense incurred:

- (a) To avoid or minimize the suspension of business and to continue "off-premises operations";
- (b) To minimize the suspension of business if you cannot continue "off-premises operations"; or
- (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 Coverage Extension.

- (5) Extra Expense does not apply to:

- (a) Any deficiencies in insuring Building or Business Personal Property; or
- (b) Any expense related to any recall of products you manufacture, handle or distribute.

- (6) **Coverage Extension for Extended Business Income.**



If the necessary suspension of your "off-premises operations" produces a Business Income loss payable under Paragraph **(1)** above, we will pay for the actual loss of Business Income you incur during the period that:

- (a)** Begins on the date property, other than finished stock, is actually repaired, rebuilt or replaced and "off-premises operations" are resumed; and
- (b)** Ends on the earlier of:
 - (i)** The date you could restore your "off-premises operations" with reasonable speed, to the condition that would have existed if no direct physical loss or direct physical damage occurred; or
 - (ii)** 45 consecutive days after the date determined in Paragraph **(1)(a)** above, unless a different time period is shown in the Declarations for Extended Business Income.

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 "scheduled premises" is located.

- (7)** With respect to the coverage provided in this Coverage Extension, suspension means the partial slowdown or complete cessation of your business activities.
- (8)** We will deduct from the total Extra Expense to be paid:
 - (a)** The salvage value that remains of any property bought for temporary use during the "off-premises period of restoration", once "off-premises operations" are resumed; and
 - (b)** Any Extra Expense that is paid for by other insurance.
- (9)** We will not pay for 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 "off-premises 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 "off-premises operations", we will cover such loss that affects your Business Income during the "period of restoration".
 - (c)** Any other consequential loss.
- (10)** Under this Coverage Extension, coverage for Business Income and Extra Expense does not apply when the suspension of "off-premises operations" is caused by destruction or corruption of "electronic data", or any loss or damage to "electronic data".
- (11)** A waiting period may apply, however, no other deductible applies to this Coverage Extension.
- (12)** The most we will pay in any one occurrence for all Business Income, Extended Business Income and Extra Expense under this Coverage Extension is the limit shown in the Declarations for Business Income From Off-Premises Operations.

B. The following changes are made to Section G., PROPERTY DEFINITIONS:

1. The following definition is added:

"Off-premises operations" means your business activities occurring more than 1,000 feet away from the "scheduled premises" but within the coverage territory.

2. The following definition is added:

"Off-premises period of restoration" means:

a. The period of time that:

(1) Begins:

- (a)** The number of hours stated in the Declarations after direct physical loss of or direct physical damage for Business Income from Off-Premises Operations coverage; or
- (b)** Immediately after the time of direct physical loss or direct physical damage for Extra Expense coverage;
caused by or resulting from a Covered Cause of Loss, and



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



FRAUDULENT TRANSFER COVERAGE

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

A. The following is added to Paragraph A.6., Coverage Extensions:

Fraudulent Transfer Coverage

- (1) We will pay for loss of or damage to your "money", "securities" and "other property" following and directly related to the use of any electronic, telegraphic, cable, teletype, telefacsimile or telephone instruction to fraudulently cause a transfer of that property from the "scheduled premises", bank or savings institution to a person (other than a "messenger") or place outside those premises.
- (2) We will pay for loss of your "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".
- (3) All loss:
 - (a) Caused by one or more persons; or
 - (b) Involving a single act or series of related acts;is considered one occurrence.
- (4) Limitation A.4.a.(2) and Exclusions B.1.j.(3) and B.2.h. do not apply to this Coverage Extension.
- (5) Under this Coverage Extension, we will not pay for:
 - (a) Loss or damage 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.
 - (b) Loss, or that part of any loss, for which the proof of its existence or amount is dependent upon:
 - (i) An inventory computation; or
 - (ii) A profit or loss computation.
- (6) The most we will pay for loss in any one occurrence under this Coverage Extension is the Limit of Insurance shown in the Declarations for Fraudulent Transfer Coverage.

B. The following changes are made to Section G., PROPERTY DEFINITIONS:

1. The following definition is added:

"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 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.

2. The following definition is added:

"Other property" means any tangible Covered Property other than "money" and "securities" that has intrinsic value.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



3. The following definition is added:

"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 establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds system.



BUSINESS INCOME FROM WEBSITES

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

A. The following is added to Paragraph A.6., Coverage Extensions:

Business Income from Websites

- (1) We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur during the "website interruption period of restoration" due to the necessary suspension of your "operations" caused by or resulting from direct physical loss or direct physical damage to property at the premises of a vendor that provides you with "on-line access" services. Such direct physical loss or direct physical damage must be caused by or result from a Covered Cause of Loss.
- (2) This Coverage Extension applies only if you regularly back-up software, data, or other information in electronic form at a location other than the site of the website vendor.
- (3) Business Income means the:
 - (a) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if no direct physical loss or direct physical 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
 - (b) Continuing normal operating expenses incurred, including payroll expenses.
- (4) Payroll expenses include:
 - (a) Payroll;
 - (b) Employee benefits; if directly related to payroll;
 - (c) FICA payments you pay;
 - (d) Union dues you pay; and
 - (e) Workers' compensation premiums.
- (5) Extra Expense means expense incurred:
 - (a) To avoid or minimize the suspension of business and to continue "operations";
 - (b) To minimize the suspension of business if you cannot continue "operations"; orto the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Extension.
- (6) Extra Expense does not apply to:
 - (a) Any deficiencies in insuring Building or Business Personal Property; or
 - (b) Any expense related to any recall of products you manufacture, handle or distribute.
- (7) With respect to the coverage provided in this Coverage Extension, suspension means the partial slowdown or complete cessation of your business activities.
- (8) We will deduct from the total Extra Expense to be paid:
 - (a) The salvage value that remains of any property bought for temporary use during the "website interruption period of restoration", once your "operations" are resumed; and
 - (b) Any Extra Expense that is paid for by other insurance.
- (9) We will not pay for any increase of Business Income or Extra Expense 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 "website interruption period of restoration".
 - (c) Any other consequential loss.
- (10) Under this Coverage Extension, coverage for Business Income and Extra Expense does not apply when the suspension of "operations" is caused solely by the destruction or corruption of "electronic data", or any loss or damage to "electronic data".
- (11) A waiting period may apply, however, no other deductible applies to this Coverage Extension.
- (12) The most we will pay in any one occurrence under this Coverage Extension is the Limit of Insurance shown in the Declarations for Business Income From Websites.

B. The following changes are made to Section G., PROPERTY DEFINITIONS:

1. The following definition is added:

"On-line access" means:

- a. Accessing information made available by third parties; or
- b. Making information available to third parties via "computer" or other electronic systems.

2. The following definition is added:

"Website interruption period of restoration"

a. Means the period of time that:

(1) Begins:

- (a) The number of hours shown in the Declarations after the time of direct physical loss or direct physical damage for Business Income from Websites coverage, or
- (b) Immediately after the time of direct physical loss or direct physical damage for Extra Expense coverage; and

(2) Ends on the earlier of:

- (a) The date when the property at the premises of the vendor that provides you with "on-line access" services should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
- (b) The date when your "operations" are resumed through a new vendor which provides "on-line access"; or
- (c) Exhaustion of the number of days as shown in the Declarations as the Business Income from Websites Period of Restoration.

The expiration date of this Coverage Part will not cut short the "website interruption period of restoration".



TRANSIT COVERAGE

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

The following is added to Paragraph **A.6., Coverage Extensions**, of the Special Property Coverage Form:

Transit Coverage

- (1) The insurance that applies to your Business Personal Property and Personal Property of Others is extended to apply to shipments of that property in the care of a carrier for hire while in transit at your risk, by motor vehicle, railroad car or aircraft between points within the Coverage Territory. This includes property you have sold and for which your responsibility continues until it is delivered.

- (2) This Coverage Extension also applies to:

(a) Expenses to Inspect, Repackage and Reship Damaged Shipments

The necessary additional expenses you incur to inspect, repackage and reship Covered Property which is physically damaged as a direct result of a Covered Cause of Loss.

(b) Expenses to Protect Covered Property from Spoilage or Change in Temperature

The necessary additional expense you incur to temporarily store Covered Property in a temperature controlled environment in order to avoid or minimize physical loss or physical damage to such property from spoilage or change in temperature. Such temporary storage must be made necessary by the sudden and accidental breakdown of heating or refrigeration unit(s) on transporting conveyances.

This additional expense will not include:

- (i) Expenses to repair or replace heating or refrigeration unit(s);
- (ii) Costs or penalties due to detention or delay of any vehicles, trailers, conveyances or containers; or
- (iii) Costs for additional wages, room, board or meals.

(c) F.O.B. Shipments

Outgoing shipments where the risk of physical loss or physical damage is transferred to the buyer when such property leaves your premises.

You must use all reasonable means to collect the amount due to you from the buyer before making a claim under this Transit Coverage. We will not make payment until you grant us the right of recovery against the buyer.

(d) Loading and Unloading

Shipments during loading or unloading and within 500 feet of any transporting conveyance.

(e) Return Shipments

Outgoing shipments which have been rejected by the consignee or are not deliverable, while:

- (i) In due course of transit, being returned to you; or
- (ii) Up to 10 days after delivery or attempted delivery awaiting return shipment to you.

Payment under Paragraphs **(a), (b), (c), (d) and (e)** above will not increase the Transit Coverage Limit of Insurance.

- (3) Limitation **A.4.c.(3)** which limits coverage for patterns, dies, molds and forms does not apply to this Coverage Extension.

(4) Exclusions

- (a) Exclusions **B.1.a., Earth Movement**, and **B.1.f., Water**, do not apply to this Coverage Extension.



- (b) Exclusions **B.2.g., Dishonesty**, and **B.2.i., Exposed Property**, do not apply to property in the custody of a carrier for hire.
 - (c) Exclusion **B.2.h., False Pretense**, does not apply to loss or damage caused by your good faith acceptance of false bills of lading or shipping receipts.
 - (d) We will not pay for physical loss or physical damage caused by or resulting from poor or insufficient packaging or packing.
 - (e) We will not pay for:
 - (i) Property in care, custody or control of you, your salespersons, or your “employees”;
 - (ii) Mail shipments in the custody of the U.S. Postal Service;
 - (iii) Property of Others for which you are responsible as a:
 - (aa) Carrier for hire; or
 - (bb) Carloader, consolidator, broker, freight forwarder, shipping association, or other arranger of transportation; or
 - (iv) Property in or on a motor vehicle you own, lease or operate.
 - (f) We will not pay for physical loss or physical damage, if you impair our rights to recover damages from any carrier for hire. But you may accept from carriers for hire bills of lading, receipts or contracts of transportation which contain a limitation of value.
- (5) With respect to payments under this Coverage Extension only, the following is added to Paragraph 5.d. within Section E., **PROPERTY LOSS CONDITIONS**:
- Valuation of Property in Transit**
- (a) **Property You Own**
 - (i) The value of Covered Property will be the amount of invoice plus accrued charges, prepaid charges and charges since shipment; or
 - (ii) In the absence of an invoice, the value of Covered Property will be its actual cash value, with proper deduction for depreciation, at the point of destination on the date of expected arrival.
 - (b) **Property of Others**

The most we will pay for Covered Property owned by others is the lesser of:

 - (i) Your legal liability for direct physical loss or physical damage to such property; or
 - (ii) What we would pay if you had owned the property.
- (6) The most we will pay in any one occurrence under this Coverage Extension is the Limit of Insurance shown in the Declarations for Transit Coverage.



SUMP OVERFLOW AND SUMP PUMP FAILURE

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

The following is added to Paragraph **A.6., Coverage Extensions**, of the Special Property Coverage Form:

Sump Overflow and Sump Pump Failure

- (1) You may extend the insurance that applies to Covered Property and Business Income and Extra Expense (if the Business Income and Extra Expense Coverage Extensions are included in this Coverage Part), to apply to direct physical loss or direct physical damage to Covered Property that is caused by or resulting from water that overflows due to the failure of a sump pump, sump pump well, or any other type of system designed to remove subsurface water from the foundation area if the failure is directly or indirectly the result of a Covered Cause of Loss. Failure means an abrupt cessation of normal functioning.

THIS IS NOT FLOOD INSURANCE

We will not pay for water or other materials that overflow from a sump when the overflow is caused by any flood. This applies regardless of the proximity of the flood to Covered Property. Flood includes the accumulation of surface water, waves, tides, tidal waves, overflow of streams or other bodies of water, or their spray, all whether driven by wind or not that enters the sewer or drain system.

- (2) Paragraph **B.1.d., Utility Services**, and Paragraph **B.1.f.(3)** within the **Water** exclusion do not apply to this Coverage Extension.
- (3) The most we will pay in any one occurrence under this Coverage Extension, including any payments for lost Business Income or incurred Extra Expense, is the Limit of Insurance shown in the Declarations for Sump Overflow and Sump Pump Failure.



OFF-PREMISES UTILITY SERVICES – DIRECT DAMAGE

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

The following is added to Paragraph **A.6., Coverage Extensions**, of the Special Property Coverage Form:

Off-Premises Utility Services – Direct Damage

- (1) We will pay for direct physical loss of or direct physical damage to Covered Property caused by the interruption of utility service to the "scheduled premises". The interruption must result from direct physical loss or direct physical damage by a Covered Cause of Loss to the following property not on the "scheduled premises":
 - (a) "Communication supply services";
 - (b) "Power supply services";
 - (c) "Wastewater removal services" (other than an interruption in service caused by or resulting from a discharge of water or sewage due to heavy rainfall or flooding); or
 - (d) "Water supply services".
- (2) Exclusion **B.1.d., Utility Services** does not apply to this Additional Coverage.
- (3) The most we will pay in any one occurrence under this Coverage Extension is the Limit of Insurance shown in the Declarations for Off-Premises Utility Services – Direct Damage.



SPOILAGE

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

A. The following is added to Paragraph **A.6., Coverage Extensions**, of the Special Property Coverage Form:

Spoilage

- (1) We will pay for physical loss or physical damage to your "perishable goods" at or within 1,000 feet of the "scheduled premises" caused by or resulting from:
 - (a) A change in temperature or humidity resulting from:
 - (i) "Mechanical breakdown accident" or failure of:
 - (aa) Stationary heating plants; or
 - (bb) Refrigerating, cooling or humidity control apparatus or equipment;
But only while such plants, equipment or apparatus are at the "scheduled premises".
 - (ii) Complete or partial failure of electric power, either on or away from your "scheduled premises".
Such failure of power must be due to conditions beyond your control;
 - (iii) Artificially generated electrical, magnetic or electromagnetic energy, including electric arcing, that damages, disturbs or otherwise interferes with any electrical or electronic wire, device, appliance or network; or
 - (b) Contamination by a refrigerant.
- (2) We will not pay for loss of or damage to perishable "stock" located:
 - (a) On buildings;
 - (b) In the open; or
 - (c) In any vehicle, other than trailers or refrigerated vehicles used for storage located within 1,000 feet of the "scheduled premises".
- (3) **Coverage Extension – Business Income and Extra Expense**
 - (a) You may extend the insurance that applies to the Business Income and Extra Expense Coverage Extensions, when such Coverage Extensions are attached to this Coverage Part, to apply to the actual loss of Business Income you sustain and necessary Extra Expense you incur due to the necessary suspension of your "operations" during the "period of restoration". The suspension must be caused by or resulting from covered physical loss of or physical damage to "perishable goods" as described in this Coverage Extension.
 - (b) With respect to this Coverage Extension only, Paragraph **10.a.(1)(a)** within the definition of "period of restoration" is deleted and replaced with the following:
The number of hours shown as the Spoilage Waiting Period in the Declarations after the time of physical loss or physical damage for Business Income Coverage; or
 - (c) No other deductible applies to this Coverage Extension.
 - (d) The most we will pay in any one occurrence under this Coverage Extension is the Limit of Insurance shown in the Declarations for Spoilage Business Income Limit.
- (4) None of the exclusions under Section **B., EXCLUSIONS**, apply to this Coverage Extension except the following:
 - (a) Exclusion **B.1.a., Earth Movement**;
 - (b) Exclusion **B.1.b., Governmental Action**;
 - (c) Exclusion **B.1.c., Nuclear Hazard**;



(d) Exclusion **B.1.e., War and Military Action**; and

(e) Paragraph **B.1.f., Water**.

(5) Additional Exclusions

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

(a) The disconnecting of any of the following systems from the source of power:

(i) Refrigerating;

(ii) Cooling; or

(iii) Humidity control.

(b) The loss of electrical power caused by the shutting off of any switch or other device used to control the flow of electric power or current.

(c) The inability of an electrical utility company, your stationary heating plant or any other power source to provide sufficient heat or power due to:

(i) Lack of fuel;

(ii) Lack of capacity to make enough heat or power; or

(iii) Order of the government.

(d) Breaking of any glass that is a permanent part of a refrigerating, cooling or humidity control unit.

(6) Additional Conditions

(a) We will pay for physical loss or physical damage under this Coverage Extension only when such physical loss or physical damage is not covered elsewhere in this Coverage Part or Policy or any other policy that insures "perishable goods" at the "scheduled premises".

(b) In the event of physical loss or physical damage, none of the other coverages under this Coverage Part or Policy or any other policy will share in its payment unless the provisions of the Coverage Part or policy are similar to the provisions of this Coverage Extension.

(c) We will not make payment for "perishable goods" that were beyond their expiration date at the time of loss.

(d) If an item of "perishable goods" consists of multiple doses or other measurable units, we will only pay your costs to replace the number doses or measurable units that were lost or damaged.

(7) Valuation

(a) With respect to this Coverage Extension only, Paragraph **E.5.d.** within the **Loss Payment** Condition does not apply to physical loss or physical damage to "perishable goods".

(b) "Perishable goods" will be valued at Replacement Cost.

(c) As it pertains to coverage under this Coverage Extension, Replacement Cost means the reasonable cost that you incur to replace such property. For "perishable goods" that are no longer available at the time of loss (such as seasonal fruits, vegetables, or vaccinations), you may make claim for the costs you incurred to purchase them.

(8) The most we will pay in any one occurrence under this Coverage Extension is the Limit of Insurance shown in the Declarations for Spoilage.

B. The following changes are made to Section **G., **PROPERTY DEFINITIONS**:**

1. The following definition is added:

"Mechanical breakdown accident" means:

a. Breaking or separation of any mechanical part(s) other than gas pipes or lines; or

b. Burning out of any electrical motor servicing such unit; and

requiring repair or replacement of the damaged parts to become functional.

But "mechanical breakdown accident" does not mean faulty operation or failure of equipment which results in a change in temperature or humidity but does not require repair or replacement of broken parts.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



2. The following definition is added:
"Perishable goods" means personal property:
 - a. Maintained under controlled temperature or humidity conditions for preservation; and
 - b. Susceptible to loss or damage if the controlled temperature or humidity conditions change.



UNAUTHORIZED BUSINESS CARD USE

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

The following is added to Paragraph **A.6., Coverage Extensions**, of the Special Property Coverage Form:

Unauthorized Business Card Use

- (1)** We will pay for loss resulting from the theft or unauthorized use of business credit, debit or charge cards issued to you or registered in your name or the name of your business.
- (2)** We will not cover the use of a business credit, debit or charge card:
 - (a)** By a person who has been entrusted with the card; or
 - (b)** Any of your "employees".
- (3)** All loss:
 - (a)** Caused by one or more persons;
 - (b)** Involving a single act or a series of related acts;is considered one occurrence regardless of the number of individual unauthorized transactions.
- (4)** If suit is brought against you for liability arising out of a loss resulting from the theft or unauthorized use of your business card, credit, debit or charge card, we will pay for reasonable legal expenses incurred in that defense under this Coverage Extension.
- (5)** The most we will pay in any one occurrence under this Coverage Extension, including legal expenses described in Paragraph **(4)** above, is the Limit of Insurance shown in the Declarations for Unauthorized Business Card Use.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



PAVED SURFACES

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

The following is added to Paragraph **A.6., Coverage Extensions**, of the Special Property Coverage Form:

Paved Surfaces

- (1)** You may extend the insurance that applies to Covered Property to apply to direct physical loss or direct physical damage by a Covered Cause of Loss to paved surfaces, including but not limited to:
 - (a)** Bridges;
 - (b)** Roadways;
 - (c)** Walks;
 - (d)** Patios; and
 - (e)** Parking lots;but only if you are legally liability for such physical loss or physical damage.
- (2)** We will not pay for loss or damage caused by tree roots, freezing, thawing or normal deterioration.
- (3)** The most we will pay in any one occurrence under this Coverage Extension is the Limit of Insurance shown in the Declarations for Paved Surfaces.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



LEASEHOLD IMPROVEMENTS

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

The following is added to Paragraph **A.6., Coverage Extensions**, of the Special Property Coverage Form:

Leasehold Improvements

- (1) If your lease is cancelled in accordance with a valid lease provision as the direct result of a Covered Cause of Loss to property at the location in which you are a tenant, and you cannot legally remove "tenant improvements and betterments", we will extend Business Personal Property coverage to apply to the unamortized value of "tenant improvements and betterments" that remain and that you were forced to abandon.
- (2) The most we will pay in any one occurrence under this Coverage Extension is the Limit of Insurance shown in the Declarations for Leasehold Improvements.



FINE ARTS COVERAGE

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

A. The following is added to Paragraph A.6., Coverage Extensions:

Fine Arts Coverage

- (1) We will pay for direct physical loss or direct physical damage to "fine arts" located at the "scheduled premises", in transit to and from the "scheduled premises" or at your residence which are:
 - (a) Owned by you; or
 - (b) Owned by others but in your care, custody or control.
- (2) **Additional Limitation:**

Art glass windows, glassware, statuary, marbles, bric-a-brac, porcelains and other articles of fragile or brittle nature are covered against loss by breakage only if such loss or damage is caused by a "specified causes of loss."
- (3) Section B., **EXCLUSIONS**, does not apply to this Coverage Extension, except for:
 - (a) Paragraph B.1.b., **Governmental Action**;
 - (b) Paragraph B.1.c., **Nuclear Hazard**; and
 - (c) Paragraph B.1.e., **War and Military Action**.
- (4) Under this Coverage Extension, we will not pay for loss or damage:
 - (a) Caused by or resulting from:
 - (i) Delay, loss of use, loss of market, or any other causes of consequential loss;
 - (ii) Wear and tear, depreciation or obsolescence;
 - (iii) Rust, corrosion, "fungi", decay, deterioration, hidden or latent defect, or any quality in property that causes it to damage or destroy itself;
 - (iv) Insects, birds, rodents or other animals.
 - (v) Dishonest acts by:
 - (aa) You or any of your partners;
 - (bb) Your directors or trustees;
 - (cc) Your authorized representatives or "employees"; or
 - (dd) Anyone, other than a carrier for hire, to whom you entrusted the Covered Property, including their "employees", for any purpose:
 - Whether acting alone or in collusion with others; and
 - Whether or not occurring during the hours of employment;
 - (vi) Voluntary parting with any property whether or not induced to do so by any fraudulent scheme, trick, device or false pretense;
 - (vii) Unauthorized instructions to transfer property to any person or to any place;
 - (viii) Theft from any unattended vehicle unless at the time of theft its windows, doors and compartments were closed and locked and there are visible signs that the theft was the result of forced entry.
 - But this exclusion does not apply to property in the custody of a carrier for hire;
 - (ix) Processing or work upon the property; or



- (b) To "fine arts" on exhibition at fairgrounds or at any type of exposition, unless such locations are listed and described in the Declarations.

(5) Additional Conditions

(a) Valuation

"Fine arts" covered under this Coverage Extension will be valued at the market value at the time of loss or damage.

(b) Pair or Set

In case of total loss to a "fine art" item which is part of a pair or set, we agree to pay you the full market value of the pair or set and you agree to surrender the remaining item(s) of the pair or set to us.

(c) Packing

You agree that "fine arts" will be packed and unpacked by competent packers.

(d) 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 "fine arts", subject to the Limit of Insurance.

- (6) The most we will pay in any one occurrence under this Coverage Extension is the Limit of Insurance shown in the Declarations for Fine Arts Coverage.

B. The following definition is added to Section G., DEFINITIONS:

"Fine arts" means paintings, etchings, pictures, tapestries, rare art glass, art glass windows, valuable rugs, statuary, sculptures, antique jewelry, bric-a-brac, porcelains and similar property of rarity, historical value or artistic merit.



BACK-UP OF SEWERS AND DRAINS COVERAGE

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

The following is added to Paragraph **A.5., Additional Coverages**, of the Special Property Coverage Form:

Back-Up of Sewer or Drain Water Damage

- (1) We will pay for direct physical loss or direct physical damage to Covered Property solely caused by or resulting from water that backs up from a sewer or drain.

THIS IS NOT FLOOD INSURANCE

We will not pay for water or other materials that back up from any sewer or drain when it is caused by any flood. This applies regardless of the proximity of the flood to Covered Property. Flood includes the accumulation of surface water, waves, tides, tidal waves, overflow of streams or other bodies of water, or their spray, all whether driven by wind or not that enters the sewer or drain system.

- (2) Paragraph (3) of Exclusion **B.1.f., Water**, does not apply to this Additional Coverage. However, the remainder of Exclusion **B.1.f., Water**, remains in full force and effect.

(3) Additional Exclusions

- (a) We will not pay for loss or damage caused by or resulting from water or other materials that back up from any sewer or drain when it is caused by any flood. This applies regardless of the proximity of the flood to the Covered Property. Flood includes the accumulation of surface water, waves, tides, tidal waves, overflow of streams or other bodies of water, or their spray, all whether driven by wind or not that enters the sewer or drain system.
- (b) Sump overflow that does not occur concurrently with a back-up of a sewer or drain is not covered by this endorsement.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



BUILDING PROPERTY OF OTHERS

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

The following is added to Paragraph **A.6., Coverage Extensions**, of the Special Property Coverage Form:

Building Property of Others

- (1) If you occupy a "scheduled premises" as a tenant, and a written lease or rental agreement for that "scheduled premises" requires you to pay for loss or damage to a part of building property you do not own, we will pay for direct physical loss or direct physical damage to that part of building property, other than exterior building glass, caused by or resulting from a Covered Cause of Loss.
- (2) The most we will pay in any one occurrence under this Coverage Extension is the Limit of Insurance shown in the Declarations for Building Property of Others.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



COMPUTERS WORLDWIDE

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

The following is added to Paragraph **A.6., Coverage Extensions**, of the Special Property Coverage Form:

Computers Worldwide

- (1) We will pay for direct physical loss or direct physical damage to your "computers" anywhere in the world, including while in transit, caused by or resulting from a Covered Cause of Loss.
- (2) We will not pay for loss or damage caused by, resulting from or arising out of the theft of "computers" which are in transit as checked baggage.
- (3) The coverage territory defined in Paragraph **F.5.b.** does not apply to this Coverage Extension.
- (4) The most we will pay in any one occurrence under this Coverage Extension is the Limit of Insurance shown in the Declarations for Computers Worldwide.



TRANSIT BUSINESS INCOME

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

The following is added to Paragraph **A.6., Coverage Extensions**, of the Special Property Coverage Form:

Transit Business Income

- (1) We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur during the "transit period of restoration" due to the necessary suspension of your "operations" caused by or resulting from direct physical loss or direct physical damage to Covered Property in transit. Such direct physical loss or direct physical damage must be caused by or resulting from a Covered Cause of Loss.
- (2) Business Income means the:
 - (a) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if no direct physical loss or direct physical 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
 - (b) Continuing normal operating expenses incurred, including payroll expenses.
- (3) Payroll expenses includes:
 - (a) Payroll;
 - (b) Employee benefits; if directly related to payroll;
 - (c) FICA payments you pay;
 - (d) Union dues you pay; and
 - (e) Workers' compensation premiums.
- (4) Extra Expense means expense incurred:
 - (a) To avoid or minimize the suspension of business and to continue "operations";
 - (b) To minimize the suspension of business if you cannot continue "operations"; or
 - (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 Coverage Extension.
- (5) With respect to the coverage provided in this Coverage Extension, suspension means the partial slowdown or complete cessation of your business activities.
- (6) Extra Expense does not apply to:
 - (a) Any deficiencies in insuring Building or Business Personal Property; or
 - (b) Any expense related to any recall of products you manufacture, handle or distribute.
- (7) With respect to the coverage provided in this Coverage Extension, suspension means the partial slowdown or complete cessation of your business activities.
- (8) We will deduct from the total Extra Expense to be paid:
 - (a) The salvage value that remains of any property bought for temporary use during the "transit period of restoration", once your "operations" are resumed; and
 - (b) Any Extra Expense that is paid for by other insurance.



- (9)** We will not pay for any increase of Business Income or Extra Expense 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 "transit period of restoration".
 - (c)** Any other consequential loss.
- (10)** A waiting period may apply, however, no deductible applies to this Coverage Extension.
- (11)** The most we will pay in any one occurrence under this Coverage Extension is the Limit of Insurance shown in the Declarations for Transit Business Income.

B. The following definition is added to Section G. PROPERTY DEFINITIONS:

"Transit period of restoration"

a. Means the period of time that:

(1) Begins:

- (a)** The number of hours shown in the Declarations after the time of direct physical loss or direct physical damage to Covered Property in transit for Business Income coverage under the Transit Business Income Coverage Extension; or
- (b)** Immediately after the time of direct physical loss or direct physical damage to Covered Property in transit for Extra Expense coverage; and

(2) Ends on the earlier of:

- (a)** The date when the damaged Covered Property should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
- (b)** Exhaustion of the number of consecutive months as shown on the Declarations as the Transit Business Income Period of Restoration.

b. Does not include any increased period required due to enforcement of or compliance with 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, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to "pollutants and contaminants".

The expiration date of this Coverage Part will not cut short the "transit period of restoration".



OUTDOOR SIGNS ON PREMISES

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

The following is added to Paragraph **A.6., Coverage Extensions**:

Outdoor Signs On Premises

- (1) We will pay for direct physical loss or direct physical damage to outdoor signs at the "scheduled premises" which are:
 - (a) Owned by you; or
 - (b) Owned by others but in your care, custody or control.
- (2) Section **B., EXCLUSIONS**, does not apply to this Coverage Extension, except for:
 - (a) Exclusion **B.1.b., Governmental Action**;
 - (b) Exclusion **B.1.c., Nuclear Hazard**; and
 - (c) Exclusion **B.1.e., War and Military Action**;
- (3) Under this Coverage Extension, we will not pay for loss or damage caused by or resulting from:
 - (a) Wear and tear;
 - (b) Hidden or latent defect;
 - (c) Rust;
 - (d) Corrosion; or
 - (e) Mechanical breakdown.
- (4) The most we will pay in any one occurrence under this Coverage Extension is the Limit of Insurance shown in the Declarations for Outdoor Signs On Premises.



FUNGI, WET ROT OR DRY ROT - LIMITED COVERAGE

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

A. The following is added to Paragraph **A.5., Additional Coverages**, of the Special Property Coverage Form:

"Fungi", Wet Rot or Dry Rot - Limited Coverage

- (1) The coverage described in Paragraph (2) below only applies when the "fungi", wet rot or dry rot is the result of one or more of the following causes that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.
 - (a) A "specified cause of loss" other than fire or lightning;
 - (b) An "equipment breakdown accident" occurs to "equipment breakdown property", if the Equipment Breakdown Additional Coverage is attached to this Coverage Part.
- (2) The coverage described below applies only when a Limit of Insurance is shown in the Declarations for either Building or Business Personal Property.

We will pay for loss or damage to Covered Property by "fungi", wet rot or dry rot. As used in this Additional Coverage, the term loss or damage means:

 - (a) Direct physical loss or direct physical damage to Covered Property caused by "fungi", wet rot or dry rot, including the cost of removal of the "fungi", wet rot or dry rot;
 - (b) The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungi", wet rot or dry rot; and
 - (c) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungi", wet rot or dry rot is present.
- (3) The following exclusions do not apply to this Additional Coverage:
 - (a) Exclusion **B.1.g., "Fungi", Wet Rot or Dry Rot**;
 - (b) Exclusion **B.2.q., Continuous Or Repeated Seepage Or Leakage Of Water**.
- (4) This Additional Coverage does not apply to lawns, trees, shrubs or plants which are part of a vegetated roof.
- (5) The most we will pay in any one occurrence under this Additional Coverage, including any payments made under the Business Income or Extra Expense Coverage Extensions referenced in Paragraph (9) below, is the Limit of Insurance for Fungi, Wet Rot or Dry Rot – Limited Coverage shown in the Declarations even if the "fungi", wet rot or dry rot continues to be present or active, or recurs, in a later policy period.
- (6) The coverage provided under this Additional 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.
- (7) 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 Additional Coverage.
- (8) The terms of this Additional Coverage do not increase or reduce coverage which may otherwise be provided in this Policy.
- (9) The following applies only if the Business Income and Extra Expense Coverage Extensions are attached to this Coverage Part and only if the suspension of "operations" satisfies all the terms and conditions of the Business Income and Extra Expense Coverage Extensions.
 - (a) If the loss or damage 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 Extra Expense Coverage Extensions is limited to the amount of loss and expense sustained in a period of not more than 30 days unless another number of days is indicated in the Declarations. 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 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 unless another number of days is indicated in the Declarations. The days need not be consecutive.

B. The following changes are made to Section G., PROPERTY DEFINITIONS:

1. The following definition is added:

"Equipment breakdown accident" means a fortuitous event that causes direct physical loss or direct physical damage to "equipment breakdown property". 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 or otherwise interferes with any electrical or electronic wire, device, appliance or network.
- c. Explosion of steam boilers, steam piping, steam engines or steam turbines owned or leased by you, or operated under your control.
- d. Physical loss or physical damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such boilers or equipment.
- e. Physical loss or physical 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. The following definition is added:

"Equipment breakdown property" means Covered Property which, during normal usage, operates under vacuum or pressure, other than the weight of contents, or that generates, transmits or utilizes energy.

The following is not "equipment breakdown property":

- a. Any structure, foundation, cabinet, compartment or air supported structure or building;
- b. Any insulating or refractory material;
- c. Any sewer piping, any underground vessels or piping, any piping forming a part of a sprinkler system, water piping other than boiler feedwater piping, boiler condensate return piping, or water piping forming a part of a refrigerating or air conditioning system;
- d. Any dragline, excavation or construction equipment;
- e. Any vehicle or any equipment mounted on a vehicle. As used here, vehicle means any machine or apparatus that is used for transportation or moves under its own power. Vehicle includes, but is not limited to, car, truck, bus, trailer, train, aircraft, watercraft, forklift, bulldozer, tractor or harvester. However, any property that is stationary, permanently installed at a "scheduled premises" and that receives electrical power from an external power source will not be considered a vehicle.
- f. Any equipment manufactured by you for sale.



CYBER VIRUS AND MALWARE COVERAGE

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

A. The following is added to Paragraph A.6., Coverage Extensions:

Cyber Virus and Malware Coverage

(1) We will pay for:

- (a)** The cost to replace or restore your "electronic data" or "electronic data" of others which is in your care, custody or control which has been destroyed or corrupted; and
- (b)** The actual loss of Business Income you sustain and necessary Extra Expense you incur during the "computer operations period of restoration" due to a suspension of your "computer operations" caused by destruction or corruption of your "electronic data" or "electronic data" of others in your care, custody or control;

Due to a "computer" virus, malware, harmful code or similar instruction introduced into or enacted on your "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.

For the purposes of this coverage grant, destruction and corruption does not mean the encryption of data, whether done intentionally or unintentionally.

(2) Valuation of Electronic Data

- (a)** Loss or damage to "electronic data" will be valued at the actual, reasonable and necessary costs you incur to restore or replace the "electronic data". But we will not pay the cost or expenses you incur to:
 - (i)** Identify or remediate any errors or vulnerabilities or to update, restore, replace, upgrade, maintain or improve any "computer" or "computer" system;
 - (ii)** Update, replace, restore or improve any "electronic data" to a level beyond the condition in which it existed immediately preceding the loss or damage; or
 - (iii)** Duplicate research that led to the development of your "electronic data" or any proprietary or confidential information or intellectual property in any form.
- (b)** 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.
- (c)** If you recover from a licenser, lessor or any other party for loss or damage to "electronic data", our loss payment to you will be reduced by the amount of such recovery.

(3) Provisions Applying to Business Income and Extra Expense

(a) Business Income means the:

- (i)** Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if "computer operations" had not been interrupted, 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 conditions caused by the impact of the "computer" virus, malware, harmful code or similar instruction on customers or on other businesses; and
- (ii)** Continuing normal operating expenses incurred, including payroll expenses.

(b) Payroll expenses 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.
- (c) Extra Expense means expense incurred:
- (i) To avoid or minimize the interruption of business and to continue "computer operations"; or
 - (ii) To minimize the interruption of business if you cannot continue "computer operations"; or to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Extension.
- (d) Extra Expense does not apply to:
- (i) Any deficiencies in insuring Building, Business Personal Property or Electronic Data; or
 - (ii) Any expense related to any recall of products you manufacture, handle or distribute.
- (e) With respect to the coverage provided in this Coverage Extension, suspension means the partial slowdown or complete cessation of your "computer operations".
- (f) We will deduct from the total Extra Expense to be paid:
- (i) The salvage value that remains of any property bought for temporary use during the "computer operations period of restoration", once "computer operations" are resumed; and
 - (ii) Any Extra Expense that is paid for by other insurance.
- (g) You must resume all or part of your "computer operations" as quickly as possible. We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume "computer operations", in whole, or in part, by using any other available means to continue your "computer operations".
- (4) Exclusions**
- (a) **Paragraph 1.j., Electronic Vandalism or Corruption of "Electronic Data" or Corruption of "Computer(s)"**, of Section B., **EXCLUSIONS**, does not apply to the coverage provided in this Coverage Extension.
- (b) This Coverage Extension does not apply to your "stock" of prepackaged software.
- (c) We will not pay for any loss, damage, loss of Business Income or incurred Extra Expense caused by or resulting from:
- (i) "Ransomware" or a "cyber extortion event" unless a Limit of Insurance for Digital Ransom and Extortion shown in the Declarations.
 - (ii) Theft, observation, publication, unauthorized access to or loss of confidentiality of your "electronic data" or "electronic data" of others in your care, custody or control.
 - (iii) Unexplained or indeterminable failure, malfunction or slowdown of a "computer" system, including "electronic data".
 - (iv) Complete or substantial failure, disablement or shutdown of the internet, regardless of cause;
 - (v) The inability to access your "electronic data" due to a "computer" virus, malware, harmful code or similar instruction introduced into or enacted on a "computer" system (including "electronic data") or a network that is not in your direct control.
 - (vi) 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.



(vii) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the interruption of "computer operations", we will cover such loss that affects your Business Income during the "computer operations period of restoration".

(viii) The inability of a "computer" system to correctly recognize, process, distinguish, interpret or accept one or more dates or times.

(ix) Any other consequential loss

(5) Limits of Insurance

(a) The most we will pay for all occurrences in any one "policy year" under this Coverage Extension is the Limit of Insurance shown in the Declarations for Cyber Virus and Malware Coverage.

(b) If loss payment on the first occurrence does not exhaust this amount, then the remaining balance is available for subsequent loss or damage sustained in, but not after, that "policy year". With respect to an occurrence which begins in one "policy year" and continues or results in additional loss or damage in a subsequent "policy year(s)", all loss or damage is deemed to be sustained in the "policy year" in which the occurrence began.

(c) A waiting period may apply to Business Income coverage provided by this Coverage Extension. If applicable, the waiting period will appear in the Declarations.

(d) If a Limit of Insurance is shown in the Declarations for Digital Ransom and Extortion Threats Coverage this limit is the most we will pay in any one "policy year" for all occurrences caused by or resulting from a "cyber extortion event" or "ransomware". This limit is contained within and is not separate from the Limit of Insurance for Cyber Virus and Malware Coverage.

(6) Digital Ransom and Extortion Threats – Optional Coverage

When a Limit of Insurance is shown in the Declarations for Digital Ransom and Extortion Threats Coverage, we will pay for:

(a) The cost to replace or restore your "electronic data" or "electronic data" of others which is in your care, custody or control which has been destroyed or encrypted due to "ransomware"; and

(b) The actual loss of Business Income you sustain and necessary Extra Expense you incur during the "computer operations period of restoration" due to a suspension of your "computer operations" caused by:

(i) A "cyber extortion event" introduced into or enacted on your "computer" system (including "electronic data"); or

(ii) The destruction or encryption of your "electronic data" or "electronic data" of others in your care, custody or control due to "ransomware";

When a Limit of Insurance is shown in the Declarations for Digital Ransom and Extortion Threats Coverage, Exclusions (4)(i) and (4)(v) above do not apply to loss resulting from "ransomware" or a "cyber extortion event".

B. The following changes are made to Section G., PROPERTY DEFINITIONS:

1. The following definition is added:

"Computer operations" means the use of your "computer" or "computers" of others in your care, custody or control that enables you to conduct your business activities whether such "computer" is located at or away from the "scheduled premises".

2. The following definition is added:

"Computer operations period of restoration" means:

a. The period of time that:

(1) Begins:

(a) The number of hours stated in the Declarations after the start of the interruption in your "computer operations" for Business Income Coverage; or



(b) Immediately following the interruption in your "computer operations" for Extra Expense Coverage; and;

(2) Ends on the earlier of:

(a) The date when you are able to resume your "computer operations" with reasonable speed; or

(b) The exhaustion of the number of consecutive months as shown in the Declarations.

The expiration date of this Policy will not cut short the "computer operations period of restoration".

3. The following definition is added:

"Cyber extortion event" means a demand for payment, exchange of service or item of value, resulting from an act, threat or series of related acts or threats to:

a. Destroy or delete your "electronic data", including trade secret or proprietary information that you hold within your "electronic data";

b. Inflict a virus, malware, malicious code, or similar instruction on your "computer" system

c. Deploy "ransomware" on your "computer" system.

4. The following definition is added:

"Policy year" means the period of time that:

a. Begins with the inception or anniversary date of this Coverage Part; and

b. Ends at the expiration or at the next anniversary date of this Coverage Part.

5. The following definition is added:

"Ransomware" means any software that encrypts "electronic data" held within a "computer" system and demands a ransom payment in order to decrypt such "electronic data".



BUSINESS LIABILITY COVERAGE FORM

READ YOUR POLICY CAREFULLY

QUICK REFERENCE

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BUSINESS LIABILITY COVERAGE FORM

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

Throughout this Coverage Part the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the insurance company shown in the Declarations.

"Policy period", as used in this Coverage Part, means the period from the effective date of this Coverage Part to the expiration date of the Coverage Part as stated in the Declarations or the date of cancellation, whichever is earlier.

The word "insured" means any person or organization qualifying as such under Section **C. Who Is An Insured**.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section **F. Liability And Medical Expenses Definitions**.

A. COVERAGES

1. Business Liability Coverage (Bodily Injury, Property Damage, Personal And Advertising Injury) Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury", "property damage" or "personal and advertising injury" to which this insurance does not apply.

We may, at our discretion, investigate any "occurrence" or offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section **D. Liability And Medical Expenses Limits Of Insurance**; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments, settlements or medical expenses to which this insurance applies.

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

- b. This insurance applies:

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

- (2) 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" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section **C. Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or



(3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

d. 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".

e. Incidental Medical Malpractice

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

(a) The physician, dentist, nurse, emergency medical technician or paramedic is employed by you to provide such services; and

(b) You are not engaged in the business or occupation of providing such services.

(2) For the purpose of determining the limits of insurance for incidental medical malpractice, any act or omission together with all related acts or omissions in the furnishing of these services to any one person will be considered one "occurrence".

2. Medical Expenses

Insuring Agreement

a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

(1) On premises you own or rent;

(2) On ways next to premises you own or rent; or

(3) Because of your operations;

provided that:

(1) The accident takes place in the "coverage territory" and during the policy period;

(2) The expenses are incurred and reported to us within three years of the date of the accident; and

(3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

(1) First aid administered at the time of an accident;

(2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and

(3) Necessary ambulance, hospital, professional nursing and funeral services.

3. Coverage Extension - Supplementary Payments

a. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

(1) All expenses we incur.

(2) Up to \$1,000 for the 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.

(3) The cost of appeal bonds or bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish, finance, arrange for, guarantee, or collateralize these bonds, whether the collateralization is characterized as premium or not.

(4) 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.

(5) All court costs taxed against the insured in the "suit". However, such costs do not include attorneys' fees, attorneys' expenses, witness or expert fees, or any other expenses of a party taxed against the insured.

(6) Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.



- (7) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

Any amounts paid under (1) through (7) above will not reduce the Limits of Insurance.

- b. 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:

- (1) 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";
- (2) This insurance applies to such liability assumed by the insured;
- (3) 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";
- (4) 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 interest of the indemnitee;
- (5) 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
- (6) The indemnitee:
 - (a) 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
 - (b) 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".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments.

Notwithstanding the provisions of Paragraph 1.b.(b) of Section B. Exclusions, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the Limits of Insurance.

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

- (1) We have used up the applicable limit of insurance in the payment of judgments or settlements; or
- (2) The conditions set forth above, or the terms of the agreement described in Paragraph (6) above, are no longer met.

B. EXCLUSIONS

1. Applicable To Business Liability Coverage

This insurance does not apply to:

a. Expected Or Intended Injury

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

b. Contractual Liability

- (1) "Bodily injury" or "property damage"; or
- (2) "Personal and advertising injury"

for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement.

This exclusion does not apply to liability for damages because of:

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

c. Liquor Liability

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

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol;
- (3) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol; or
- (4) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by an insured, if the "bodily injury" or "property damage" involved that which is described in Paragraph (1), (2), (3) or (4) above.

However, this exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving, or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

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

e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of (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", "property damage" or "personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
 - (a) At or from 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 paragraph does not apply to:
 - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
 - (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to this Coverage Part 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;
 - (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 paragraph 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"; or
 - (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

(1) Unmanned Aircraft

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

This Exclusion **g.(1)** applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "bodily injury" or "property damage" arises out of the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft".

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

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

This Exclusion **g.(2)** applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "bodily injury" or "property damage" arises out of the ownership, maintenance, use or entrustment to others of any aircraft (other than "unmanned aircraft"), "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

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

- (a)** A watercraft while ashore on premises you own or rent;
- (b)** A watercraft you do not own that is:
 - (i)** Less than 51 feet long; and
 - (ii)** Not being used to carry persons or property for a charge;
- (c)** Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (d)** Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft (other than "unmanned aircraft") or watercraft;
- (e)** "Bodily injury" or "property damage" arising out of:
 - (i)** The operation of any of the machinery or equipment listed in Paragraph **f.(2)** or **f.(3)** of the definition of "mobile equipment"; or
 - (ii)** 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
- (f)** An aircraft (other than "unmanned aircraft") that is not owned by any insured and is hired, chartered or loaned with a paid crew. However, this exception does not apply if the insured has any other insurance for such "bodily injury" or "property damage", whether the other insurance is primary, excess, contingent or on any other basis.

h. Mobile Equipment

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

- (1)** The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2)** The use of "mobile equipment" in, or while in practice or preparation for, a prearranged racing, speed or demolition contest or in any stunting activity.

i. War

"Bodily injury", "property damage" or "personal and advertising injury", however caused, arising, directly or indirectly, out of:

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

j. Professional Services

"Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of 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, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications;
- (3) Supervisory, inspection, architectural or engineering activities;
- (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) Optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;
- (8) Optometry or optometric services including but not limited to examination of the eyes and the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products;
- (9) Any:
 - (a) Body piercing (not including ear piercing);
 - (b) Tattooing, including but not limited to the insertion of pigments into or under the skin; and
 - (c) Similar services;
- (10) Pharmaceutical services including but not limited to:
 - (a) The administering, prescribing, preparing, distributing or compounding of pharmaceutical drugs, vaccinations, immunizations or any of their component parts;
 - (b) The providing of or failure to provide home health care or home infusion products or services; and
 - (c) Advising and consulting customers;
- (11) Computer consulting, design or programming services, including web site design.

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 "bodily injury", "property damage", or "personal and advertising injury" arises out of the rendering of or the failure to render any professional service.

Paragraphs (4) and (5) of this exclusion do not apply to the Incidental Medical Malpractice coverage afforded under Paragraph 1.e. in Section A. Coverages.

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 contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section D. Limits Of Insurance.

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

Paragraphs (3) and (4) of this exclusion do not apply to the use of elevators.

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

Paragraphs (3) and (4) of this exclusion do not apply to "property damage" to borrowed equipment while not being used to perform operations at a job site.

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

l. 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) Arising out of oral, written, electronic, or any other manner of publication of material, if done by or at the direction of the insured with knowledge of its falsity;



- (2) Arising out of oral, written, electronic, or any other manner of publication of material whose first publication took place before the beginning of the policy period;
- (3) Arising out of a criminal act committed by or at the direction of the insured;
- (4) Arising out of any breach of contract, except an implied contract to use another's "advertising idea" in your "advertisement";
- (5) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";
- (6) Arising out of the wrong description of the price of goods, products or services;
- (7) Arising out of:
 - (a) Any actual or alleged infringement or violation of any intellectual property rights, such as copyright, patent, right of publicity, trademark, trade dress, trade name, trade secret, service mark or other designation of origin or authenticity; or
 - (b) Any injury or damage alleged in any claim or "suit" that also alleges an infringement or violation of any intellectual property right, whether such allegation of infringement or violation is made against you, or by you or by any other party involved in the claim or "suit", regardless of whether this insurance would otherwise apply.

However, this exclusion does not apply if the only allegation in the claim or "suit" involving any intellectual property right is limited to:

- (i) Infringement, in your "advertisement", of:
 - a. Copyright;
 - b. Slogan; unless the slogan is also a trademark, trade dress, trade name, service mark or other designation of origin or authenticity; or
 - c. Title of any literary or artistic work; or
- (ii) Copying, in your "advertisement", a person's or organization's "advertising idea" or style of "advertisement".

Paragraph (7)(b)ii above shall not apply to claims or "suits" alleging infringement or violation of trademark, trade dress, trade name, service mark or other designation of origin or authenticity.

- (8) Arising out of an offense committed by an insured whose business is:

- (a) Advertising, broadcasting, publishing or telecasting;
- (b) Designing or determining content of web sites for others; or
- (c) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs a., b. and c. under the definition of "personal and advertising injury" in Section 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, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting;

- (9) Arising out of an electronic chat room or bulletin board the insured hosts, owns, or over which the insured exercises control;
- (10) Arising out of the 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;
- (11) Arising out of the violation of a person's right of privacy created by any state or federal act.
However, this exclusion does not apply to liability for damages that the insured would have in the absence of such state or federal act;
- (12) Arising out of:

- (a) Advertising content for others on your web site;
- (b) Placing a link to a web site of others on your web site;

- (c) Content from a web site of others displayed within a frame or border on your web site. Content includes information, code, sounds, text, graphics or images; or
- (d) Computer code, software or programming used to enable:
 - (i) Your web site; or
 - (ii) The presentation or functionality of an "advertisement" or other content on your web site;

(13) Arising out of a violation of any anti-trust law;

(14) Arising out of the fluctuation in price or value of any stocks, bonds or other securities;

(15) 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; or

(16) Arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft". Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "personal and advertising injury" arises out of the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft".

However, this exclusion does not apply if the only allegation in the claim or "suit" involves an intellectual property right which is limited to:

- (a) Infringement, in your "advertisement", of:
 - (i) Copyright;
 - (ii) Slogan; or
 - (iii) Title of any literary or artistic work; or
- (b) Copying, in your "advertisement", a person's or organization's "advertising idea" or style of "advertisement".

q. Access Or Disclosure Of Confidential Or Personal Information And Data-Related Liability

(1) Damages because of "bodily injury" or "property damage" 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 such 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 Paragraphs (1) or (2) above.

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

r. Employment-Related Practices

"Bodily injury" or "personal and advertising injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or

- (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination, malicious prosecution or false arrest 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 Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

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

s. Asbestos

- (1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of the "asbestos hazard".
- (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 "asbestos hazard";
 - (b) Arise out of any request, demand, order or 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 hazard"; 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 effects of an "asbestos hazard".

t. 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.

Damage To Premises Rented To You – Exception For Damage By Fire, Lightning Or Explosion

Exclusions c. through h. and k. through o. do not apply to damage by fire, lightning or explosion to premises rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section D. Liability And Medical Expenses Limits Of Insurance.

2. Applicable To Medical Expenses Coverage

We will not pay expenses for "bodily injury":

a. Any Insured

To any insured, except "volunteer workers".

b. Hired Person

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

c. Injury On Normally Occupied Premises

To a person injured on that part of premises you own or rent that the person normally occupies.

d. Workers' Compensation And Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

e. Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports or athletic contests.

f. Products-Completed Operations Hazard

Included with the "products-completed operations hazard".

g. Business Liability Exclusions

Excluded under Business Liability Coverage.

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, other than that described in **b.** through **e.** below, 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. Employees And Volunteer Workers

Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.

However, none of these "employees" or "volunteer workers" are insureds for:

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

- (a)** To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
- (b)** To the spouse, child, parent, brother or sister of that co-"employee" or that "volunteer worker" as a consequence of Paragraph **(1)(a)** above;
- (c)** For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs **(1)(a)** or **(b)** above; or
- (d)** Arising out of his or her providing or failing to provide professional health care services.

If you are not in the business of providing professional health care services, Paragraph **(d)** does not apply to any nurse, emergency medical technician or paramedic employed by you to provide such services.

(2) "Property damage" to property:

(a) Owned, occupied or used by:

(b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

b. Real Estate Manager

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

c. Temporary Custodians Of Your Property

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. Legal Representative If You Die

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 insurance.

e. Unnamed Subsidiary

Any subsidiary and subsidiary thereof, of yours which is a legally incorporated entity of which you own a financial interest of more than 50% of the voting stock on the effective date of this Coverage Part.

The insurance afforded herein for any subsidiary not shown in the Declarations as a named insured does not apply to injury or damage with respect to which an insured under this insurance is also an insured under another policy or would be an insured under such policy but for its termination or upon the exhaustion of its limits of insurance.

3. Newly Acquired Or Formed Organization

Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain financial interest of more than 50% of the voting stock, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier; and

b. Coverage under this provision does not apply to:

(1) "Bodily injury" or "property damage" that occurred; or

(2) "Personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

4. Operator Of Mobile Equipment

With respect to "mobile equipment" any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:

a. "Bodily injury" to a co-"employee" of the person driving the equipment; or

b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

5. Operator Of Nonowned Watercraft

With respect to watercraft you do not own that is less than 51 feet long and is not being used to carry persons or property for a charge, any person is an insured while operating such watercraft with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the watercraft, and only if no other insurance of any kind is available to that person or organization for this liability.

However, no person or organization is an insured with respect to:



- a. "Bodily injury" to a co-"employee" of the person operating the watercraft; or
- b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

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 Most We Will Pay

The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

- a. Insureds;
- b. Claims made or "suits" brought; or
- c. Persons or organizations making claims or bringing "suits".

2. Aggregate Limits

The most we will pay for:

- a. Damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard" is the Products-Completed Operations Aggregate Limit shown in the Declarations.
- b. Damages because of all other "bodily injury", "property damage" or "personal and advertising injury", including medical expenses, is the General Aggregate Limit shown in the Declarations.

This General Aggregate limit does not apply to "property damage" to premises while rented to you or temporarily occupied by you with permission of the owner, arising out of fire, lightning or explosion.

3. Each Occurrence Limit

Subject to **2.a.** or **2.b.** above, whichever applies, the most we will pay for the sum of all damages because of all "bodily injury", "property damage" and medical expenses arising out of any one "occurrence" is the Liability and Medical Expenses Limit shown in the Declarations.

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.

4. Personal And Advertising Injury Limit

Subject to **2.b.** above, the most we will pay for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization is the Personal and Advertising Injury Limit shown in the Declarations.

5. Damage To Premises Rented To You Limit

The Damage To Premises Rented To You Limit is the most we will pay under Business Liability Coverage for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, lightning or explosion, while rented to you or temporarily occupied by you with permission of the owner.

In the case of damage by fire, lightning or explosion, the Damage to Premises Rented To You Limit applies to all damage proximately caused by the same event, whether such damage results from fire, lightning or explosion or any combination of these.

6. How Limits Apply To Additional Insureds

The most we will pay on behalf of a person or organization who is an additional insured under this Coverage Part is the lesser of:

- a. The limits of insurance required in a written contract, written agreement or permit; or
- b. The Limits of Insurance shown in the Declarations.

Such amount shall be a part of and not in addition to the Limits of Insurance shown in the Declarations and described in this Section.

If more than one limit of insurance under this Policy and any endorsements attached thereto applies to any claim or "suit", the most we will pay under this Policy and the endorsements is the single highest limit of liability of all



coverages applicable to such claim or "suit". However, this paragraph does not apply to the Medical Expenses limit set forth in Paragraph 3. above.

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

E. LIABILITY AND MEDICAL EXPENSES GENERAL CONDITIONS

1. Bankruptcy

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

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

a. Notice Of Occurrence Or Offense

You or any additional insured under this Coverage Part 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. Notice Of Claim

If a claim is made or "suit" is brought against any insured, you or any additional insured under this Coverage Part must:

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

You or any additional insured under this Coverage Part must see to it that we receive a written notice of the claim or "suit" as soon as practicable.

c. Assistance And Cooperation Of The Insured

You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation, 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. Obligations At The Insured's Own Cost

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

e. Additional Insured's Other Insurance

If we cover a claim or "suit" under this Coverage Part that may also be covered by other insurance available to an additional insured under this Coverage Part, such additional insured must submit such claim or "suit" to the other insurer for defense and indemnity.

However, this provision does not apply to the extent that you have agreed in a written contract, written agreement or permit that this insurance is primary and non-contributory with such additional insured's own insurance.

f. Knowledge Of An Occurrence, Offense, Claim Or Suit

Paragraphs a. and b. apply to you or to any additional insured under this Coverage Part only when such "occurrence", offense, claim or "suit" is known to:



- (1) You or any additional insured under this Coverage Part that is an individual;
- (2) Any partner, if you or an additional insured under this Coverage Part is a partnership;
- (3) Any manager, if you or an additional insured under this Coverage Part is a limited liability company;
- (4) Any "executive officer" or insurance manager, if you or an additional insured under this Coverage Part is a corporation;
- (5) Any trustee, if you or an additional insured under this Coverage Part is a trust; or
- (6) Any elected or appointed official, if you or an additional insured under this Coverage Part is a political subdivision or public entity.

This Paragraph f. applies separately to you and any additional insured under this Coverage Part.

3. Legal action Against Us

No person or organization has a right under this Coverage Part:

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

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

4. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Policy to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom a claim is made or "suit" is brought.

5. Representations

a. When You Accept This Policy

By accepting this Policy, you agree:

- (1) The statements in the Declarations are accurate and complete;
- (2) Those statements are based upon representations you made to us; and
- (3) We have issued this Policy in reliance upon your representations.

b. Unintentional Failure To Disclose Hazards

If unintentionally you should fail to disclose all hazards relating to the conduct of your business at the inception date of this Coverage Part, we shall not deny any coverage under this Coverage Part because of such failure.

6. Other Insurance

If other valid and collectible insurance is available for a loss we cover under this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when **b.** below applies. If other insurance is also primary, we will share with all that other insurance by the method described in **c.** below.

b. Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

(1) Your Work

That is Fire, Extended Coverage, Builder's Risk, Installation Risk, Owner Controlled Insurance Program or OCIP, Contractor Controlled Insurance Program or CCIP, Wrap Up Insurance or similar coverage for "your work";

(2) Premises Rented To You

That is fire, lightning or explosion insurance for premises rented to you or temporarily occupied by you with permission of the owner;

(3) Tenant Liability

That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner;

(4) Aircraft, Auto Or Watercraft

If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion **g.** of Section **B.** Exclusions.

(5) Property Damage To Borrowed Equipment Or Use Of Elevators

If the loss arises out of "property damage" to borrowed equipment or the use of elevators to the extent not subject to Exclusion **k.** of Section **B.** Exclusions.

(6) When You Are Added As An Additional Insured To Other Insurance

That is other insurance available to you covering liability for damages arising out of the premises or operations, or products and completed operations, for which you have been added as an additional insured by that insurance; or

(7) When You Add Others As An Additional Insured To This Insurance

That is other insurance available to an additional insured.

However, the following provisions apply to other insurance available to any person or organization who is an additional insured under this Coverage Part:

(a) Primary Insurance When Required By Contract

This insurance is primary if you have agreed in a written contract, written agreement or permit that this insurance be primary. If other insurance is also primary, we will share with all that other insurance by the method described in **c.** below.

(b) Primary And Non-Contributory To Other Insurance When Required By Contract

If you have agreed in a written contract, written agreement or permit that this insurance is primary and non-contributory with the additional insured's own insurance, this insurance is primary and we will not seek contribution from that other insurance.

Paragraphs **(a)** and **(b)** do not apply to other insurance to which the additional insured has been added as an additional insured.

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

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

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

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

c. Method Of Sharing

If all the other insurance permits contribution by equal shares, we will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.



If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

7. Transfer Of Rights Of Recovery Against Others To Us

a. Transfer Of Rights Of Recovery

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

b. Waiver Of Rights Of Recovery (Waiver Of Subrogation)

If the insured has waived any rights of recovery against any person or organization for all or part of any payment, including Supplementary Payments, we have made under this Coverage Part, we also waive that right, provided the insured waived their rights of recovery against such person or organization in a contract, agreement or permit that was executed prior to the injury or damage.

F. LIABILITY AND MEDICAL EXPENSES DEFINITIONS

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purpose of this definition:
 - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purpose of attracting customers or supporters is considered an advertisement.
2. "Advertising idea" means any idea for an "advertisement".
3. "Asbestos hazard" means an exposure or threat of exposure to the actual or alleged properties of asbestos and includes the mere presence of asbestos in any form.
4. "Auto" means:
 - a. A land motor vehicle, trailer or semi-trailer 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".
5. "Bodily injury" means physical:
 - a. Injury;
 - b. Sickness; or
 - c. Diseasesustained by a person and, if arising out of the above, mental anguish or death at any time.
6. "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 **a.** above;
 - c. All other parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you in the territory described in **a.** above;
 - (2) The activities of a person whose home is in the territory described in **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 the United States of America (including its territories and possessions), Puerto Rico or Canada, in a "suit" on the merits according to the substantive law in such territory, or in a settlement we agree to.

7. "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.
8. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
9. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
10. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
11. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
 - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;
if such property can be restored to use by:
 - a. The repair, replacement, adjustment or removal of "your product" or "your work"; or
 - b. Your fulfilling the terms of the contract or agreement.
12. "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, lightning or explosion to premises while rented to you or temporarily occupied by you with permission of the owner is subject to the Damage To Premises Rented To You limit described in Section D. Liability And Medical Expenses Limits Of Insurance.
 - b. A sidetrack agreement;
 - c. Any easement or license agreement, including an easement or license agreement in connection with construction or demolition operations on or within 50 feet of a railroad;
 - d. Any obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
 - e. An elevator maintenance agreement; or
 - 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. includes that part of any contract or agreement that indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing.
However, Paragraph f. does not include that part of any contract or agreement:
 - (1) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or

- (2) 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 (1) above and supervisory, inspection, architectural or engineering activities.
13. "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".
14. "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".
15. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
 - b. Vehicles maintained for use solely on or next to premises you own or rent;
 - c. Vehicles that travel on crawler treads;
 - d. Vehicles, whether self-propelled or not, 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 a., b., c., or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise or lower workers;
 - f. Vehicles not described in a., b., c., or d. above maintained primarily for purposes other than the transportation of persons or cargo.
- However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":
- (1) Equipment, of at least 1,000 pounds gross vehicle weight, designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;
 - (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.
- However, "mobile equipment" does not include any land vehicle that is 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".
16. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
17. "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 or organization occupies, committed by or on behalf of its owner, landlord or lessor;
 - d. Oral, written, electronic, or any other manner of publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - e. Oral, written, electronic, or any other manner of publication of material that violates a person's right of privacy;
 - f. Copying, in your "advertisement", a person's or organization's "advertising idea" or style of "advertisement"; or
 - g. Infringement of copyright, slogan, or title of any literary or artistic work, in your "advertisement".
- 18.** "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.
- 19.** "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 to be completed at the earliest of the following times:
 - (a) When all of the work called for in your contract has been completed.
 - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
 - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.
- Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.
- The "bodily injury" or "property damage" must occur away from premises you own or rent, unless your business includes the selling, handling or distribution of "your product" for consumption on premises you own or rent.
- b. Does not include "bodily injury" or "property damage" arising out of:
 - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured; or
 - (2) The existence of tools, uninstalled equipment or abandoned or unused materials.
- 20.** "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 "occurrence" that caused it.
- As used in this definition, "electronic data" is not tangible property.
- 21.** "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.

- 22.** "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.
- 23.** "Unmanned aircraft" means an aircraft that is not:
- a.** Designed;
 - b.** Manufactured; or
 - c.** Modified after manufacture;
- to be controlled directly by a person from within or on the aircraft.
- 24.** "Volunteer worker" means a person who:
- a.** Is not your "employee";
 - b.** Donates his or her work;
 - c.** Acts at the direction of and within the scope of duties determined by you; and
 - d.** Is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.
- 25.** "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.
- 26.** "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.



MISSOURI CHANGES – BUSINESS LIABILITY COVERAGE FORM

This endorsement modifies insurance provided under the following:

BUSINESS LIABILITY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

A. The following provisions modify Paragraph 2., MEDICAL EXPENSES of Section A., COVERAGES:

1. Paragraph 2.a. is deleted and replaced by the following:

Insuring Agreement

a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

- (1)** On premises you own or rent;
- (2)** On ways next to premises you own or rent; or
- (3)** Because of your operations;

provided that:

- (a)** The accident takes place in the "coverage territory" and during the policy period;
- (b)** The expenses are incurred and reported to us within three years of the date of the accident. However, no claim will be denied based upon the insured's failure to provide notice within such specified time, unless this failure operates to prejudice the rights of the insurer, as per Missouri regulation 20CSR100-1.020.; and
- (c)** The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

B. The following provision is added to Paragraph 3., Legal Action Against Us of Section E., LIABILITY AND MEDICAL EXPENSES GENERAL CONDITIONS:

Any such legal action must be brought within 10 years of the applicable "occurrence" or "wrongful act".

C. The following provision is added to Paragraph 7., Transfer Of Rights Of Recovery Against Others To Us of Section E., LIABILITY AND MEDICAL EXPENSES GENERAL CONDITIONS:

If we pay an innocent coinsured for loss arising out of an act of domestic violence by another insured, the rights of the innocent coinsured to recover damages from the abuser are transferred to us to the extent of our payment. Following the loss the innocent coinsured may not waive such rights to recover against the abuser.



EXCLUSION - NUCLEAR ENERGY LIABILITY

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

A. This insurance does not apply:

1. To any injury or damage:
 - a. With respect to which an insured under the Policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
 - b. Resulting from the "hazardous properties" of "nuclear material" and with respect to which:
 - (1) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or
 - (2) The insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
3. Under any Medical Payments or 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.
4. To any injury or damage resulting from the "hazardous properties" of "nuclear material"; if:
 - a. The "nuclear material":
 - (1) Is at any "nuclear facility" owned by, or operated by or on behalf of, an insured; or
 - (2) Has been discharged or dispersed therefrom;
 - b. The "nuclear material" is contained in "spent fuel" or "waste" at any time was possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
 - c. The injury or damage arises out of the furnishing by any insured of any "technology services" in connection with the planning, construction, maintenance, operation or use of any "nuclear facility"; or
 - d. The injury or 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 (d) applies only to "property damage" to such "nuclear facility" and any property thereat.

B. As used in this exclusion, the following definitions apply:

1. "Byproduct material", "source material" and "special nuclear material" have the meanings given to them in the Atomic Energy Act of 1954 or in any law amendatory thereof.
2. "Computer system and network" means:
 - a. Leased or owned computer hardware including mobile, networked, and data storage computing equipment;
 - b. Owned or licensed software;
 - c. Owned websites;
 - d. Leased or owned wireless input and output devices; and
 - e. Electronic backup facilities and data storage repositories employed in conjunction with 2.a. through 2.d. above.
3. "Hazardous properties" include radioactive, toxic or explosive properties.
4. "Nuclear facility" means:
 - a. Any "nuclear reactor";
 - b. Any equipment or device designed or used for:



- (1) Separating the isotopes of uranium or plutonium;
 - (2) Processing or utilizing "spent fuel"; or
 - (3) Handling, processing or packaging "waste",
- c. Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
- d. Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste" and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.
5. "Nuclear material" means "byproduct material", "source material" or "special nuclear material".
6. "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.
7. "Property damage" and injury or damage include all forms of radioactive contamination of property.
8. "Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".
9. "Technology services" means:
 - a. The following services performed for others:
 - (1) Consulting, analysis, design, installation, training, maintenance, support and repair of or on: software, wireless applications, firmware, shareware, networks, systems, hardware, devices or components;
 - (2) Integration of systems;
 - (3) Processing of, management of, mining or warehousing of data;
 - (4) Administration, management, operation or hosting of: another party's systems, technology or computer facilities;
 - (5) Website development; website hosting;
 - (6) Internet access services; intranet, extranet or electronic information connectivity services; software application connectivity services;
 - (7) Manufacture, sale, licensing, distribution, or marketing of: software, wireless applications, firmware, shareware, networks, systems, hardware, devices or components;
 - (8) Design and development of: code, software or programming;
 - (9) Providing software application: services, rental or leasing;
 - (10) Screening, selection, recruitment or placement of candidates for temporary or permanent employment by others as information technology professionals;
 - (11) "Telecommunication services"; and
 - (12) "Telecommunication products".
 - b. Web-related software and connectivity services performed for others; and
 - c. Activities on the named insured's "computer system and network".
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 the first two paragraphs of the definition of "nuclear facility".



EXCLUSION – SILICA – BUSINESS LIABILITY COVERAGE FORM

This endorsement modifies insurance provided under the following:

BUSINESS LIABILITY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

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

This insurance does not apply to:

Silica

Any injury, damage, loss, cost or expense, including but not limited to "bodily injury", "property damage" or "personal and advertising injury" arising out of, or relating to, in whole or in part, the "silica hazard".

B. The following definition is added to Section **F. LIABILITY AND MEDICAL EXPENSES DEFINITIONS**:

"Silica hazard" means an exposure to, inhalation of or contact with, or threat of exposure to, inhalation of or contact with, the actual or alleged properties of silica or any silica containing materials and includes the mere presence of silica or any silica containing materials in any form.

Silica includes all forms of the compound silicon dioxide, including, but not limited to, quartz.



EXCLUSION – PERFLUOROALKYL AND POLYFLUOROALKYL SUBSTANCES (PFAS)

This endorsement modifies insurance provided under the following:

BUSINESS LIABILITY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

A. The following exclusion is added to Section B. EXCLUSIONS:

This insurance does not apply to:

1. Any damages, judgments, settlements, loss, costs or expenses, or any other form of relief, remedy or recovery that may be awarded or incurred by reason of any claim or "suit" alleging actual or threatened injury or damage of any nature or kind, including, but not limited to, "bodily injury", "property damage" or "personal and advertising injury", which arises out of, or relates in any way to "PFAS", including but not limited to:
 - a. manufacturing, handling, sale, distribution, marketing, installation, repair, removal, abatement, replacement, or handling of "PFAS" or products containing "PFAS"; or
 - b. an actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "PFAS" whether intentional or unintentional; or
 - c. consumption, absorption, ingestion, presence, inhalation or use of, contact with or exposure to, "PFAS", whether by direct or passive exposure.
2. Any loss, cost or expense arising out of any:
 - a. Request, demand, order, or other requirement (whether statutory or regulatory) that any insured or others test for, investigate for, monitor, clean up, abate, remove, remediate, contain, treat, detoxify or neutralize, dispose of, or in any way respond to, or assess the effects of "PFAS"; or
 - b. Claim or suit by or on behalf of a governmental authority for damages because of testing for, investigating for, monitoring, cleaning up, abating, removing, remediating, containing, treating, detoxifying or neutralizing, disposing of or in any way responding to or assessing the effects of "PFAS".

B. The following definition is added to Section F. LIABILITY AND MEDICAL EXPENSES DEFINITIONS:

"PFAS" means:

1. Any substance, material, or compound that is or contains per-and polyfluoroalkyl substances, including but not limited to perfluorobutanoic acid (PFBA), perfluorohexanoic acid (PFHxA), perfluoroheptanoic acid (PFHpA), perfluorooctanoic acid (PFOA), perfluorononanoic acid (PFNA), perfluorodecanoic acid (PFDA), perfluoroundecanoic acid (PFUnA), perfluorododecanoic acid (PFDoDA), perfluorobutane sulfonic acid (PFBS), perfluorohexane sulfonic acid (PFHxS), perfluorooctane sulfonic acid (PFOS), and perfluorooctane sulfonamide (FOSA).
2. Any substance, material, or compound that is identified or acknowledged by any federal, state, international or other governmental agency or authority, including but not limited to the United States Environmental Protection Agency (EPA), the Centers for Disease Control and Prevention (CDC), the Agency for Toxic Substances and Disease Registry (ATSDR), the National Institutes for Health (NIH), and the International Agency for Research on Cancer (IARC):
 - a. As or to contain a per-and polyfluoroalkyl substance; or
 - b. To exhibit or demonstrate the same or similar harmful properties as a per-and polyfluoroalkyl substance.
3. Any constituents, additives, degradation, break down, or by-products to or of any substance, material or compound set forth in subparagraphs **a.** and **b.** above, including but not limited to homologues, isomers, salts, esters, alcohols, acids, and precursor chemicals, compounds and derivatives.



EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM (CLAIMS MADE)

NOTICE: COVERAGE PROVIDED BY THIS COVERAGE PART IS CLAIMS MADE COVERAGE. EXCEPT AS OTHERWISE SPECIFIED HEREIN: COVERAGE APPLIES ONLY TO A CLAIM FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD AND WHICH HAS BEEN REPORTED TO US IN ACCORDANCE WITH THE APPLICABLE NOTICE PROVISIONS. COVERAGE IS SUBJECT TO THE INSURED'S PAYMENT OF THE APPLICABLE DEDUCTIBLE. PAYMENTS OF CLAIM EXPENSES ARE SUBJECT TO, AND REDUCE, THE AVAILABLE LIMITS OF LIABILITY. PLEASE READ THE COVERAGE PART CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER. UPON TERMINATION OF THIS COVERAGE PART, EXTENDED REPORTING PERIOD COVERAGE IS AVAILABLE.

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EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM (CLAIMS MADE)

Various provisions in this Policy restrict coverage. Please read the entire Policy carefully to determine your rights, duties and what is and is not covered.

Throughout this Coverage Part the words you and your refer to the "Named Insured" in the Declarations. The words we, us and our refer to the stock insurance company member of THE HARTFORD shown on the Declarations Page.

Words and phrases that appear in quotation marks are defined in **SECTION II - DEFINITIONS** of this Coverage Part.

In consideration of, and subject to, the payment of the premium by you and in reliance upon the accuracy and completeness of the "application", including but not limited to the statements, attachments and exhibits contained in and submitted with the "application", we agree with you, subject to all terms, exclusions and conditions of this Coverage Part, as follows:

SECTION I - INSURING AGREEMENT

Employment Practices Liability

We shall pay "loss" on behalf of the "insureds" resulting from an "employment practices claim" first made against the "Insureds" during the "policy period" or Extended Reporting Period, if applicable, for an "employment practices wrongful act" by the "insureds".

SECTION II – DEFINITIONS

- A. "Application" means the application for this Coverage Part, including any materials or information submitted therewith or made available to us during the underwriting process, which application shall be on file with us. Such "application" shall be deemed a part of this Coverage Part and attached hereto. In addition, "application" includes any warranty, representation or other statement provided to us within the past three years in connection with any policy or coverage part of which this Coverage Part is a renewal or replacement.
- B. "Benefits" means perquisites, fringe benefits, deferred compensation, severance pay and any other form of compensation (other than salaries, wages, or bonuses as a component of a front or back pay award).
- C. "Claim" means any "employment practices claim".
- D. "Claim expenses" means:
 - 1. reasonable and necessary legal fees and expenses, including, but not limited to, e-discovery expenses, incurred in the defense or appeal of a "claim";
 - 2. "Extradition costs"; or
 - 3. the costs of appeal, attachment or similar bonds, provided that we shall have no obligation to furnish such bonds.

However, "claim expenses" shall not include:

- a. salaries, wages, remuneration, overhead or benefit expenses associated with any "insureds";
 - b. any fees, expenses or costs which are incurred by or on behalf of a party which is not a covered "insured"; or
 - c. any fees, expenses or costs which were incurred prior to the date on which we received written notice of the "claim" from the "insured".
- E. "Controlled partnership" means a limited partnership in which and so long as the "named insured" owns or controls, directly or indirectly, more than 50% of the limited partnership interest and an "insured entity" is the sole general partner.
- F. "Damages" means the amounts, other than "claim expenses", that the "insureds" are legally liable to pay solely as a result of a "claim" covered by this Coverage Part, including:



1. compensatory damages, including front pay and back pay;
2. settlement amounts;
3. pre- and post-judgment interest;
4. costs awarded pursuant to judgments;
5. punitive and exemplary damages;
6. the multiple portion of any multiplied damage award; or
7. liquidated damages under the Age Discrimination in Employment Act and the Family and Medical Leave Act.

However, "damages" shall not include:

- a. taxes, fines or penalties imposed by law;
 - b. non-monetary relief;
 - c. "Benefits";
 - d. future compensation for any person hired, promoted, or reinstated pursuant to a judgment, settlement, order or other resolution of a "claim";
 - e. "Stock benefits";
 - f. costs associated with providing any accommodations required by the Americans with Disabilities Act or any similar law; or
 - g. any other matters uninsurable pursuant to any applicable law; provided, however, that with respect to punitive and exemplary damages, or the multiple portion of any multiplied damage award, the insurability of such damages shall be governed by the internal laws of any applicable jurisdiction that most favors coverage of such damages.
- G.** "Debtor in possession" means a "debtor in possession" as such term is defined in Chapter 11 of the United States Bankruptcy Code as well as any equivalent status under any similar law.
- H.** "Domestic partner" means any natural person qualifying as a domestic partner under the provisions of any applicable federal, state or local law or any domestic partner relationship arrangement recognized outside of the United States and under the Human Resource policy of the "insured entity".
- I.** "Employee" means any natural person who was, is or shall become a(n):
1. employee of an "insured entity" including any part time, seasonal, temporary, leased, or loaned employee; or
 2. volunteer or intern with an "insured entity".
- J.** "Employee data privacy wrongful act" means:
1. the failure to prevent any unauthorized access to or use of data containing "Private Employment Information" of any "Employee" or applicant for employment with the "Insured Entity" including any such failure that directly results in a violation with respect to the privacy of such "Employee's" or applicant's medical information under the Health Insurance Portability and Accountability Act (HIPAA) or credit information under the Fair Credit Reporting Act (FCRA); or
 2. the failure to notify any "employee" or applicant for employment with the "insured entity" of any actual or potential unauthorized access to or use of "private employment information" of any "employee" or applicant for employment with the "insured entity", if such notice was required by state or federal regulation or statute.
- K.** "Employment practices claim" means any:
1. written demand for monetary damages or other civil non-monetary relief commenced by the receipt of such demand, including, without limitation, a written demand for employment reinstatement;
 2. civil proceeding, including an arbitration or other alternative dispute resolution proceeding, commenced by the service of a complaint, filing of a demand for arbitration, or similar pleading; or
 3. formal administrative or regulatory proceeding, including, without limitation, a proceeding before the Equal Employment Opportunity Commission or similar governmental agency, commenced by the filing of a notice of charges, formal investigative order or similar document;



by or on behalf of an "employee", an applicant for employment with an "insured entity", or an "independent contractor".

"Employment practices claim" also means the receipt of a notice of violation, order to show cause, or a written demand for monetary or injunctive relief that is the result of an audit conducted by the United States Office of Federal Contract Compliance Programs.

"Employment practices claim" also means a written request to the "insureds" to toll or waive a statute of limitations regarding a potential "Employment practices claim" as described above. Such "claim" shall be commenced by the receipt of such request.

However, "employment practices claim" shall not include any labor or grievance proceeding or arbitration that is subject to a collective bargaining agreement.

L. "Employment practices wrongful act" means:

1. wrongful dismissal, discharge, or termination of employment (including constructive dismissal, discharge, or termination), wrongful failure or refusal to employ or promote, wrongful discipline or demotion, failure to grant tenure, negligent employment evaluation, or wrongful deprivation of career opportunity;
2. sexual or other workplace harassment, including bullying in the workplace, quid pro quo and hostile work environment;
3. employment discrimination, including discrimination based upon age, gender, race, color, creed, marital status, sexual orientation or preference, gender identity or expression, genetic makeup, or refusal to submit to genetic makeup testing, pregnancy, disability, HIV or other health status, Vietnam Era Veteran or other military status, or other protected status established under federal, state, or local law;
4. "Retaliation";
5. breach of any oral, written, or implied employment contract, including, without limitation, any obligation arising from a personnel manual, employee handbook, or policy statement; or
6. violation of the Family and Medical Leave Act.

"Employment practices wrongful act" also means the following, but only when alleged in addition to or as part of any "employment practices wrongful act" described above:

- a. employment-related wrongful infliction of mental anguish or emotional distress;
- b. failure to create, provide for or enforce adequate or consistent employment-related policies and procedures;
- c. negligent retention, supervision, hiring or training;
- d. employment-related invasion of privacy, defamation, or misrepresentation; or
- e. an "employee data privacy wrongful act".

M. "ERISA" means the Employee Retirement Income Security Act of 1974.

N. "Extradition costs" means reasonable and necessary fees and expenses directly resulting from a "claim" in which an "insured person" lawfully opposes, challenges, resists or defends against any request for the extradition of such "insured person" from his or her current country of employ and domicile to any other country for trial or otherwise to answer any criminal accusation, including the appeal of any order or other grant of extradition of such "insured person".

O. "Financial insolvency" means the status of an "insured entity" as a result of:

1. the appointment of any conservator, liquidator, receiver, rehabilitator, trustee, or similar official to control, supervise, manage or liquidate such "insured entity"; or
2. such "insured entity" becoming a "debtor in possession".

P. "Independent contractor" means any natural person working in the capacity of an independent contractor pursuant to an "independent contractor agreement".



- Q.** "Independent contractor agreement" means any express contract or agreement between an "independent contractor" and an "insured entity" specifying the terms of the "insured entity's" engagement of such "independent contractor".
- R.** "Insured entity" means:
1. the "named insured"; or
 2. any "subsidiary".
- "Insured entity" shall include any such entity as a "debtor in possession".
- "Insured entity" shall also include any such entity in its capacity as a general partner of a "controlled partnership".
- S.** "Insured person" means any:
1. "Employee";
 2. "Manager"; or
 3. regarding the Employment Practices Liability Insuring Agreement, an "independent contractor" provided that within 30 days of an "employment practices claim" having been made against such "independent contractor" that the "insured entity" agrees in writing to indemnify such "independent contractor" for any "loss" arising out of such "claim".
- T.** "Insureds" means any:
1. "Insured entity"; or
 2. "Insured person".
- U.** "Interrelated wrongful acts" means "wrongful acts" that have as a common nexus any fact, circumstance, situation, event, transaction, goal, motive, methodology, or cause or series of causally connected facts, circumstances, situations, events, transactions, goals, motives, methodologies or causes.
- V.** "Loss" means "claim expenses" and "damages".
- W.** "Manager" means any natural person who was, is or shall become a(n):
1. duly elected or appointed director, advisory director, board observer, advisory board member, officer, member of the board of managers or management committee member of an "insured entity";
 2. "Employee" in his/her capacity as legal counsel to an "insured entity"; or
 3. executive of an "insured entity" created outside the United States to the extent that such executive holds a position equivalent to those described in 1. or 2. above.
- X.** "Named insured" means the individuals, partnerships or corporations designated in the Declarations.
- Y.** "Notice manager" means the natural persons in the offices of the chief executive officer, chief financial officer, general counsel, risk manager, human resources manager or any equivalent position to the foregoing, of an "Insured Entity".
- Z.** "Policy period" means the period from the Effective Date to the Expiration Date set forth in the Declarations or any earlier cancellation date.
- AA.** "Private employment information" means any information regarding an "employee" or applicant for employment with the "insured entity", which is collected or stored by an "insured" for the purposes of establishing, maintaining or terminating an employment relationship.
- BB.** "Retaliation" means adverse treatment of an "employee" or "independent contractor" based upon such person:
1. exercising any rights under law, including, without limitation, rights under any workers compensation laws, the Family and Medical Leave Act, "ERISA", or the Americans with Disabilities Act;
 2. refusing to violate any law;
 3. assisting, testifying, or cooperating with a proceeding or investigation regarding alleged violations of law by any "insured";



4. disclosing or threatening to disclose alleged violations of law to a superior or to any governmental agency; or
5. filing any *whistle blower* claim against any "insured" under the federal False Claims Act, the Sarbanes-Oxley Act of 2002, or any similar law.

CC. "Stock benefits" means any offering, plan or agreement between an "insured entity" and any "employee" that grants stock, stock options or stock appreciation rights in the "insured entity" to such person, including, without limitation, restricted stock or any other stock grant. "Stock benefits" shall not include employee stock ownership plans or employee stock purchase plans.

DD. "Subsidiary" means any:

1. corporation in which and so long as the "named insured" owns or controls, directly or indirectly, more than 50% of the outstanding securities representing the right to vote for the election of the board of directors of such corporation;
2. limited liability company in which and so long as the "named insured" owns or controls, directly or indirectly, the right to elect, appoint or designate more than 50% of such entity's managing members;
3. a "controlled partnership";
4. corporation operated as a joint venture in which and so long as the "named insured" owns or controls, directly or indirectly, exactly 50% of the issued and outstanding voting stock and which, pursuant to a written agreement with the owner(s) of the remaining issued and outstanding voting stock of such corporation, the "named insured" solely controls the management and operation of such corporation; or
5. foundation, charitable trust or political action committee in which and so long as such entity or organization is controlled by the "named insured" or any "subsidiary" as defined in 1. through 4. above.

EE. "Wage and hour violation" means any actual or alleged violation of the duties and responsibilities that are imposed upon an "insured" by any federal, state or local law or regulation anywhere in the world, including but not limited to the Fair Labor Standards Act or any similar law (except the Equal Pay Act), which govern wage, hour and payroll practices. Such practices include but are not limited to:

1. the calculation and payment of wages, overtime wages, minimum wages and prevailing wage rates;
2. the calculation and payments of benefits;
3. the classification of any person or organization for wage and hour purposes;
4. reimbursing business expenses;
5. the use of child labor; or
6. garnishments, withholdings and other deductions from wages.

FF. "Wrongful act" means any actual or alleged "employment practices wrongful act".

SECTION III - EXCLUSIONS

A. We shall not pay "Loss":

1. for bodily injury, sickness, disease, death, false arrest or imprisonment, abuse of process, malicious prosecution, trespass, nuisance or wrongful entry or eviction, or for injury to or destruction of any tangible property including loss of use or diminution of value thereof; provided, however, that this exclusion shall not apply to that portion of "loss" that directly results from mental anguish or emotional distress when alleged in connection with an otherwise covered "employment practices wrongful act";
2. for any actual or alleged "wrongful act" by "insured persons" of any "subsidiary" in their capacities as such, or by any "subsidiary", if such "wrongful act" actually or allegedly occurred when such entity was not a "subsidiary";
3. in connection with any "claim" based upon, arising from, or in any way related to any:
 - a. prior or pending demand, suit, or proceeding against any "insured" as of, or
 - b. audit initiated by the United States Office of Federal Contract Compliance Programs before,



the effective date of the first Employment Practices Liability Coverage Part issued and continuously renewed by us, or the same or substantially similar fact, circumstance, or situation underlying or alleged in such demand, suit, proceeding, or audit;

4. in connection with any "claim" based upon, arising from, or in any way related to any fact, circumstance, or situation that, before the Effective Date in the Declarations, was the subject of any notice given under any other employment practices liability policy, management liability policy or other insurance policy which insures "wrongful acts" covered under this Coverage Part;
 5. in connection with any "claim" based upon, arising from, or in any way related to the liability of others assumed by an "insured" under any contract or agreement; provided, however, this exclusion shall not apply to liability that would have been incurred in the absence of such contract or agreement;
 6. for breach of any "independent contractor agreement"; or
 7. for a lockout, strike, picket line, hiring of replacement workers or similar action in connection with any labor dispute, labor negotiation or collective bargaining agreement.
- B.** We shall not pay "loss" in connection with any "claim" based upon, arising from, or in any way related to:
1. any claims for unpaid wages (including overtime pay), workers' compensation benefits, unemployment compensation, disability benefits, or social security benefits;
 2. any actual or alleged violation of the Worker Adjustment and Retraining Notification Act, the National Labor Relations Act, the Occupational Safety and Health Act, the Consolidated Omnibus Budget Reconciliation Act of 1985, "ERISA", or any similar law; or
 3. any "wage and hour Violation"
- Provided, however, that this exclusion **B.** shall not apply to that portion of "loss" that represents a specific amount the "insureds" become legally obligated to pay solely for a "wrongful act" of "retaliation".
- C.** We shall not pay "loss" in connection with any "claim" based upon, arising from, or in any way related to liability incurred for breach of any oral, written, or implied employment contract; provided, however, that this exclusion shall not apply to liability that would have been incurred in the absence of such contract nor shall it apply to the portion of "loss" representing "claim expenses" incurred to defend against such liability.

SECTION IV - DISCOVERY CLAUSE

If, during the "policy period", the "insureds" become aware of a "wrongful act" that may reasonably be expected to give rise to a "claim", and, if written notice of such "wrongful act" is given to us during the "policy period", including the reasons for anticipating such a "claim", the nature and date of the "wrongful act", the identity of the "insureds" allegedly involved, the alleged injuries or damages sustained, the names of potential claimants, and the manner in which the "insureds" first became aware of the "wrongful act", then any "claim" subsequently arising from such "wrongful act" shall be deemed to be a "claim" first made during the "policy period" on the date that we receive the above notice.

SECTION V - EXTENDED REPORTING PERIOD

Subject to provisions **A.** through **G.** below, if this Coverage Part is canceled or non-renewed other than for non-payment of premium, you shall have the right to purchase an extended period to report "claims" under this Coverage Part for any "claim" first made during the period of time set forth in the Supplemental Extended Reporting Period Endorsement, and following the effective date of such cancellation or nonrenewal and reported in writing during such period or within sixty (60) days thereafter, but only with respect to any "wrongful act" which takes place prior to the effective date of such cancellation or nonrenewal.

- A.** The Extended Reporting Period shall be effective only upon the payment of an additional premium. The additional premium will be 200% of the annual advance premium for this coverage. At the commencement of the Extended Reporting Period, the entire premium thereof shall be deemed fully earned and non-refundable.
- B.** The quotation of a different premium or deductible or limit of liability for renewal is not a cancellation or refusal to renew for the purposes of this provision.



- C. You shall have no right to purchase the Extended Reporting Period, unless you have satisfied all conditions of the Coverage Part and all premiums and deductibles outstanding have been paid.
- D. Your right to purchase the Extended Reporting Period shall terminate unless written notice together with full payment of the premium for the Extended Reporting Period is given to us no later than sixty (60) days following the effective date of cancellation or nonrenewal.
- E. The fact that the period of time to report "claims" is extended by virtue of the Extended Reporting Period shall not increase or reinstate the Limit of Liability stated in the Declarations.
- F. Extended Reporting Periods do not extend the "policy period" or change the scope of coverage provided. They apply only to "wrongful acts" that occur before the end of the "policy period".
"Claims" for such injury which are first received within sixty (60) days after the "policy period", or during the Extended Reporting Period if in effect, will be deemed to have been made on the last date of the "policy period".
- G. Once in effect, Extended Reporting Periods may not be canceled by us.

SECTION VI - COVERAGE TERRITORY

Coverage under this Coverage Part applies worldwide, provided that the "claim" is made and any legal action is pursued within the United States, its territories, possessions or commonwealths, or Canada.

SECTION VII - LIMITS OF LIABILITY AND DEDUCTIBLE

- A. The maximum we will pay for each "claim" under this Coverage Part is the Each Claim Limit of Liability stated in the Declarations, subject to the Annual Aggregate Limit of Liability stated in the Declarations.
The maximum we will pay for all "claims" under this Coverage Part is the Annual Aggregate Limit of Liability stated in the Declarations, regardless of the number of "claims".
If the applicable Limit of Liability for this Coverage Part is exhausted, the premium for this Coverage Part shall be deemed fully earned. "Claim expenses" shall be part of, and not in addition to, the Limits of Liability. Payment of "claim expenses" by us shall reduce each Limit of Liability.
- B. We shall pay "loss" in excess of the Deductible applicable to each "claim" as specified on the Declarations.
- C. All Deductibles shall be borne by the "insureds" at their own risk; they shall not be insured.
- D. The Deductible shall apply to "claim expenses" covered hereunder. If, any "claim expenses" are incurred by us prior to the "insured's" complete payment of the Deductible, then the "insureds" shall reimburse us therefor upon our request.
- E. No Deductible shall apply to "loss" incurred by any "insured person" that an "insured entity" is not permitted by common or statutory law to indemnify, or is permitted or required to indemnify, but is not able to do so by reason of "financial insolvency".
- F. If an "insured entity" is permitted or required by common or statutory law to indemnify an "insured person" for any "loss", or to advance "claim expenses" on their behalf, and does not do so other than because of "financial insolvency", then such "insured entity" and the "named insured" shall reimburse and hold us harmless for our payment or advancement of such "loss" up to the amount of the Deductible that would have applied if such indemnification had been made.
- G. If a "subsidiary" is unable to indemnify an "insured person" for any "loss", or to advance "claim expenses" on their behalf, because of "financial insolvency", then the "named insured" shall reimburse and hold us harmless for our payment or advancement of such "loss" up to the amount of the applicable Deductible that would have applied if such indemnification had been made.

The Limit of Liability for this Coverage Part applies separately to each consecutive annual period and to any remaining period of less than twelve (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 twelve (12) months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limit of Liability.



SECTION VIII - DUTIES IN THE EVENT OF CLAIM; DEFENSE AND SETTLEMENT

- A. We shall have the right and duty to defend "claims" covered under this Coverage Part, even if such "claim" is groundless, false or fraudulent, provided that:
1. the "insureds" give notice to us in accordance with the applicable notice provisions; and
 2. such "claim" does not involve allegations, in whole or in part, of a "wage and hour violation".

For any "claim" involving allegations, in whole or in part, of a "wage and hour violation", it shall be the duty of the "insureds", and not our duty, to defend such "claim".

- B. If we have the duty to defend a "claim", our duty to defend such "claim" shall cease upon exhaustion of any applicable Limit of Liability.
- C. The "insureds" shall not admit or assume any liability, make any settlement offer or enter into any settlement agreement, stipulate to any judgment, or incur any "claim expenses" regarding any "claim" without our prior written consent, such consent not to be unreasonably withheld. We shall not be liable for any admission, assumption, settlement offer or agreement, stipulation, or "claim expenses" to which we have not consented.
- D. We shall have the right to associate ourself in the defense and settlement of any "claim" that appears reasonably likely to involve this Coverage Part. We may make any investigation we deem appropriate in connection with any "claim". We may, with the written consent of the "insureds", settle any "claim" for a monetary amount that we deem reasonable.
- E. The "insureds" shall give to us all information and cooperation as we may reasonably request. However, if we are, in our sole discretion, able to determine coverage for cooperating "insureds", the failure of one "insured person" to cooperate with us shall not impact coverage provided to cooperating "insureds".
- F. With respect to a covered "claim" for which we do not have the duty to defend, we shall advance "claim expenses" in accordance with Section VIII I. that we believe to be covered under this Coverage Part until a different allocation is negotiated, arbitrated or judicially determined.

G. Required Notice to Us

As a condition precedent to coverage under this Coverage Part, the "insureds" shall give us written notice of any "claim" as soon as practicable after a "notice manager" becomes aware of such "claim", but in no event later than:

1. if this Coverage Part expires or is otherwise terminated without being renewed with us, ninety (90) days after the effective date of said expiration or termination; or
2. subject to **SECTION V**, the expiration of the Extended Reporting Period, if applicable;

provided, however, that if the Coverage Part is cancelled for non-payment of premium, the "insured" will give us written notice of such "claim", prior to the effective date of cancellation.

However, with regard to any "employment practices claim" which is brought as a formal administrative or regulatory proceeding, including, without limitation, a proceeding before the Equal Employment Opportunity Commission or similar governmental agency, commenced by the filing of a notice of charges, formal investigative order or similar document, as a condition precedent to coverage under this Coverage Part the "insureds" shall give us written notice of any "claim" as soon as practicable after a "notice manager" becomes aware of such "claim", but in no event later than:

3. if this Coverage Part is renewed, no more than 180 days after a "notice manager" becomes aware of such "claim"; or
4. if this Coverage Part expires or is otherwise terminated without being renewed with us, ninety (90) days after the effective date of said expiration or termination; or
5. subject to **SECTION V**, the expiration of the Extended Reporting Period, if applicable;

provided, if the Coverage Part is cancelled for non-payment of premium, the "insured" will give us written notice of such "claim", prior to the effective date of cancellation.

**H. Subrogation**

1. We shall be subrogated to all of the "insureds'" rights of recovery regarding any payment of "loss" by us under this Coverage Part. The "insureds" shall execute all papers required and do everything necessary to secure and preserve such rights, including the execution of any documents necessary to enable us to effectively bring suit in the name of the "insureds". The "insureds" shall do nothing to prejudice our position or any potential or actual rights of recovery.
2. We shall not exercise our rights of subrogation against an "insured person" under this Coverage Part unless such "insured person" has:
 - a. obtained any personal profit, remuneration or advantage to which such "insured person" was not legally entitled, or
 - b. committed a criminal or deliberately fraudulent act or omission or any willful violation of law, if a judgment or other final adjudication establishes such personal profit, remuneration, advantage, act, omission, or violation.

I. Allocation

Where "insureds" who are afforded coverage for a "claim" incur an amount consisting of both "loss" that is covered by this Coverage Part and also loss that is not covered by this Coverage Part, because such "claim" includes both covered and uncovered matters, then coverage shall apply as follows:

1. with respect to a covered "claim" for which we have the duty to defend:
 - a. 100% of the "insured's" "claim expenses" shall be allocated to covered "loss"; and
 - b. All other "loss" shall be allocated between covered "loss" and non-covered loss based upon the relative legal exposure of all parties to such matters.
2. with respect to a covered "claim" for which we do not have the duty to defend, all "loss" shall be allocated between covered "loss" and non-covered loss based upon the relative legal exposure of all parties to such matters.

SECTION IX - CONDITIONS**A. Coverage Part Priority; Headings**

If any provision in this Coverage Part is inconsistent or in conflict with the terms and conditions of any provisions in this Policy, the terms and conditions of this Coverage Part shall control only for purposes of determining coverage hereunder. The headings of the various sections of this Coverage Part are intended for reference only and shall not be part of the terms and conditions of coverage.

B. Notice Addresses

1. All notices to the "insureds" shall be sent to the first "named insured" at the address specified in the Declarations.
2. All notices to us shall be sent to the address specified in the Declarations. Any such notice shall be effective upon receipt by us at such address.

C. Spousal/Domestic Partner Liability Coverage

Coverage shall apply to the lawful spouse or "domestic partner" of an "insured person" for a "claim" made against such spouse or "domestic partner", provided that:

1. such "claim" arises solely out of:
 - a. such person's status as the spouse or "domestic partner" of an "insured person"; or
 - b. such spouse or "domestic partner's" ownership of property sought as recovery for a "wrongful act";
2. the "insured person" is named in such "claim" together with the spouse or "domestic partner"; and
3. coverage of the spouse or "domestic partner" shall be on the same terms and conditions, including any applicable Deductible, that applies to coverage of the "insured person" for such "claim".

No coverage shall apply to any "claim" for a "wrongful act" of such spouse or "domestic partner".

**D. Estates and Legal Representatives**

In the event of the death, incapacity or bankruptcy of an "insured person", any "claim" made against the estate, heirs, legal representatives or assigns of such "insured person" for a "wrongful act" of such "insured person" shall be deemed to be a "claim" made against such "insured person". No coverage shall apply to any "claim" for a "wrongful act" of such estate, heirs, legal representatives or assigns.

E. Minimum Standards

In the event that there is an inconsistency between:

1. the terms and conditions that are required to meet minimum standards of a state's law (pursuant to a state amendatory endorsement attached to this Coverage Part), and
2. any other term or condition of this Coverage Part,

it is understood and agreed that, where permitted by law, we shall apply those terms and conditions of 1. or 2. above that are more favorable to the "insured".

F. Other Insurance

1. The coverage provided under this Coverage Part for any "employment practices claim" shall be primary.
2. Notwithstanding the above, the coverage provided under this Coverage Part for any "employment practices claim" made against a temporary, leased or loaned "employee" or an "independent contractor" shall be excess of the amount of any deductible, retention and limits of liability under any other policy or policies applicable to such "claim", whether such other policy or policies are stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written specifically excess of this Policy by reference in such other policy or policies to this Policy's Policy number.

G. Interrelationship of Claims

All "claims" based upon, arising from or in any way related to the same "wrongful act" or "interrelated wrongful acts" shall be deemed to be a single "claim" for all purposes under this Coverage Part first made on the earliest date that:

1. any of such "claims" was first made, regardless of whether such date is before or during the "policy period";
2. notice of any "wrongful act" described above was given to us under this Coverage Part pursuant to Sections IV or VIII; or
3. notice of any "wrongful act" described above was given under any prior insurance policy.

H. Deductible Waiver

Regarding a "claim" that is a class action civil proceeding, no Deductible shall apply to "claim expenses" incurred in connection with such "claim", and we shall reimburse the "insureds" for any covered "claim expenses" paid by the "insureds" within the Deductible otherwise applicable to such "claim", if a:

1. final adjudication with prejudice pursuant to a trial, motion to dismiss or motion for summary judgment; or
2. complete and final settlement with prejudice;

establishes that none of the "insureds" in such "claim" are liable for any "loss".

I. Application

1. The "insureds" represent that the Declarations and statements contained in the "application" are true, accurate and complete. This Coverage Part is issued in reliance upon the "application".
2. If the "application" contains intentional misrepresentations or misrepresentations that materially affect the acceptance of the risk by us no coverage shall be afforded under this Coverage Part for any "insureds" who knew on the Effective Date of this Coverage Part of the facts that were so misrepresented, provided that:
 - a. knowledge possessed by any "insured person" shall not be imputed to any other "insured person"; and
 - b. knowledge possessed by any of your chief executive officer, general counsel, chief financial officer, human resources director or any position equivalent to the foregoing of the "named insured", or anyone signing the "application", shall be imputed to all "insured entities". No other person's knowledge shall be imputed to an "insured entity".

**J. Changes in Exposure****1. Acquisitions or Created Subsidiaries**

If, before or during the "policy period", any "insured entity" acquires or creates a "subsidiary", then such acquired or created entity and its subsidiaries, and any natural persons that would qualify as "insured persons" thereof, shall be "insureds" to the extent such entities and persons would otherwise qualify as "insureds" under this Coverage Part, but only for "wrongful acts" occurring after such acquisition or creation. No coverage shall be available for any "wrongful act" of such "insureds" occurring before such acquisition or creation, or for any "interrelated wrongful acts" thereto.

However, if the fair value of the assets of any such acquired or created entity exceed 25% of the total assets of the "named insured" as reflected in its most recent consolidated financial statements prior to such acquisition or creation, then, as a condition precedent to coverage hereunder, the "insureds" shall give us written notice and full, written details of the acquisition or creation as soon as practicable (but, in all cases, within ninety (90) days of such acquisition or creation). There shall be no coverage under any renewal or replacement of this Coverage Part for any such new "subsidiary" and its subsidiaries, and any natural persons that would qualify as "insured persons" thereof, unless the "insureds" comply with the terms of this provision.

2. Mergers

If, before or during the "policy period", any "insured entity" merges with another entity such that the "insured entity" is the surviving entity, then such merged entity and its subsidiaries, and any natural persons that would qualify as "insured persons" thereof, shall be "insureds" to the extent such entities and persons would otherwise qualify as "insureds" under this Coverage Part, but only for "wrongful acts" occurring after such merger. No coverage shall be available for any "wrongful act" of such "insureds" occurring before such merger or for any "interrelated wrongful acts" thereto.

However, if the fair value of the assets of any newly merged entity exceed 25% of the total assets of the "named insured" as reflected in its most recent consolidated financial statements prior to such merger, then, as a condition precedent to coverage hereunder, the "insureds" shall give us written notice and full, written details of the merger as soon as practicable (but, in all cases, within ninety (90) days of such merger). There shall be no coverage under any renewal or replacement of this Coverage Part for any newly merged entity or any of its subsidiaries, and any natural persons that would qualify as "insured persons" thereof, unless the "insureds" comply with the terms of this provision.

3. Takeover of Named Insured

If, before or during the "policy period":

- a. the "named insured" merges into or consolidates with another entity such that the "named insured" is not the surviving entity; or
- b. more than 50% of the securities representing the right to vote for the "named insured's" board of directors or managers is acquired by another person or entity, group of persons or entities, or persons and entities acting in concert,

then coverage shall continue under this Coverage Part, but only for "wrongful acts" occurring before any such transaction. No coverage shall be available for any "wrongful act" occurring after such transaction. Upon such transaction, this Coverage Part shall not be cancelled and the entire premium for this Coverage Part shall be deemed fully earned. The "insured" shall give us written notice and full, written details of such transaction as soon as practicable (but, in all cases, within ninety (90) days of such transaction). If any transaction described herein occurs, then we will not be obligated to offer any renewal or replacement of this Coverage Part.

4. Loss of Subsidiary Status

If, before or during the "policy period", any entity ceases to be a "subsidiary", then coverage shall be available under this Coverage Part for such "subsidiary" and its "insured persons", but only for a "wrongful act" of such "insureds" occurring before such transaction. No coverage shall be available for any "wrongful act" of such "insureds" occurring after such transaction.



K. References To Laws

1. Wherever this Coverage Part mentions any law, including, without limitation, any statute, Act or Code of the United States, such mention shall be deemed to include all amendments of, and all rules or regulations promulgated under, such law.
2. Wherever this Coverage Part mentions any law or laws, including, without limitation, any statute, Act or Code of the United States, and such mention is followed by the phrase "or any similar law", such phrase shall be deemed to include all similar laws of all jurisdictions throughout the world, including, without limitation, statutes and any rules or regulations promulgated under such statutes as well as common law.

L. Action Against Us

1. No action shall be taken against us unless there shall have been full compliance with all the terms and conditions of this Coverage Part.
2. No person or organization shall have any right under this Coverage Part to join us as a party to any "claim" against the "insureds" nor shall we be impleaded by the "insureds" in any such "claim".

M. Entire Agreement

This Coverage Part, the "application" and any written endorsements attached hereto, along with the Declarations constitute the entire agreement between you and us relating to this Coverage Part's insurance.

N. Bankruptcy or Insolvency

Bankruptcy or insolvency of any "insureds" shall not relieve us of any of our obligations under this Coverage Part.

O. Authorization of First Named Insured

The first "named insured" shall act on behalf of all "Insureds" with respect to all matters under this Coverage Part, including, without limitation, giving and receiving of notices regarding "claims", cancellation, election of the Extended Reporting Period, payment of premiums, receipt of any return premiums, and acceptance of any endorsements to this Coverage Part.

P. When We Do Not Renew

1. If we decide not to renew this Coverage Part, we will mail or deliver to the first "named insured" shown in the Declarations written notice of the nonrenewal not less than thirty (30) days before the expiration date.
2. If notice is mailed, proof of mailing will be sufficient proof of notice.
3. Any state amendatory endorsement changing Nonrenewal Conditions for any part of this Policy shall also apply to this Coverage Part.



MISSOURI CHANGES - EMPLOYMENT PRACTICES LIABILITY

This endorsement modifies insurance provided under the following:

EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM

I. SECTION II – DEFINITIONS, is amended as follows:

A. The following is added to **D. "claim expenses"**:

d. "damages", or benefit expenses associated with us, any of our employees or officials.

B. The following is added to **F. "damages"**:

With respect to the insurability of punitive or exemplary damages in the state of Missouri, "damages" does include coverage for punitive or exemplary damages.

II. SECTION VIII. – DUTIES IN THE EVENT OF CLAIM; DEFENSE AND SETTLEMENT, G. is amended to add the following:

However, no "claim" will be denied based upon your failure to provide notice within such specified time, unless this failure operates to prejudice us,

III. SECTION IX - CONDITIONS is amended to add the following condition:

Q. Your Right To Claim And Wrongful Act Information

a. Subject to paragraph **e.** below, we will provide the first "named insured" shown in the Declarations, within thirty (30) days of the "insured's" written request or at the same time as any notice of cancellation or nonrenewal, the following "claim" and "wrongful act" information relating to claims-made Coverage Parts we have issued to you within the latest three years:

(1) Information concerning closed "claims" limited to the date and descriptions of the "wrongful act" and total amount of payments, if any;

(2) Information concerning open "claims" limited to the date and description of the "wrongful act," total amount of payments and total reserves, if any; and

(3) Information concerning "wrongful acts" not included in subparagraphs **(1)** and **(2)** above limited to the date and description of the "wrongful act" and total reserves, if any.

b. Subject to paragraph **e.** below, we will provide the first "named insured" shown in the Declarations, within twenty (20) days after receipt of written request by the "named insured", detailed "claim" and "wrongful act" information in addition to that provided under paragraph **a.** above and including specific reserve amounts.

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

d. We compile "claim" and "wrongful act" information for our own business purpose and exercise reasonable care in doing so. In providing this information to the first "named insured" we make no representations or warranties to "insured's", 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.

e. We will not provide the information included in paragraphs **a.** and **b.** above, if this Coverage Part has been canceled for nonpayment of premium, material misrepresentations or fraud on the part of the "insured".

IV. SECTION IX. CONDITIONS, P. When We Do Not Renew, is deleted and replaced with the following:

P. When We Do Not Renew

1. We may elect not to renew this Coverage Part by mailing or delivering to the first "named insured" shown in the declarations, at the last mailing address known to us, written notice of nonrenewal, stating the actual reason for nonrenewal, not less than sixty (60) days prior to the effective date of the nonrenewal.

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



WAGE AND HOUR CLAIMS EXPENSES - EMPLOYMENT PRACTICES LIABILITY

This endorsement modifies insurance provided under the following:

EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM

Exclusion **B.** in **SECTION III - EXCLUSIONS** is deleted and replaced by the following:

B. We shall not pay "loss" in connection with any "claim" based upon, arising from, or in any way related to:

1. any claims for unpaid wages (including overtime pay), workers' compensation benefits, unemployment compensation, disability benefits, or social security benefits;
2. any actual or alleged violation of the Worker Adjustment and Retraining Notification Act, the National Labor Relations Act, the Occupational Safety and Health Act, the Consolidated Omnibus Budget Reconciliation Act of 1985, "ERISA", or any similar law; or
3. any "wage and hour violation".

Provided, however, that this Exclusion B. shall not apply to that portion of "loss" that represents:

- a. a specific amount the "insureds" become legally obligated to pay solely for a "wrongful act" of "retaliation"; or
- b. "Claims expenses" incurred to defend a "wage and hour violation" referenced in sub-paragraph 3. above subject to a Sub-Limit of Liability of \$25,000 that is part of, and not in addition to, the Limits of Liability applicable to this Coverage Part (the Wage and Hour Defense Costs Sub-Limit). Moreover:
 1. SECTION VIII.I.2. of this Coverage Part notwithstanding, 100% of the "insured's" "claims expenses" covered pursuant to this sub-paragraph b. shall be allocated to covered "loss" until the Wage and Hour Defense Costs Sub-Limit is exhausted. Once the Wage and Hour Defense Costs Sub-Limit is exhausted, allocation shall continue in accordance with SECTION VIII.I.2.;
 2. the Wage and Hour Defense Costs Sub-Limit is available notwithstanding the fact that a "wage and hour violation" is not an "employment practices wrongful act"; and
 3. the Wage and Hour Defense Costs Sub-Limit is only available for "claim expenses" incurred to defend a "wage and hour violation" that occurred on or after the "retroactive date" and before the end of the "policy period", regardless of whether any such "claim" for a "wage and hour violation" is made during the "policy period" or the Extended Reporting Period, if applicable.

All other terms and conditions of this Coverage Part remain unchanged.



THIRD PARTY LIABILITY ENDORSEMENT – EMPLOYMENT PRACTICES LIABILITY

This endorsement modifies insurance provided under the following:

EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM

I. SECTION I - INSURING AGREEMENT of this Coverage Part is amended to include the following:

Third Party Liability

We shall pay "loss" on behalf of the "insureds" resulting from a "third party claim" first made against the "insureds" during the "policy period" or the Extended Reporting Period, if applicable, for a "third party wrongful act" by the "insureds."

II. SECTION II - DEFINITIONS of this Coverage Part is amended in the following manner:

A. The definition of "claim" is amended to include the following:

"Claim" also means any "third party claim".

B. The definition of "wrongful act" is amended to include the following:

"Wrongful act" also means any actual or alleged "third party wrongful act".

C. The following definitions are added:

"Third party" means any natural person who is a customer, vendor, service provider or other business invitee of an "insured entity". "Third party" shall not include "employees".

"Third party claim" means any:

1. written demand for monetary damages or other civil non-monetary relief commenced by the receipt of such demand;
2. civil proceeding, including an arbitration or other alternative dispute resolution proceeding, commenced by the service of a complaint, filing of a demand for arbitration, or similar pleading; or
3. Formal administrative or regulatory proceeding commenced by the filing of a notice of charges, formal investigative order or similar document;

by or on behalf of a "third party".

"Third party claim" also means a written request to the "insureds" to toll or waive a statute of limitations regarding a potential "third party claim" as described above. Such "claim" shall be commenced by the receipt of such request.

"Third party wrongful act" means:

1. discrimination against a "third party" based upon age, gender, race, color, national origin, religion, creed, marital status, sexual orientation or preference, pregnancy, disability, HIV or other health status, Vietnam Era Veteran or other military status, or other protected status established under federal, state or local law; or
2. sexual harassment or other harassment of a "third party", including unwelcome sexual advances, requests for sexual favors or other conduct of a sexual nature.

III. The following exclusion is added to **SECTION III - EXCLUSIONS:**

We shall not pay "loss" in connection with any "third party claim" based upon, arising from or in any way related to any price discrimination or violation of any anti-trust law or any similar law designed to protect competition or prevent unfair trade practices.

All other terms and conditions of this Coverage Part remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



RETROACTIVE DATE ENDORSEMENT – EMPLOYMENT PRACTICES LIABILITY

This endorsement modifies insurance provided under the following:

EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM

I. SECTION I - INSURING AGREEMENT of this Coverage Part is amended to include the following:

This Coverage Part applies only to "claims" for "wrongful acts" that occurred on or after the "retroactive date" set forth in the Declarations and before the end of the "policy period", regardless of whether such "claim" is made during the "policy period" or the Extended Reporting Period, if applicable.

II. The following definition is added to **SECTION II - DEFINITIONS** of this Coverage Part:

"Retroactive date" means the date specified in the Declarations. If no date is specified, the "retroactive date" will be the same as the Effective Date of this Coverage Part.

All other terms and conditions of this Coverage Part remain unchanged.



IMPORTANT NOTICE TO MISSOURI POLICYHOLDER

CLAIMS MADE COVERAGE

You are receiving this Notice because your Spectrum Policy includes certain coverage which is provided on a claims made basis. In Missouri, we are required to provide this notice which explains important differences between Occurrence coverage and Claims made coverage. Claims made coverage applies only to claims made against you and reported to us after the start of the policy and before the end of the policy period for claims involving wrongful acts that occur after the retroactive date (explained below) and before the end of the policy period. When Claims made coverage is terminated, an extended reporting period may be available.

How is Occurrence different from Claims Made?

There is no difference in the kinds of wrongful acts covered by an occurrence coverage or claims made coverage. However, claims for wrongful acts may be assigned to different policy periods, depending on which coverage applies. In occurrence coverage, the coverage is provided for liability because of a wrongful act that occurs during the policy period, no matter when the claim is made.

With claims made coverage, coverage is provided for liability because of a wrongful act if the claim for damages is first made during the policy period. The claim must be a demand for damages by a third party but it does not have to be in writing. Usually, a claim is made when it is received and recorded by you or by us. Sometimes, however, a claim may be considered made at an earlier time. This can happen when another claim for the same wrongful act has already been made, or when the claim is received and recorded during an extended reporting period.

Two concepts relating to continuation of coverage under claims made coverage are especially important to understand. These involve the Retroactive Date and the Extended Reporting Period.

Retroactive Date

When a Retroactive Date appears on the Declarations page of your policy (or schedule of the endorsements when coverage is provided by endorsement), there is no coverage for wrongful acts that happened before the retroactive date, even if the claim is first made during the policy period.

If there is no Retroactive Date on the Declarations page of your policy (or schedule of endorsements when coverage is provided by endorsement), coverage will respond only to claims first made during the policy period for covered wrongful acts, no matter when the wrongful act occurred. But if previous occurrence type insurance also applies to the wrongful act, your claims made coverage will be excess - that is, it will apply only after the previous insurance is used up.

If there is a Retroactive Date, it cannot be moved ahead in time, except under certain circumstances (e.g. you change insurers, there is a substantial change in your operations that increases your exposure to loss, you fail to provide us with information you knew about the nature of the business), and then only with your written consent. It is important to understand how the claims made coverage's extended reporting period guarantees continuity of coverage if you are offered a renewal or replacement coverage with a later Retroactive Date than the one in your current coverage.

Extended Reporting Period

If a claim is made after the termination of your claims made coverage, you may not have coverage for that claim unless you have purchased an Extended Reporting Period endorsement. Extended Reporting Period Endorsements generally must be offered to you with at least the remaining aggregate limit of your terminated coverage, for at least one year. An additional premium is typically charged for an Extended Reporting Period.

Carefully review the coverage provisions regarding the available Extended Reporting Period, especially the length of coverage and price, and the time during which you must purchase or accept any offered Extended Reporting Period.

Should you have any questions please contact your Hartford agent, broker or representative.

Insurance Policy Billing Information

Thank you for selecting The Hartford for your business insurance needs.

Shortly, you will receive your first bill from us. You are receiving this Notice so you know what to expect as a valued customer of The Hartford. Should you have any questions after reviewing this information, please contact us at 866-467-8730, and we will be happy to assist you.

- o Your total policy premium will appear on your policy's Declarations Page. You will be billed based on the payment plan you selected.
- o You may pay the "minimum due" as it appears on your insurance bill or pay the policy balance in full.
- o An installment service fee is added to each installment. A late fee will also be applied if the "minimum due" is not **received** by the due date shown on your bill. Service and late payment fees do not apply in all states.
- o If you selected installment billing, any credit or additional premium due as the result of a change made to your policy, will be spread over the remaining billing installments. Additional premium due as a result of an **audit** will be billed in full on your next bill date following the completion of the audit.
- o If you elected Electronic Funds Transfer (EFT), policy changes may result in changes to the amount automatically withdrawn from your bank account. The invoice you receive following a policy change will include future withdrawal amounts. If you need to adjust or stop your next scheduled EFT withdrawal, please contact us **at least 3 days prior** to the scheduled withdrawal date at the telephone number shown below.
- o If you selected installment billing and pay the premiums for your first policy term on time, at renewal, your account may qualify for our "Equal Installment" feature. This means that the percentage due for each installment, including the initial renewal installment, will be the same throughout the policy term – helping you better manage cash flow. Equal installments will continue as long as you pay your premiums on time and no cancellation notices are issued for any policy on your account. If you no longer qualify for Equal Installments, future renewals will be billed based on the payment plan you selected, which includes a higher initial installment amount.
- o If your policy is eligible for renewal, your bill for the upcoming policy term will be sent to you approximately 30 days prior to your policy's renewal date. If your insurance needs change, please contact us at least 60 days prior to your renewal date so we can properly address any adjustments needed.
- o **One bill convenience** -- you have the option of combining all eligible Hartford policies on one single bill allowing you to make one payment for all policies on your account as payments are due.

You're In Control

In addition to selecting a bill plan option that best meets your budget, you have the flexibility to decide **how** your payments are made ...

- o **Repetitive EFT:** Sign up for Repetitive EFT payments and have payments automatically withdrawn from your bank account. This option saves you money by reducing the amount of the installment service fee.
- o **Pay Online:** Register at www.thehartford.com/servicecenter. Online Bill Pay is Quick, Easy and Secure!
- o **Pay by Check:** Send a check with your remittance stub in the envelope provided with your bill.
- o **Pay by Phone:** Call toll-free 1-866-467-8730.

Should you have any questions about your bill, please call Customer Service toll-free number:
1-866-467-8730 - 7AM – 7PM CST. We look forward to being of service to you.



COMMON POLICY CONDITIONS

DECLARATIONS AND COMMON POLICY CONDITIONS

I. DECLARATIONS

Named Insured and Mailing Address
Policy Period
Description and Business Location
Coverages and Limits of Insurance

II. COMMON POLICY CONDITIONS

QUICK REFERENCE - SPECTRUM POLICY

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COMMON POLICY CONDITIONS

All coverages of this Policy are subject to the following conditions:

A. CANCELLATION

1. The first Named Insured shown in the Declarations may cancel this Policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this Policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 5 days before the effective date of cancellation if any one of the following conditions exists at any building that is Covered Property in this Policy:
 - (1) The building has been vacant or unoccupied 60 or more consecutive days. This does not apply to:
 - (a) Seasonal unoccupancy; or
 - (b) Buildings in the course of construction, renovation or addition.
Buildings with 65% or more of the rental units or floor area vacant or unoccupied are considered unoccupied under this provision.
 - (2) After damage by a Covered Cause of Loss, permanent repairs to the building:
 - (a) Have not started; and
 - (b) Have not been contracted for,
within 30 days of initial payment of loss.
 - (3) The building has:
 - (a) An outstanding order to vacate;
 - (b) An outstanding demolition order; or
 - (c) Been declared unsafe by governmental authority.
 - (4) Fixed and salvageable items have been or are being removed from the building and are not being replaced. This does not apply to such removal that is necessary or incidental to any renovation or remodeling.
 - (5) Failure to:
 - (a) Furnish necessary heat, water, sewer service or electricity for 30 consecutive days or more, except during a period of seasonal unoccupancy; or
 - (b) Pay property taxes that are owed and have been outstanding for more than one year following the date due. 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 canceled, we will send the first Named Insured any premium refund due. Such 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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



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 the Policy at any time during the policy period and up to three years afterward.

E. INSPECTIONS AND SURVEYS

1. We have the right but are not obligated to:
 - a. Make inspections and surveys at any time;
 - b. Give you reports on the conditions we find; and
 - c. Recommend changes.
2. Any inspections, surveys, reports or recommendations will 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 any person. We do not represent or warrant that conditions:
 - a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.
3. This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations on our behalf.

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 at any time during, the policy period, the broadened coverage will immediately apply to this Policy.

H. PREMIUMS

1. The first Named Insured shown in the Declarations:
 - a. Is responsible for the payment of all premiums; and
 - b. Will be the payee for any return premiums we pay.
2. The premium shown in the Declarations was computed based on rates in effect at the time the Policy was issued. If applicable, 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 policy 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. Changes in exposures or changes in your business operation, acquisition or use of locations that are not shown in the Declarations may occur during the policy period. If so, we may require an additional premium. That premium will be determined in accordance with our rates and rules then in effect.

I. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

- 1. Your rights and duties under this Policy may not be transferred without our written consent except in the case of death of an individual Named Insured.
- 2. If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

J. PREMIUM AUDIT

- 1. We will compute all premiums for this Policy in accordance with our rules and rates.
- 2. The premium amount shown in the Declarations is a deposit premium only. At the close of each policy period, we may do an audit to compute the earned premium for that period. Any additional premium found to be due as a result of the audit are due and payable on notice to the first Named Insured. If the deposit premium paid for the policy term is greater than the earned premium, we will return the excess to the first Named Insured.
- 3. The first Named Insured must maintain all records related to the coverage provided by this Policy and necessary to finalize the premium audit, and send us copies of the same upon our request.

K. PAYMENT OF PREMIUMS

If your initial premium payment is by check draft, electronic funds transfer, credit card, debit card, or any other form of remittance, coverage under the Policy is conditioned on payment to us by the financial institution. If the financial institution does not honor such remittance upon presentment, this policy may, at our option, be deemed void from its inception.

Our President and Secretary have signed this Policy. Where required by law, the Declarations page has also been countersigned by our duly authorized representative.

Kevin Barnett, Secretary

A. Morris Tooker, President



MISSOURI CHANGES - COMMON POLICY CONDITIONS

This endorsement modifies insurance provided under the following:

COMMON POLICY CONDITIONS

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

A. The following changes are made to Section A., CANCELLATION:

1. Paragraph 2. is deleted and replaced by the following:

We may cancel this Policy by mailing or delivering to the first Named Insured written notice of cancellation, stating the actual reason for cancellation, at least:

- a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium;
- b. 30 days before the effective date of cancellation if cancellation is for one or more of the following reasons:
 - (1) Fraud or material misrepresentation affecting this Policy or a violation of any of the terms or conditions of this Policy;
 - (2) Changes in conditions after the effective date of this Policy which have materially increased the risk assumed;
 - (3) We become insolvent; or,
 - (4) We involuntarily lose reinsurance for this Policy.
- c. 60 days before the effective date of cancellation if we cancel for any other reason.

2. The following provision is added:

Pro Rata Cancellation

- a. If this Policy is canceled, we will send the first Named Insured any premium refund due. The refund will be pro rata. The cancellation will be effective even if we have not made or offered a refund.

B. Paragraph I. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY is deleted and replaced by the following:

TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

1. Transfer By Beneficiary Deed

If you convey real property insured under this Policy to a person (known as a grantee beneficiary) designated under a beneficiary deed, which has been properly recorded prior to your death, that person will have your rights and duties with respect to the insured real property, but only for the period from the date of your death until the first of the following occurs:

- a. A period of 30 days from the date of your death;
- b. The date that alternative coverage is obtained on your property; or
- c. The end of the policy period as shown in the Declarations.

2. Transfer By Other Means Following Death

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. 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.



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

NONRENEWAL

1. We may elect not to renew this Policy by mailing or delivering to the first Named Insured, at the last mailing address known to us, written notice of nonrenewal, stating the actual reason for nonrenewal, at least 60 days prior to the effective date of the nonrenewal.
2. If notice is mailed, proof of mailing will be sufficient proof of notice.

D. The following provision is added to the Policy:

In this Policy, any exclusion, limitation or other provision relating to "pollutants", or any amendment to or replacement of such exclusions, limitations or other provisions, applies even if such irritant or contaminant has a function in your business, operations, premises, site or location.

E. The following provision is added to the Policy:

Missouri Property and Casualty Insurance Guaranty Association Coverage Limitations

1. Subject to the provisions of the Missouri Property and Casualty Insurance Guaranty Association Act (to be referred to as the Act), if we are a member of the Missouri Property and Casualty Insurance Guaranty Association (to be referred to as the Association), the Association will pay claims covered under the Act if we become insolvent.
2. The Act contains various exclusions, conditions and limitations that govern a claimant's eligibility to collect payment from the Association and affect the amount of any payment. The following limitations apply, subject to all other provisions of the Act:
 - a. Claims covered by the Association do not include a claim by or against an insured of an insolvent insurer, if the insured has a net worth of more than \$25 million, as defined by Section 375.772 RSMO., on the date the insurer becomes insolvent.
 - b. Payments made by the Association for covered claims will include only that amount of each claim which is less than \$300,000.

However, the Association will not:

 - (1) Pay an amount in excess of the applicable limit of insurance of the Policy from which a claim arises; or
 - (2) Return to an insured any unearned premium in excess of \$25,000.

These limitations have no effect on the coverage we will provide under this Policy.

F. The following provision is added to the Policy:

Condition Applicable to Missouri

No claim will be denied based upon the insured's failure to provide notice within such specified time, unless this failure operates to prejudice the rights of the insurer, as per Missouri regulation 20CSR100-1.020.



IMPORTANT INFORMATION FOR MISSOURI POLICYHOLDERS

IN THE EVENT YOU NEED TO CONTACT SOMEONE ABOUT THIS POLICY, PLEASE CONTACT YOUR HARTFORD AGENT.

If you have additional questions, you may contact The Hartford at the address stated below.

SERVICING OFFICE:

THE HARTFORD
BUSINESS SERVICE CENTER
3600 WISEMAN BLVD
SAN ANTONIO TX 78251

Written correspondence is preferable so that a record of your inquiry is maintained.

PLEASE MAKE SURE TO INCLUDE YOUR POLICY NUMBER IN ANY CORRESPONDENCE.



PRODUCER COMPENSATION NOTICE

You can review and obtain information on The Hartford's producer compensation practices at www.TheHartford.com or at 1-800-592-5717.



DISCLOSURE/CAP ON LOSSES - TERRORISM RISK INSURANCE ACT

THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT.

POLICY NUMBER: 01 SBW BP9JF3

SCHEDULE

Terrorism Premium:

\$34

A. Disclosure Of Premium

In accordance with the federal Terrorism Risk Insurance Act, as amended (TRIA), we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for "certified acts of terrorism" under TRIA. The portion of your premium attributable to terrorism coverage is shown in the above Schedule of this endorsement.

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

1. A "certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of TRIA, to be an act of terrorism under TRIA. The criteria contained in TRIA for a "certified act of terrorism" include the following:
 - a. The act results in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to TRIA; and
 - b. The act results in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of an 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.

C. Disclosure Of Federal Share Of Terrorism Losses

The United States Department of the Treasury will reimburse insurers for 80% of insured losses attributable to "certified acts of terrorism" under TRIA that exceeds the applicable insurer deductible.

However, if aggregate industry insured losses attributable to "certified acts of terrorism" under TRIA, 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. The United States government has not charged any premium for their participation in covering terrorism losses.

D. Cap On Insurer Liability for Terrorism Losses

If aggregate industry insured losses attributable to "certified acts of terrorism" under TRIA exceed \$100 billion in a calendar year and we have met, or will meet, our insurer deductible under TRIA, we shall not be liable for the payment of any portion of the amount of such losses that exceed \$100 billion. In such case, your coverage for terrorism losses may be reduced on a pro-rata basis in accordance with procedures established by the Treasury, based on its

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



estimates of aggregate industry losses and our estimate that we will exceed our insurer deductible. In accordance with the Treasury's procedures, amounts paid for losses may be subject to further adjustments based on differences between actual losses and estimates.

E. Application of Other Exclusions

The terms and limitations of any terrorism exclusion, the inapplicability or omission of a terrorism exclusion, or the inclusion of terrorism coverage, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Form, Coverage Part or Policy, such as losses excluded by any pollution, pathogenic, nuclear hazard or war exclusions.

F. All other terms and conditions remain the same.



U.S. DEPARTMENT OF THE TREASURY, 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 the United States. **Please read this Notice carefully.**

The Office of Foreign Assets Control ("OFAC") of the U.S. Department of the Treasury administers and enforces economic and trade sanctions based on U.S. foreign policy and national security goals against targeted foreign countries and regimes, terrorists, international narcotics traffickers, those engaged in activities related to the proliferation of weapons of mass destruction, and other threats to the national security, foreign policy or economy of the United States. OFAC acts under Presidential national emergency powers, as well as authority granted by specific legislation, to impose controls on transactions and freeze assets under U.S. jurisdiction. OFAC publishes a list of individuals and companies owned or controlled by, or acting for or on behalf of, targeted countries. It also lists individuals, groups, and entities, such as terrorists and narcotics traffickers designated under programs that are not country-specific. Collectively, such individuals and companies are called "Specially Designated Nationals and Blocked Persons" or "SDNs". Their assets are blocked and U.S. persons are generally prohibited from dealing with them. This list can be located on OFAC's web site at – <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 an SDN, as identified by OFAC, the policy is a blocked contract and all dealings with it must involve 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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



TRADE OR ECONOMIC SANCTIONS ENDORSEMENT

POLICY NUMBER: 01 SBW BP9JF3

NAMED INSURED: Simply Threads LLC

COMPANY NAME: Property and Casualty Insurance Company of Hartford

EFFECTIVE DATE: 03/24/2025

EXPIRATION DATE: 03/24/2026

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance, including, but not limited to, the payment of claims.

All other terms and conditions remain unchanged.



GOODS AND SERVICES ENDORSEMENT

We may offer or make “goods or services” available to you through this underwriting company, a non-insurer subsidiary, or unaffiliated third parties as a part of this policy. The “goods or services” may be provided for a charge, at a discount, on a subsidized basis, or free of charge. In some cases, we may receive a fee from the unaffiliated third parties that provide “goods or services”. We do not warrant or guarantee the “goods or services” provided by third parties, and such third parties shall be solely liable and responsible for the “goods or services” they provide. The “goods or services” offered or made available by us may be modified or discontinued at any time.

“Goods or services” means goods, products or services, including but not limited to risk mitigation, safety, and/or loss prevention services or equipment.