



AMERICAN FAMILY INSURANCE COMPANY  
2505 FORESIGHT CIR UNIT B  
GRAND JUNCTION CO 81505-1081

February 19, 2024



001273EC124DAA2040500537 023603 101  
DESERT PEAKS BUSINESS COMPLEX CONDO  
C/O HOA SERVICES INC  
607 S 7TH ST  
GRAND JUNCTION CO 81501-7734

Regarding your Businessowners Policy

## Our offer to renew your insurance policy is enclosed

Your renewal bill will be sent separately

| Policy number  | Billing account number | Renewal Date |
|----------------|------------------------|--------------|
| 91003-34140-35 | 687-669-818-90         | 4/25/2024    |

Thank you for putting your trust in American Family Insurance Company! We value your business and work hard to protect what's important to you.

### What is in this packet?

- **Enclosed is our offer to renew the policy noted above.**
- For a summary of the policy coverage and limits provided, please see the enclosed Renewal Declarations. If you would like a more detailed explanation of the coverage, please refer to your policy and endorsements. We have also included other important and/or state specific notices relating to this policy.

### What should I do?

- **Please review all of the enclosed information carefully.** Contact your agent if you would like to make any changes to your policy.

### Anything else I should know?

- To accept our renewal offer and to maintain continuous coverage, we must receive payment by the date shown on your renewal billing notice, which will be sent separately.
- This renewal offer is only available to you if the premium for the prior term has been paid in full.

American Family Insurance Company  
1-800-MY AMFAM (1-800-692-6326) Ext. 76000

### Your Agent is:

Richard Nelson

rnelson2@amfam.com

2505 FORESIGHT CIR UNIT B  
Grand Junction CO 81505-1081  
970-241-0078

VIRTUAL AGENCY  
Palisade CO 81526  
970-241-0078

VIRTUAL AGENCY  
Fruita CO 81521  
970-241-0078

A100 00010039 001273 0000





## NOTICE TO POLICYHOLDERS

This notice describes changes in your insurance policy. This notice is not a part of your policy. For complete information on all coverages, terms, conditions and exclusions, please review your policy and its coverage summary. If there is any conflict between your policy and this notice, the provisions of the policy shall prevail.

### EXCLUSION – BIOMETRIC DATA, IDENTIFIERS OR INFORMATION, BPF 85 26 05 22

We are adding form BPF 85 26 05 22, Exclusion – Biometric Data, Identifiers Or Information to your renewal Businessowners policy with us. This form excludes liability coverage for claims arising out of, based upon, attributable to, or in any way relating to the unauthorized or illegal use of biometric data, biometric identifiers, or biometric information on others, directly or indirectly by you. Please read the exclusion carefully.

0000 00020039 001273 0000





February 19, 2024

DESERT PEAKS BUSINESS COMPLEX CONDO  
C/O HOA SERVICES INC  
607 S 7TH ST  
GRAND JUNCTION CO 81501-7734

*Regarding your Businessowners Policy*

## Important information pertaining to your Renewal

| Policy number  | Renewal date |
|----------------|--------------|
| 91003-34140-35 | 4/25/2024    |

Thank you for choosing American Family Insurance. We truly value you as our customer and are committed to providing you the support you need to protect the things that matter most.

American Family has added Commercial Cyber Data Breach Coverage to your Businessowners Policy on the renewal date listed above.

The additional premium charge for this Cyber Data Breach Coverage is \$64.00

The Commercial Cyber Data Breach Coverage highlights are outlined as follows:

- \$25,000 liability coverage limit for:
  - “Media” loss (libel; slander; defamation; infringement of copyright, trademark; service mark, etc.)
  - “Network Security” loss (your inability to access your computer system; transmission by you of malicious software code to another’s computer or their network)
  - “Data Compromise” loss (theft, loss or unauthorized access of personally protected information from your network or computer; regulatory fines levied against you for violations of federal or state privacy information breach laws (a \$10,000 sublimit applies to the regulatory fines portion))
- \$25,000 coverage limit for:
  - “Privacy Breach” loss (expenses associated with the loss of sensitive information from your computer or system such as notification to all affected individuals as well as state and federal regulatory agencies; credit monitoring fees following the privacy information loss; investigation fees associated with the determination as to how the loss of information was permitted to happen; crisis management expenses such as appointing public relations firms to respond to public reaction to the loss of information)
  - “System Compromise” loss (expenses associated with data replacement and computer system restoration)
- \$10,000 coverage limit for an “Extortion Threat” loss (ransom demands to restore your computer software and network from a systems penetration)
- \$10,000 coverage limit for “Funds Transfer Fraud” loss (intentional deception by a hacker to convince you to transfer funds from your account to their unauthorized account)
- \$10,000 coverage limit for “Payment Card Industry” loss (your failure to comply with the federal Payment Card Industry Data Security Standards, and the accompanying fines associated with this failure to comply)

0000 00080039 001273 0000

\$1,000 deductible applies.

Additional coverage is available for the loss of income and continuing expenses you incur during the reconstruction period following a cyber data breach loss. Your agent can supply you with additional details concerning this coverage.

Please review the attached Commercial Cyber Data Breach Coverage forms carefully to ensure they meet your needs. If you would like to make changes to the available limits or to add loss of income associated with Cyber Breach to your policy, please contact your agent.

**If you would like to reject Commercial Cyber Data Breach Coverage, please complete the Coverage Rejection form below and return in the enclosed envelope or contact your agent prior to the renewal date listed above for full premium refund. Rejection requests received after the renewal date will be refunded on a prorated basis.**

Your agent has received a copy of this notice. If you have questions about this notice, please contact your agent listed below or call us at 1-800-MY AMFAM (1-800-692-6326) ext. 76000.

Commercial - Farm/Ranch Division  
1-800-MY AMFAM (1-800-692-6326)

*AMERICAN FAMILY INSURANCE COMPANY*

**Your American Family Agent is:**

Richard Nelson

[rnelson2@amfam.com](mailto:rnelson2@amfam.com)

2505 FORESIGHT CIR UNIT B  
Grand Junction CO 81505-1081  
970-241-0078

VIRTUAL AGENCY  
Palisade CO 81526  
970-241-0078

VIRTUAL AGENCY  
Fruita CO 81521  
970-241-0078

**Coverage Rejection Form - Commercial Cyber Data Breach Coverage**

If you wish to reject the Commercial Cyber Data Breach Coverage, please review, sign, and return this form in the enclosed envelope provided.

I choose to reject **Commercial Cyber Data Breach Coverage** and understand and agree that this coverage will not be added to my Businessowners Policy 91003-34140-35 on the policy Effective Date 4/25/2024. If I choose to add this coverage, I will contact my American Family agent.

\_\_\_\_\_  
Insured or Authorized Representative                      Date

Please keep a copy of this waiver of Commercial Cyber Data Breach Coverage for your records.

0000 00040039 001273 0000







AMERICAN FAMILY INSURANCE COMPANY  
2505 FORESIGHT CIR UNIT B  
GRAND JUNCTION CO 81505-1081

February 19, 2024

DESERT PEAKS BUSINESS COMPLEX CONDO  
C/O HOA SERVICES INC  
607 S 7TH ST  
GRAND JUNCTION CO 81501-7734

*Regarding your Businessowners Policy*

## Notice of Increase in Premium

Please review information below.

| Policy Number  | Effective Date | Renewal Premium |
|----------------|----------------|-----------------|
| 91003-34140-35 | 04/25/2024     | \$4,236.07      |

American Family Insurance is committed to ensuring our customers' coverage and premium accurately reflects their current situation. As part of this effort, we regularly review accounts for continued eligibility and other factors.

You are hereby notified in accordance with terms and conditions of the above mentioned policy and in accordance with law, the policy will be renewed effective on the date shown above at 12:01am, standard time, at the address shown in the policy, subject to the higher premium shown in this notice.

**Note that the change in premium is based on your expiring policy premium and may include both rate changes, changes to rating factors and any changes in exposures.**

This letter does not provide coverage or change Policy Provisions. Please read your policy for complete information regarding this change.

Thank you for being our customer. Your agent has received a copy of this letter. You have a right to cancel your policy. If you have questions about this notice or need assistance making changes to your policy, please contact your agent listed below or call us at 1-800-MY AMFAM (1-800-692-6326).

Commercial Lines Underwriting  
1-800-MY AMFAM (1-800-692-6326)

AMERICAN FAMILY INSURANCE COMPANY

0000 00050039 001273 0000



**Your American Family Agent is:**

Richard Nelson

2505 FORESIGHT CIR UNIT B  
Grand Junction CO 81505-1081  
970-241-0078

VIRTUAL AGENCY  
Palisade CO 81526  
970-241-0078

[rnelson2@amfam.com](mailto:rnelson2@amfam.com)

VIRTUAL AGENCY  
Fruita CO 81521  
970-241-0078

# Renewal Declarations Businessowners Policy



Please read your policy

American Family Insurance Company  
6000 American Parkway  
Madison WI 53783

For customer service and claims service  
24 hours a day, 7 days a week

1-800-MY AMFAM (1-800-692-6326)  
amfam.com

## Named Insured And Mailing Address

Desert Peaks Business Complex Condo  
C/O Hoa Services Inc  
607 S 7th St  
Grand Junction CO 81501-7734

## Policy Information

| Policy number  | Policy period  | Billing account number |
|----------------|--|------------------------|
| 91003-34140-35 | 4/25/2024 to 4/25/2025<br>12:01 A.M. Standard Time at your mailing<br>address shown above. | 687-669-818-90         |

## Business and Operations Information

Year Started: 2004  
Description of Business and Operations:  
Form of Business: Corporation

0000 00060039 001273 0000

Insurance applies only for coverages for which a limit of insurance or the word "Included" is shown unless coverage is provided by an endorsement. Blanket Insurance applies only for coverages for which a Blanket Limit of Insurance is shown.



As of the effective date of this policy, the Limit of Insurance as shown includes any increase in the limit due to Inflation Coverage.

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

Policy Number: 91003-34140-35

| Premium Information   |            |
|---|------------|
| <b>Total Advance Premium Per Term (Excluding Surcharges and Terrorism):</b>                             | \$4,236.07 |
| <b>Cyber Claim Support and Risk Management Surcharge:</b>   | \$7.00     |
| <b>Certified Acts of Terrorism Premium:</b>   | \$0.00     |
| <b>Total Advance Premium Per Term:</b>  | \$4,236.07 |
| <b>Premium with Customer Full Pay Discount<br/>(not available on policies billed to a Third Party):</b> | \$4,035.33 |

This premium may be subject to adjustment. You may be charged a fee when: (a) you pay less than the full amount due; (b) your payment is late; and/or (c) when your bank does not honor your check or electronic payment. Refer to your Billing Notice for fee amounts.

| Policy Level Coverages                                  |                               |
|---|-------------------------------|
| <b>Property Causes Of Loss</b>                          |                               |
| Causes Of Loss .....                                    | Risks of Direct Physical Loss |
| <b>Per Occurrence Property Deductible</b>               |                               |
| Deductible .....  | \$2,500                       |
| <b>General Liability</b>                                |                               |
| Liability And Medical Expense Limit .....               | \$2,000,000 Per Occurrence    |
| Medical Expense Limit .....                             | \$5,000                       |
| Other Than Products/Completed Operations Aggregate..... | \$4,000,000                   |
| Products/Completed Operations Aggregate .....           | \$4,000,000                   |
| <b>Cyber Data Breach Coverage</b> .....                 | Refer to BPF 84 75            |
| Without Business Interruption                           |                               |
| <b>Employment Practices Liability Insurance</b>         |                               |
| Each Insured Event Limit .....                          | \$100,000                     |
| Aggregate Limit Of Liability .....                      | \$100,000                     |
| Self-Insured Retention .....                            | \$5,000                       |
| Prior Knowledge Date .....                              | 01/01/1899                    |
| Retroactive Date .....                                  | 01/04/2017                    |
| Extended Reporting Period .....                         | No                            |

| Additional Insured(s) Information |  |          |  |
|-----------------------------------|--|----------|--|
| Name                              | Type   | Interest | Location   |
| HOA Services Inc                  | Additional Insured - Managers or Lessors Of Premises |          | 2505 Foresight Cir Unit A<br>GRAND JUNCTION CO<br>81505-1081 |

**Agent Information**

|   |   |   |
|---|---|---|
| Richard Nelson  |   | rnelson2@amfam.com                                |
| 2505 FORESIGHT CIR UNIT B<br>Grand Junction CO 81505-1081<br>970-241-0078 | VIRTUAL AGENCY<br>Palisade CO 81526<br>970-241-0078 | VIRTUAL AGENCY<br>Fruita CO 81521<br>970-241-0078 |

Policy Number: 91003-34140-35

AUTHORIZED  
REPRESENTATIVE

*William B. West*  
President

*F. Eck*  
Secretary

0000 00070039 001273 0000



Policy Number: 91003-34140-35

|   |
|---|
| <b>Location 1 - Location Level Coverages</b>                                    |
| <b>Location 1 - Location Details</b>  |
| <b>Program:</b> Office  |
| <b>Location Address:</b> 2505 Foresight Cir Unit A GRAND JUNCTION CO 81505-1081 |
| <b>Location Description:</b> 2505 Foresight Cir Unit A                          |
| <b>Windstorm Or Hail Deductible</b><br>Deductible ..... 1%                      |

Policy Number: 91003-34140-35

**Location 1 Building 1 - Building Level Coverages**

**Location 1 Building 1 - Building Level Details**

**Building Address:** 2505 Foresight Cir Unit A GRAND JUNCTION CO 81505-1081

**Occupancy:** Office Condominium Association

**Building Interest:** Owner - Leased to Other

**Building Description:** 2505 Foresight Cir E Units A, B, C, D and C2 Grand Junction, CO 81503

**Building**

Limit Of Insurance ..... \$1,376,100

Replacement Cost Coverage applies.

**Business Income Options**

Extended Number of Days For Ordinary Payroll Expense ..... 60 Days - Included

Extended Number of Days For Extended Business Income ..... 60 Days - Included

Business Income From Dependent Properties

Limit Of Insurance ..... \$5,000

Business Income And Extra Expense - Revised Period of

Indemnity - Number Of Consecutive Days ..... 24-Months

72 Hour Waiting Period Removed ..... Refer to BP 04 41

**Water Back-Up And Sump Overflow (Building)**

Building Limit ..... \$1,376,100

Deductible ..... \$1,000

0000 00080039 001273 0000



Policy Number: 91003-34140-35

| <b>Forms And Endorsements</b> |                     |  |
|-------------------------------|---------------------|--|
| <b>Form Number</b>            | <b>Edition Date</b> | <b>Title</b>   |
| BP 00 03                      | 07 13               | Businessowners Coverage Form   |
| BP 04 02                      | 07 13               | Additional Insured - Managers Or Lessors Of Premises   |
| BP 04 39                      | 07 02               | Abuse Or Molestation Exclusion   |
| BP 04 41                      | 07 13               | Business Income Changes - Time Period  |
| BP 04 54                      | 01 06               | Newly Acquired Organizations   |
| BP 04 93                      | 01 06               | Total Pollution Exclusion With A Building Heating Equipment Exception And A Hostile Fire Exception   |
| BP 05 01                      | 07 02               | Calculation of Premium   |
| BP 05 17                      | 01 06               | Exclusion - Silica Or Silica-Related Dust  |
| BP 05 24                      | 01 15               | Exclusion Of Certified Acts Of Terrorism   |
| BP 05 41                      | 01 15               | Exclusion Of Certified Acts Of Terrorism And Exclusion Of Other Acts Of Terrorism Committed Outside The United States                      |
| BP 05 77                      | 01 06               | Fungi Or Bacteria Exclusion (Liability)  |
| BP 05 98                      | 07 13               | Amendment Of Insured Contract Definition   |
| BP 14 07                      | 01 10               | Business Income And Extra Expense - Revised Period Of Indemnity  |
| BP 14 78                      | 07 13               | Exclusion Of Loss Due To By-Products Of Production Or Processing Operations (Rental Properties)  |
| BP 15 04                      | 05 14               | Exclusion - Access Or Disclosure Of Confidential Or Personal Information And Data-Related Liability - With Limited Bodily Injury Exception |
| BP 85 04                      | 07 10               | Exclusion - Lead Liability   |
| BP 85 05                      | 07 98               | Exclusion - Punitive Damages   |
| BP 85 10                      | 07 98               | Other Insurance Limitation Liability And Medical Expenses  |
| BP 85 12                      | 01 06               | Asbestos Exclusion   |
| BP IN 01                      | 07 13               | Businessowners Coverage Form Index   |
| BPF 80 01                     | 08 18               | Businessowners Policy Jacket   |
| BPF 80 03                     | 08 18               | Businessowners Coverage Form Changes   |
| BPF 81 04                     | 08 18               | Colorado Changes   |
| BPF 83 03                     | 08 18               | Windstorm Or Hail Percentage Deductibles   |
| BPF 84 11                     | 08 18               | Building Limit Inflation Protection Coverage   |
| BPF 84 21                     | 08 21               | Water Back-Up and Sump Overflow  |
| BPF 84 75                     | 10 23               | Commercial Cyber Data Breach Coverage  |
| BPF 85 25                     | 08 18               | Marijuana Exclusion  |
| BPF 85 26                     | 05 22               | Exclusion - Biometric Data, Identifiers or Information   |
| BPF 86 03                     | 08 18               | Roof Surfacing Loss Payment Schedule   |
| BPF 87 01                     | 08 18               | Condominium Association Coverage   |
| BPF 88 11                     | 08 18               | Employment Practices Liability Insurance - Colorado  |

Policy Number: 91003-34140-35

| Forms And Endorsements (continued) |              |  |
|------------------------------------|--------------|--|
| Form Number                        | Edition Date | Title  |
| CFRN 015                           | 05 22        | Notice to Policyholders - Exclusion - Biometric Data, Identifiers or Information |
| CFRN 026                           | 09 23        | Notice of Increase in Premium  |
| CFRN 027                           | 10 23        | Notice to Policyholders - Cyber Data Breach Coverage                             |
| IL 75 26                           | 12 05        | Colorado Endorsement Change  |
| PLCF 28833                         | 12 20        | Offer Of Terrorism Insurance Coverage And Disclosure Of Premium                  |

The complete policy consists of these declarations and the forms and endorsements at the time of issue.

Each paid claim under **Section II - Liability** and **Medical Expenses** coverages reduces the amount of insurance we provide during the applicable annual period. Please refer to **Section II - Liability** in the BUSINESSOWNERS COVERAGE FORM and any attached endorsements.

0000 00090039 001273 0000



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****EXCLUSION OF CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

**SCHEDULE**

|   |
|---|
| The <b>Exception Covering Certain Fire Losses</b> (Paragraph <b>B.2.</b> ) applies to property located in the following state(s): |
| Georgia, Illinois, Iowa, Missouri, Oregon, Washington, Wisconsin  |
| Information required to complete this Schedule, if not shown above, will be shown in the Declarations.                            |

- A.** The following provisions are added to the Businessowners Policy and apply to Property and Liability Coverages:
1. The following definition is added with respect to the provisions of this endorsement:  
"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:
    - a. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
    - b. 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.
  2. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for loss or injury or damage that is otherwise excluded under this Policy.
- B.** The following provisions are added to Businessowners Standard Property Coverage Form **BP 00 01**, Businessowners Special Property Coverage Form **BP 00 02** or **Section I – Property** of Businessowners Coverage Form **BP 00 03**:
1. The following exclusion is added:  
**CERTIFIED ACT OF TERRORISM EXCLUSION**  
We will not pay for loss or damage caused directly or indirectly by a "certified act of terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.
  2. **Exception Covering Certain Fire Losses**  
The following exception to the exclusion in Paragraph **B.1.** applies only if indicated and as indicated in the Schedule of this endorsement.  
If a "certified act of terrorism" results in fire, we will pay for the loss or damage caused by that fire. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense Additional Coverages.  
If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

C. The following provision is added to the Businessowners Liability Coverage Form **BP 00 06** or **Section II – Liability** of the Businessowners Coverage Form **BP 00 03**:

1. The following exclusion is added:

This insurance does not apply to:

**TERRORISM**

"Any injury or damage" arising, directly or indirectly, out of a "certified act of terrorism".

2. The following definition is added:

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

0000 00100039 001273 0000



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

**EXCLUSION OF LOSS DUE TO BY-PRODUCTS OF PRODUCTION OR  
PROCESSING OPERATIONS (RENTAL PROPERTIES)**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

**SCHEDULE**

| Premises Number  | Building Number | Description Of Rental Unit     |
|--|-----------------|--------------------------------|
| 1  | 1               | Office Condominium Association |
| Information required to complete this Schedule, if not shown above, will be shown in the Declarations. |                 |                                |

**Section I – Property** is amended as follows:

- A.** The terms of this endorsement apply to the rental unit(s) described in the Schedule, and to the building(s) in which such unit(s) are located, including any contents of such unit(s) and building(s), all of which constitute the described premises for the purpose of this endorsement.
- B.** We will not pay for loss or damage to the described premises, caused by or resulting from smoke, vapor, gas or any substance released in the course of production operations or processing operations performed at the rental unit(s) described in the Schedule. This exclusion applies regardless of whether such operations are:
1. Legally permitted or prohibited;
  2. Permitted or prohibited under the terms of the lease; or
  3. Usual to the intended occupancy of the premises.

This exclusion does not apply to loss or damage by fire or explosion that results from the release of a by-product of the production or processing operation.

- C.** If the loss or damage described in Paragraph **B.** of this endorsement results in Business Income loss or Extra Expense, there is no coverage for such loss or expense under the Business Income or Extra Expense Additional Coverages.
- D.** The conduct of a tenant's production or processing operations will not be considered to be vandalism of the rental premises regardless of whether such operations are:
1. Legally permitted or prohibited;
  2. Permitted or prohibited under the terms of the lease; or
  3. Usual to the intended occupancy of the premises.

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

**WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLES**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

**SCHEDULE**

| Premises Number | Windstorm Or Hail Deductible Percentage (Enter 1%, 2%, 5%, 7% or 10%) |
|-----------------|---|
|                 | %   |
|                 | %   |
|                 | %   |

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

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

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

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

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

**WINDSTORM OR HAIL DEDUCTIBLE CALCULATION**

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2%, 5%, 7% or 10% (as shown in the Schedule) of the Limit(s) of Insurance applicable to the property that has sustained loss or damage. If a blanket Limit of Insurance is applicable to the property that has sustained loss or damage, we will deduct an amount equal to 1%, 2%, 5%, 7% or 10% (as shown in the Schedule) of the value applicable to the property as shown in the Statement of Values – Blanket Coverage. This Deductible is calculated separately for, and

applies separately to:

1. Each Building that sustains loss or damage;
2. Each Scheduled Structure that sustains loss or damage;
3. Each Unscheduled Structure that sustains loss or damage;
4. The personal property at each Building, Scheduled Structure or Unscheduled Structure at which there is loss or damage to personal property;
5. Personal property in the open.

If there is damage to both personal property and the Building, Scheduled Structure or Unscheduled Structure that the personal property is located inside, separate deductibles apply to the personal property and to the Building, Scheduled Structure or Unscheduled Structure.

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

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

0000 00110039 001273 0000



**EXAMPLE – APPLICATION OF DEDUCTIBLE**

The amounts of loss to the damaged property are \$60,000 (Building), \$25,000 (Scheduled Structure) and \$40,000 (personal property in Building).

The actual Limits of Insurance on the damaged property are \$80,000 on the Building, \$50,000 on the Scheduled Structure and \$64,000 on the personal property.

The Deductible is 2%.

**BUILDING**

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

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

**SCHEDULED STRUCTURE**

Step (1):  $\$50,000 \times 2\% = \$1,000$

Step (2):  $\$25,000 - \$1,000 = \$24,000$

**PERSONAL PROPERTY**

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

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

The most we will pay is \$121,120 ( $\$58,400 + \$38,720 + \$24,000$ ). The portion of the total loss that is not covered due to the application of the Deductible is \$3,880 ( $\$1,600 + \$1,280 + \$1,000$ ).

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

**WATER BACK-UP AND SUMP OVERFLOW (BUILDING)**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The coverages provided in this endorsement will not trigger any other policy coverages that are outside of this endorsement.

**SCHEDULE**

| Premises Number  | Building Number | Covered Property Annual Aggregate Limit Of Insurance |
|--|-----------------|--|
| Information required to complete this Schedule, if not shown above, will be shown in the Declarations. |                 |  |

**Section I - Property** is amended as follows:

**A.** We will pay for direct physical loss or damage to Buildings and Business Personal Property covered under **Section I - Property**, caused by or resulting from:

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

However, with respect to Paragraph **A.2.**, we will not pay the cost of repairing or replacing a sump pump or its related equipment in the event of mechanical breakdown.

**B.** Loss or damage which occurs or is in progress within five (5) days of the effective date of this endorsement is not covered.

**C.** The coverage described in Paragraph **A.** of this endorsement does not apply to loss or damage resulting from:

1. An insured's failure to keep a sump pump or its related equipment in proper working condition;
2. An insured's failure to perform the routine maintenance or repair necessary to keep a sewer or drain free from obstructions; or
3. Sump pump failure which is caused by or results from failure of power, unless this policy is endorsed to cover power failure affecting the described premises.

**D.** With respect to the coverage provided under this endorsement, only the following Additional Coverages apply:

1. Paragraph **a. Debris Removal** of Section 5.

**Additional Coverages;**

2. Paragraph **f. Business Income** of Section 5. **Additional Coverages;** and
3. Paragraph **g. Extra Expense** of Section 5. **Additional Coverages.**

The Annual Aggregate Limit Of Insurance shown in the above Schedule for each Building identified in the Schedule, for Water Back-up And Sump Overflow is the most we will pay under this endorsement for that Building, including these Additional Coverages.

**E.** The applicable Annual Aggregate Limit Of Insurance shown in the above Schedule for each Building for Water Back-up And Sump Overflow is the most we will pay under this endorsement for the total of all direct physical loss or damage sustained in any one policy period to that Building, regardless of the number of occurrences that cause or result in loss or damage. If loss payment for the first such occurrence does not exhaust the applicable Annual Aggregate Limit Of Insurance shown in the Schedule for a Building, then the balance of that Building limit is available for subsequent loss or damage sustained in, but not after, that policy period for that same Building. With respect to an occurrence which begins in one policy period and continues or results in additional loss or damage in a subsequent policy period(s), all loss or damage is deemed to be sustained in the policy period in which the occurrence began.

**F.** With respect to the coverage provided under this endorsement, Paragraph **1.g. Water** of **B. Exclusions** in **Section I - Property** is replaced by the following:

**Water**

1. Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow

0000 00120039 001273 0000



of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);

2. Mudslide or mudflow;
3. Water under the ground surface pressing on, or flowing or seeping through:
  - a. Foundations, walls, floors or paved surfaces;
  - b. Basements, whether paved or not; or
  - c. Doors, windows or other openings; or
4. Waterborne material carried or otherwise moved by any of the water referred to in Paragraph 1. or 3., or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs 1. through 4., is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain

the water.

But if any of the above, in Paragraphs 1. through 4., results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

- G. For the purposes of this endorsement, the term drain includes a roof drain and related fixtures.
- H. With respect to the coverage provided under this endorsement, Paragraph **D.1. Deductibles**, is replaced with the following:
  1. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Water Back-up And Sump Overflow Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Water Back-up And Sump Overflow Deductible up to the applicable Annual Aggregate Limit Of Insurance shown in the Schedule for the Building identified in the Schedule for Water Back-up And Sump Overflow loss or damage.

POLICY NUMBER: 91003-34140-35

BUSINESSOWNERS  
BPF 84 75 10 23**COMMERCIAL CYBER DATA BREACH COVERAGE**

**THIS ENDORSEMENT'S AGGREGATE LIMIT OF INSURANCE WILL BE REDUCED AND MAY BE EXHAUSTED BY PAYMENT OF THE COVERAGE PROVIDED BY THIS ENDORSEMENT, INCLUDING WITHOUT LIMITATION, PAYMENTS FOR DAMAGES, CLAIMS, CLAIM EXPENSES, REGULATORY FINES, LOSSES, PRIVACY BREACH EXPENSES, DATA REPLACEMENT EXPENSES, COMPUTER SYSTEM RESTORATION EXPENSES, EXTORTION THREAT LOSSES, DEFRAUDED FUNDS, PCI FINES, AND BUSINESS INCOME LOSS.**

**FOR THE AVOIDANCE OF DOUBT, CLAIM EXPENSES ARE INCLUDED WITHIN, REDUCE, AND MAY EXHAUST THE APPLICABLE LIMITS OF LIABILITY.**

**THIS ENDORSEMENT PROVIDES INDEPENDENT COVERAGES, TERMS AND DEFINITIONS.**

**PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY**

Various provisions in this **Endorsement** restrict coverage, and coverage is subject to certain conditions precedent set forth in this **Endorsement**. Read the entire **Endorsement** carefully to determine what is and what is not covered, and the rights and duties of the **Named Insured** and the **Company**.

This **Endorsement** modifies insurance provided under the following:

BUSINESSOWNER COVERAGE FORM

**SCHEDULE**

| Coverage   | Limits of Insurance / Sublimits of Insurance      |
|--|---|
| <b>ENDORSEMENT AGGREGATE COVERAGE LIMIT OF INSURANCE</b>                               | <b>\$25,000.00</b>                                |
| <b>A. LIABILITY COVERAGE LIMIT (Inclusive of the following Insuring Agreements):</b>   | <b>\$25,000.00</b>                                |
| 1. Media   |   |
| 2. Network Security  |   |
| 3. Data Compromise   |   |
| a. Privacy   |   |
| b. Regulatory Coverage   |   |
| Regulatory Fines (Sublimit)  | <b>\$10,000 each Regulatory Proceeding Claim</b>  |
| <b>B. FIRST PARTY COVERAGE LIMIT (Inclusive of the following Insuring Agreements):</b> | <b>\$25,000.00</b>                                |
| 1. Privacy Breach  |   |
| 2. System Compromise   |   |
| 3. Extortion Threat (Sublimit)   | <b>\$10,000 each Extortion Threat Event</b>       |
| 4. Funds Transfer Fraud (Sublimit)   | <b>\$10,000 each Funds Transfer Fraud Event</b>   |
| 5. Payment Card Industry (Sublimit)  | <b>\$10,000 each PCI Security Violation Event</b> |
| 6. Business Interruption (Sublimit)  | <b>\$0.00 each Business Interruption Event</b>    |
| <b>C. PER EVENT DEDUCTIBLE</b>   | <b>\$1,000</b>                                    |
| <b>D. PER EVENT BUSINESS INTERRUPTION WAITING PERIOD</b>                               | <b>24 HOURS</b>                                   |
| <b>E. ENDORSEMENT PREMIUM</b>  | <b>\$64.00</b>                                    |

**ENDORSEMENT PERIOD** From 04/25/2024 to 04/25/2025 At 12:01 A.M. Standard Time at the address of the **Named Insured** as stated herein.

0000 00130039 001273 0000



In consideration of the payment of the premium, in reliance on all information provided to the **Company**, and subject to all provisions of this **Endorsement**, the **Named Insured** and **Company** agree as follows:

### SECTION I: INSURING AGREEMENTS

This Section lists the coverages that apply if indicated in the Schedule of Insurance and have a Limit of Insurance on the Schedule. If no Limit of Insurance is set forth for an Insuring Agreement in the Schedule, coverage has not been purchased for such Insuring Agreement. For coverage under this **Endorsement**, the applicable **Event** must be first **Discovered** during the **Endorsement Period** and reported to the **Company** in accordance with Section IV.A.

#### A. LIABILITY COVERAGE

##### 1. MEDIA

The **Company** will pay on the **Insured's** behalf the **Damages** resulting from a **Claim** directly arising from any **Media Wrongful Event**, provided the **Media Wrongful Event** is first **Discovered** during the **Endorsement Period**.

##### 2. NETWORK SECURITY

The **Company** will pay on the **Insured's** behalf the **Damages** resulting from a **Claim** directly arising from a **Network Security Event**, provided the **Network Security Event** is first **Discovered** during the **Endorsement Period**.

##### 3. DATA COMPROMISE

###### a. PRIVACY

The **Company** will pay on the **Insured's** behalf the **Damages** resulting from a **Claim** directly arising from a **Privacy Breach Event**, provided the **Privacy Breach Event** is first **Discovered** during the **Endorsement Period**.

###### b. REGULATORY

The **Company** will pay on the **Insured's** behalf the **Regulatory Fines** and **Claim Expenses** resulting from a **Regulatory Proceeding Claim** directly arising from a **Privacy Breach Event**, provided the **Privacy Breach Event** is first **Discovered** during the **Endorsement Period**.

#### B. FIRST PARTY COVERAGE

##### 1. PRIVACY BREACH

The **Company** will pay the **Named Insured** for **Privacy Breach Expenses** directly arising from a **Privacy Breach Event**, provided the **Privacy Breach Event** is first **Discovered** during the **Endorsement Period**.

##### 2. SYSTEM COMPROMISE

The **Company** will pay the **Named Insured** for **Data Replacement Expenses** and **Computer System Restoration Expenses** directly arising from a **System Compromise Event**, provided the **System Compromise Event** is first **Discovered** during the **Endorsement Period**.

##### 3. EXTORTION THREAT

The **Company** will pay the **Named Insured** for **Extortion Threat Losses** directly arising from an **Extortion Threat Event**, provided the **Extortion Threat Event** is first **Discovered** during the **Endorsement Period**.

##### 4. FUNDS TRANSFER FRAUD

The **Company** will pay the **Named Insured** for **Defrauded Funds** first transferred during the **Endorsement Period** and directly arising from a **Funds Transfer Fraud Event**, provided the **Funds Transfer Fraud Event** is first **Discovered** during the **Endorsement Period**.

##### 5. PAYMENT CARD INDUSTRY

The **Company** will pay the **Named Insured** for **PCI Fines** resulting from a **PCI Claim** directly arising from a **PCI Security Violation Event**, provided the **PCI Security Violation Event** is first **Discovered** during the **Endorsement Period**.

##### 6. BUSINESS INTERRUPTION

The **Company** will pay the **Named Insured** for the **Business Income Loss** incurred during a **Reconstruction Period** and directly arising from a **Business Interruption Event**, provided the **Business Interruption Event** is first **Discovered** during the **Endorsement Period**.

## SECTION II: LIMITS OF INSURANCE AND DEDUCTIBLE

### A. LIMITS OF INSURANCE

#### 1. ENDORSEMENT AGGREGATE COVERAGE LIMIT OF INSURANCE

The Endorsement Aggregate Coverage Limit of Insurance for the **Endorsement Period** set forth in the Schedule is the maximum aggregate limit of the **Company's** liability under all Insuring Agreements in this **Endorsement** combined, regardless of the number of **Claims**, the number of **Losses**, the number of claimants, and the number of Insuring Agreements triggered.

The Liability Coverage Limits, including sublimits, and the First Party Coverage Limits, including sublimits, listed in the Schedule are all part of, and not in addition to, the Endorsement Aggregate Coverage Limit of Insurance set forth in the Schedule.

#### 2. LIABILITY LIMIT OF INSURANCE

If a Limit of Insurance is set forth in the Schedule under the heading "Liability Coverage Limit" for an Insuring Agreement in Section I.A. of this **Endorsement**, then such Limit of Insurance is the maximum limit of the **Company's** liability for all **Damages** from all **Claims** and **Related Claims** in the aggregate under that Insuring Agreement, which amount is part of, and not in addition to, the Liability Coverage Limit and the Endorsement Aggregate Coverage Limit of Insurance for the **Endorsement Period** set forth in the Schedule.

#### 3. FIRST PARTY COVERAGE LIMIT OF INSURANCE

If a Limit of Insurance is set forth in the Schedule under the heading "First Party Coverage Limit" for an Insuring Agreement in Section I.B. of this **Endorsement**, then such Limit of Insurance is the maximum limit of the **Company's** liability for each **Loss** and **Related Losses** in the aggregate under

that Insuring Agreement, which amount is part of, and not in addition to, the First Party Coverage Limit and the Endorsement Aggregate Coverage Limit of Insurance for the **Endorsement Period** set forth in the Schedule.

### B. DEDUCTIBLE

1. The **Company** shall only be liable for the amount of **Damages** or **Loss** which is in excess of the applicable Deductible set forth in the Schedule. Such Deductible shall solely be the obligation of the **Named Insured**. The **Company** has no obligation to the **Named Insured** or to any other person or entity to pay all or any portion of any Deductible amount for or on behalf of the **Named Insured**.
2. For the purpose of applying the Deductible, the **Named Insured** shall pay one single Deductible amount for **Damages** and **Loss** arising from the same **Event** or **Related Events**, regardless of whether there is more than one **Claim** or **Loss** arising from the same **Event** or **Related Events**.

### C. RELATED EVENTS, RELATED CLAIMS, RELATED LOSS

1. Each **Event** and all its **Related Events** shall be treated as a single **Event**.
2. Each **Claim** and all its **Related Claims** shall be treated as a single **Claim**.
3. Each **Loss** and all its **Related Losses** shall be treated as a single **Loss**.

### D. ENDORSEMENT PERIODS

In no event will any **Event** or **Related Event**, **Claim** or **Related Claim**, or **Loss** or **Related Loss** constitute an **Event**, **Claim**, or **Loss** (as applicable) in more than one **Endorsement Period**.

0000 00140039 001273 0000



### SECTION III: DEFENSE AND SETTLEMENT

#### A. DUTY TO DEFEND

##### 1. Duty to Defend

The **Company** has the right and duty to defend any **Claim** against the **Insured** seeking **Damages** under this **Endorsement**, even if any of the allegations are groundless, false, or fraudulent. The **Company** has no duty to defend any **Claim** or pay any **Damages** for a **Claim**:

- a. Arising from an **Event** not first **Discovered** during the **Endorsement Period**;
- b. Which is not covered by this **Endorsement**; or
- c. Seeking relief not covered by this **Endorsement**.

##### 2. Termination of Duty to Defend

- a. The **Company's** right and duty to defend ends when the Endorsement Aggregate Coverage Limit of Insurance or applicable Limit of Insurance is exhausted by the **Company's** payments or the **Company** deposits the remaining portion of the Endorsement Aggregate Coverage Limit of Insurance or applicable Limit of Insurance with a court of competent jurisdiction.
- b. The **Company's** right and duty to defend ends when the **Company** makes any of the following determinations: (i) the **Claim** arises from an **Event** not first **Discovered** during the **Endorsement Period**, (ii) the **Claim** is not covered by this

**Endorsement**, or (iii) the **Claim** seeks relief that is not covered by this **Endorsement**.

##### 3. Selection of Counsel

The **Company** shall have the right to select and appoint counsel to defend any **Claim**. The **Insured** shall not appoint counsel to defend any **Claim** without **Approval** in advance. Any costs incurred by an **Insured** for work performed by counsel, when that counsel was not **Approved**, shall be borne by the **Insured** and shall not erode the applicable **Deductible** set forth in the Schedule or be recoverable under this **Endorsement**. The **Company** shall have the right to substitute its chosen counsel for any counsel previously selected by the **Insured** without **Approval** unless otherwise prohibited by applicable law.

#### B. SETTLEMENT

The **Company** has the right to investigate, direct the defense of, and/or settle any **Claim** as the **Company** deems expedient.

#### C. COMPANY'S APPROVAL REQUIRED

It is a condition precedent for coverage under this **Endorsement** that the **Insured** shall not admit any liability, make any payment, assume any obligation, incur any expense, enter into or negotiate any settlement, stipulate to any judgment or award, or dispose of any **Claim** without **Approval**.

### SECTION IV: REPORTING REQUIREMENTS

#### A. INSURED'S DUTY TO REPORT

##### 1. NOTICE IS A CONDITION PRECEDENT TO COVERAGE

It is a condition precedent to coverage under this **Endorsement** that if a **Knowledge Group Member** first **Discovers** during the **Endorsement Period** any **Event** (including each **Related Event**, if any), **Claim**

(including each **Related Claim**, if any), **Loss** (including each **Related Loss**, if any), or **Circumstances**, an **Insured** must provide written notice to the **Company** of such **Event, Claim, Loss** or **Circumstances**, such notice to include the information set forth in Section IV.A.2. below, and to be provided as soon as practicable, but in all cases no later than thirty (30) days after first **Discovered**.

It is a condition precedent to coverage under this **Endorsement** that if the **Company** sends written notice to the **Named Insured** that this **Endorsement** is being cancelled for non-payment of premium, the **Named Insured** must provide written notice to the **Company** of any **Event, Claim, Loss** or **Circumstances** in accordance with the prior paragraph, but in any event no later than the earlier of: (i) thirty (30) days after such **Event, Claim, Loss** or **Circumstances** is first **Discovered**, and (ii) prior to the effective date of the cancellation.

Such notices must be sent to the **Company**. Notice to any **Vendor** (including lawyers, experts, and litigation support staff) does not constitute notice to the **Company** of an **Event, Claim, Loss** or **Circumstances** under this **Endorsement**.

## 2. INFORMATION TO BE INCLUDED IN NOTICES

In providing the notice under A.1., of this Section IV, each notice must include a written report with the following information:

- a. If notice is of an **Event**, then a description of the **Event**, when and how the **Knowledge Group Member** first **Discovered** the **Event**, the **Circumstances** giving rise to the **Event**, and any **Claim** or **Loss** reasonably expected to arise from that **Event**.
- b. If notice is of a **Claim**, or of an **Event** or **Circumstances** reasonably likely to give rise to a **Claim**, then a description of the **Claim**; when and how the **Knowledge Group Member** first **Discovered** the **Claim**; the names of the claimant or potential claimant, the **Impacted Individuals**, the **Impacted Entities**, and any other persons or entities involved; the specific **Third Party Liability Event** or regulatory proceeding which may form the basis of the **Claim**; all pleadings and other documents setting forth the **Claim** or notifying an **Insured** of the **Claim**; the **Circumstances** giving rise to the **Claim**; and the nature and extent of any potential **Damages**.
- c. If notice is of a **Loss**, or of an **Event**

or **Circumstances** reasonably likely to give rise to a **Loss**, then a description of the **Loss**, when and how the **Knowledge Group Member** first **Discovered** the **Loss**, the **Circumstances** giving rise to the **Loss**, and the nature and extent of any potential **Loss**.

- d. If the notice is of **Circumstances**, then, in addition to the information in A.2.a., b., and c. above, a description of the **Circumstances**, when and how the **Knowledge Group Member** first **Discovered** the **Circumstances**, the reason the **Knowledge Group Member** believes such **Circumstances** are reasonably likely to result in an **Event, Claim** or **Loss**, and the nature and extent of any potential **Damages** or **Loss**.

## 3. REPORTS OF MALICIOUS CODES AND EXPLOITS

For **Network Security Events, System Compromise Events**, and **Extortion Threat Events** based upon, arising out of, attributable to, caused by or resulting from **Malicious Code** or **Exploit**, the **Named Insured** must provide the **Company** as soon as possible with (a) any identifying characteristics, markers, or other information which may identify the **Malicious Code** or **Exploit** involved in the **Event**, and (b) a written report by a forensic **Vendor** which identifies the **Malicious Code** or **Exploit** involved in the **Event**, such report be provided to the **Company** no later than thirty (30) days after the first **Discovery** of such **Event**.

For all other **Events**, such a report must be provided at the **Company's** request.

## B. NO COVERAGE

1. No coverage under this **Endorsement** will be provided for:
  - a. Any **Damages** incurred or paid prior to the time the **Company** is notified of the **Claim** or any **Related Claim** pursuant to Section IV.A.; or
  - b. Any **Loss** incurred or paid prior to the time the **Company** is notified of a **Loss** or any **Related Loss** pursuant



to Section IV.A. However, this prior notice requirement does not apply to (i) **Defrauded Funds** if notice of the **Funds Transfer Fraud Event** is provided in compliance with Section IV.A., or to (ii) **Business Income Loss**, if notice of the **Business Interruption Event** is provided in compliance with Section IV.A.

2. No coverage under this **Endorsement** will be provided if the **Company** relies on any material matter any **Insured** reports, knowing it to be false or fraudulent.

### C. DETERMINATION OF FIRST DISCOVERY

1. Each **Claim** and all its **Related Claims**, whenever made, will be deemed a single **Claim** first **Discovered** on the earlier of the following:

- a. When the **Event** giving rise to the **Claim** was first **Discovered**, or could have been **Discovered** through the exercise of due diligence; and
- b. When the earliest of the **Related Claims** was first **Discovered**, or could have been **Discovered** through the exercise of due diligence.

2. This Section IV.C.1. applies regardless of the following:

- a. The number of **Related Claims**;
- b. The number or identity of **Impacted Individuals, Impacted Entities**, or any other persons, entities, or claimants involved;
- c. Whether the **Related Claims** are asserted in a class action or otherwise; or
- d. The timing of the **Related Claims**, even if the **Related Claims** were received or **Discovered** in more than one **Endorsement Period**.

3. **Loss** and all its **Related Losses**, whenever occurring, will be deemed a single **Loss** first **Discovered** on the earlier of the following:

- a. When the **Event** giving rise to the **Loss** was first **Discovered**, or could have been **Discovered** through the exercise of due diligence; and
- b. When the earliest of the **Related**

**Losses** was first **Discovered**, or could have been **Discovered** through the exercise of due diligence.

4. This Section IV.C.2. applies regardless of the following:

- a. The number of **Related Losses**;
- b. The number or identity of **Impacted Individuals, Impacted Entities**, or any other persons or entities involved; or
- c. The timing of the **Related Losses**, even if the **Related Losses** occurred or were **Discovered** in more than one **Endorsement Period**.

5. Each **Event** and all its **Related Events**, whenever occurring, will be deemed a single **Event** first **Discovered** on the earliest of the following:

- a. When the **Event** was first **Discovered**, or could have been **Discovered** through the exercise of due diligence;
- b. When the earliest of the **Related Events** was first **Discovered**, or could have been **Discovered** through the exercise of due diligence; and
- c. When the earliest **Circumstances** were first **Discovered**, or could have been **Discovered** through the exercise of due diligence.

6. This Section IV.C.3. applies regardless of the following:

- a. The number of **Related Events** or **Circumstances**;
- b. The number or identity of **Impacted Individuals, Impacted Entities**, or any other persons, entities, or claimants involved; or
- c. The timing of the **Related Events** or **Circumstances**, even if the **Related Events** or **Circumstances** occurred or were **Discovered** in more than one **Endorsement Period**.

For purposes of this Section IV.C., due diligence includes but is not limited to compliance with Section V.

## SECTION V: DUE DILIGENCE AND COOPERATION

### A. DUE DILIGENCE REQUIREMENTS

1. It is a condition precedent to coverage under this **Endorsement** that the **Named Insured** must, at its sole cost and expense, use due diligence to prevent and mitigate against any **Damages** or **Loss**, and to protect and monitor the security of **Protected Information** and its **Computer System**. This includes, but is not limited to:

- a. Providing and maintaining appropriate physical security for the **Named Insured's** premises and the **Computer System**;
- b. Performing and installing all available software updates and patches as soon as practicable but in no event later than thirty (30) days from the time the update or patch becomes available;
- c. Installing, maintaining, monitoring, and updating firewalls, virus scans and anti-virus software, and ensuring that the foregoing are active and in use for the **Computer System**;
- d. Providing and running a data backup system at appropriate intervals, including without limitation performing a full backup of the **Computer System** at least once every thirty (30) days;
- e. Providing and maintaining password protection and encryption for all **IOT Devices, Portable Devices** and **Peripheral Hardwired Devices**;
- f. Providing and maintaining encryption for **Protected Information** and financial transactions such as credit card, debit card, and check processing; and
- g. Providing and maintaining secure disposal procedures for files containing **Protected Information** no longer needed for use.

2. It is a condition precedent to coverage under this **Endorsement** for any **Funds Transfer Fraud Event** that the **Named Insured** must have a written policy in place which requires a **Knowledge Group Member** to contact the party

identified as requesting the funds transfer to confirm the requested amount and the payment instructions (payee name, address and account number, and routing number, if applicable) either in person or by phone, using a phone number obtained from a source other than the funds transfer request communication, when the funds transfer request is for a new payee or when the request includes or has been recently preceded by any change in payment instructions from previous requests.

### B. COOPERATION

The **Insured** agrees not to take any action, or fail to take any requested action, that prejudices the **Insured's** rights or the **Company's** rights with respect to a **Claim** or **Loss**. In the event of a **Claim** or a **Loss**, the **Insured** must do the following upon the **Company's** request:

1. Fully assist and cooperate with the **Company** in the conduct, defense, investigation, negotiation, and settlement of a **Loss** or **Claim** or investigation of coverage of a **Loss** or **Claim**;
2. Submit to an examination under oath; provide the **Company** with written statements; attend meetings and negotiations; produce and make available all information, books, records, documents, and other materials which the **Company** deems relevant; and authorize the **Company** to obtain records and other information;
3. Take additional steps to protect the **Computer System** and **Protected Information** from further loss or damage and keep a record of the expenses necessary to do so;
4. Attend hearings, depositions, proceedings, trials, and appeals;
5. Assist the **Company** in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses, and pursuing or enforcing any right of contribution or indemnity against a person or entity who may be liable to the **Insured**;

0000 00160039 001273 0000



6. Accept the **Company's** assignment of counsel unless otherwise prohibited by applicable law; and
7. Provide reports of forensic **Vendors** that identify the **Malicious Code** or **Exploit** involved in the **Event** as soon as possible; provided that this provision

supplements, and does not replace, the reporting requirements set forth in Section IV.A.

#### **SECTION VI: EXCLUSIONS**

A. The **Company** shall not be liable to pay, indemnify or reimburse for any **Claim, Damages** or **Losses** based upon, arising out of, attributable to, caused by or resulting from, whether actual or alleged:

1. Any of the following:
  - a. Intentional creation or distribution of **Malicious Code** or **Exploit** by any **Insured**;
  - b. Unauthorized tampering with any **Computer System** by any **Insured**; or
  - c. Any dishonest, fraudulent, criminal, malicious, or willful act, error, or omission by any **Insured**.
2. Any **Mass Event**.
3. Any of the following:
  - a. Failure, interruption of service, or defect by third parties;
  - b. Misconfiguration of information technology systems, including but not limited to domain name system configuration changes and domain name hijacking, by third parties;
  - c. Unauthorized access or unauthorized use of a third party's computer system;
  - d. Malicious insider activity of or by third parties; or
  - e. Distribution of **Malicious Code** or **Exploit** by third parties,

in each case that impact the **Computer System** and cause **Claims, Losses** or **Damages**. For the purposes of this exclusion third parties shall refer to (i) any cloud service provider; (ii) any other entity providing to an **Insured**, or servicing for an **Insured**, any hardware or software over the internet; or (iii) any other entity providing software as a service, infrastructure as a service, managed

security as a service, platform as a service, or any form of cloud data storage as a service to an **Insured**.

4. Any mechanical or service failure, interruption of service, or defect of:
  - a. Telephone, communications or data transmission lines, equipment or infrastructure;
  - b. Internet system, internet service provider or cloud service provider, device or computer system (other than a **Computer System**, or an internet system owned or leased by and operated under the control of the **Named Insured**); or
  - c. Electricity (including but not limited to power interruption, surge, brownout or blackout), gas, water or other utilities or their equipment or infrastructure (including, but not limited to power lines).
5. Shortcomings, errors or mistakes in any set of instructions (oral, written or electronic), scripts, program, code or software that is executed, run or installed on the **Computer System** either (a) during the course of a legitimate and authorized upgrade, update or maintenance process of any software, firmware or hardware on or part of a **Computer System**, or (b) that are present within the firmware or hardware of a **Computer System** as a result of the manufacturing process, in each case for (a) and (b), for the purposes of this exclusion, that directly causes **Claims, Losses** or **Damages**.
6. Any of the following:
  - a. Bodily injury, sickness, or disease sustained by a person, including death resulting from any of these at any time;
  - b. Physical injury to tangible property,

including all resulting loss of use of that property; or

- c. Loss of use of tangible property that is not physically injured.

This exclusion shall not apply to a **Claim** for mental injury, mental anguish, or emotional distress directly resulting from a **Privacy Breach Event** or a **Media Wrongful Event**. For purposes of this exclusion, electronic data is not considered tangible property.

7. Any of the following:

- a. Nuclear reaction, nuclear radiation, radioactive contamination, radioactive substance, electromagnetic field, electromagnetic radiation, or electromagnetism;
- b. Pathogenic or poisonous biological or chemical materials, whether or not man-made, including communicable disease events;
- c. War, invasion, acts of foreign enemies, hostilities (whether war is declared or not), riot, civil unrest, rebellion, revolution, insurrection, war-like action, coup, usurped powers or military power, including but not limited to those by state-sponsored actors, and action taken by government authority in hindering or defending against any of these; or
- d. Fire, flood, earthquake, volcanic eruption, explosion, lightning, wind, hail, tidal wave, landslide, act of God or other physical event.

8. Any unlawful or unauthorized obtaining, gathering, collecting, acquiring, sharing, using, distribution or sale by an **Insured** of any **Protected Information**. Provided, however, this exclusion shall not apply to **Privacy Breach Expenses, Regulatory Proceedings Claims, or PCI Claims**, in each case directly arising from a **Privacy Breach Event**, and which are otherwise covered under this **Endorsement**.

9. The unsolicited dissemination of any communication to actual or prospective customers of the **Named Insured**, or to any other third party.

10. Any violation of the Telecommunications Act, the CAN-SPAM Act, or any other federal, state or local legislation, regulation or law or common law, either:

(a) protecting a person's or entity's right of seclusion or privacy (other than a **Privacy Law**), or (b) addressing the unsolicited distribution, transmission or dissemination of any communication.

11. Any gaining of any profit or advantage to which the **Insured** is not legally entitled.

12. Any patent infringement or theft, copying, display, or publication of any patent, process, or trade secret.

13. Any breach of contract, agreement, understanding, warranty (including but not limited to product warranty), or other guarantee or promise. This exclusion shall not apply to the following:

- a. Solely with respect to actual or alleged breach of contract, liability that would have attached to the **Named Insured** in the absence of such contract; or

b. **PCI Fines.**

14. Any liability or obligation the **Named Insured**, or anyone acting on behalf of the **Named Insured**, assumes under any contract, agreement, understanding, warranty (including but not limited to product warranty), or other guarantee or promise. This exclusion shall not apply to the following:

- a. Liability that would have attached to the **Named Insured** in the absence of any such contract, agreement, understanding, warranty or other guarantee or promise; or

b. **PCI Fines.**

15. Any seizure, nationalization, confiscation, destruction, deletion or expropriation of any **Protected Information** or any **Computer System** held or used by an **Insured** by order of any governmental authority.

16. Any of the following:

- a. Violation of any federal, state, local, foreign legislation, regulation, or law prohibiting any restraint of trade or antitrust activity;

- b. Any price fixing, price discrimination, monopoly or monopolization, predatory pricing, unfair competition, collusion, or conspiracy;

- c. Any unfair, false, misleading, or

0000 00170039 001273 0000



deceptive trade or business practice;  
or

- d. Any false, misleading, deceptive, or fraudulent statement or representation in advertising or promoting the products, services, or business of the **Named Insured**; provided, however, that this exclusion will not apply to a **Claim** directly arising from a **Media Wrongful Event**.

17. Any of the following:

- a. Discrimination of any kind; or  
b. Wrongful employment practice of any kind.

18. Any **Circumstances, Claim, Event, or Loss**:

- a. That was the subject of notice to another insurer or potential indemnitor prior to the Effective Date of this **Endorsement**; or  
b. **Discovered** prior to the Effective Date of this **Endorsement**, or could have been **Discovered** through the exercise of due diligence prior to the Effective Date of this **Endorsement**.

19. The presence, discharge dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, oil or other petroleum substances or derivatives, waste materials or other irritants, contaminants, pollutants or any other substances, including asbestos, fungus, mold and lead, which are or may be injurious to public health, property or the environment ("hazardous substances"), including but not limited to:

- a. The cost of cleanup or removal of hazardous substances;  
b. The cost of such actions as may be necessary to monitor, assess and evaluate, the presence, discharge, dispersal, escape, release, or threat

of same, of hazardous substances;

- c. The cost of disposal of hazardous substances or the taking of such other action as may be necessary to temporarily or permanently prevent, minimize, or mitigate damage to the public health or welfare or to property or the environment, which may otherwise result; or  
d. Any cost, based upon, arising out of, attributable to, caused by or resulting from, or involving in any way any government direction or request that the **Named Insured** test for, monitor, clean up, remove, contain, treat, detoxify or neutralize hazardous substances.

B. The **Company** shall not be liable to pay for any **Claim** or **Damages** based upon, arising out of, attributable to, caused by or resulting from any **Claim** or **Damages**, whether actual or alleged, by any of the following:

1. Any **Insured** against another **Insured**, except for an otherwise covered **Claim** by an **Insured** under Section I.A.3.a.;
2. Solely in the case of a **Privacy Breach Event**, by any person or entity other than an **Impacted Individual**, an **Impacted Entity**, or (solely in the case of a **Regulatory Proceeding Claim**) a federal or state regulatory body or regulator;
3. Any entity owned or controlled by, or which is under common ownership or control with, the **Named Insured**;
4. Any person or entity which owns or controls the **Named Insured**; or
5. Any independent contractor of the **Named Insured**.

## SECTION VII: GENERAL CONDITIONS

### A. TERMINATION

The cancellation and nonrenewal provisions of the policy to which this **Endorsement** is attached shall apply to this **Endorsement**. This **Endorsement** shall remain in effect until

the expiration of the **Endorsement Period** unless:

1. The policy to which this **Endorsement** is

attached is cancelled or non-renewed prior to the expiration of the **Endorsement Period**; or

2. This **Endorsement** is removed at the request of the **Named Insured**, such removal to be confirmed by further endorsement to the policy.

#### B. CHANGE IN CONTROL

1. For purposes of this **Endorsement**, a "Sale Transaction" means either of the following that occurs during the **Endorsement Period**:

- a. The **Named Insured** consolidates or merges with or into, or sells more than 50% of its assets to, any other person or entity or group of persons or entities acting in concert, such that the **Named Insured** is not the surviving entity; or
- b. Any person or entity or group of persons or entities acting in concert acquire more than 50% of the issued and outstanding voting equity securities of the **Named Insured** or control voting rights representing the right to vote for election of or to appoint more than 50% of the directors or trustees of the **Named Insured**.

In the event of a Sale Transaction, this **Endorsement** shall continue in full force and effect as to any **Event first Discovered** prior to the Sale Transaction. There shall be no coverage under this **Endorsement** for any **Event first Discovered** after the Sale Transaction. The **Named Insured** shall give the **Company** written notice of the Sale Transaction as soon as practicable but not later than thirty (30) days after the Sale Transaction.

2. For purposes of this **Endorsement**, an "Acquisition Transaction" means any of the following that occurs during the **Endorsement Period**:

- a. The **Named Insured** consolidates or merges with any other person or entity or group of persons or entities acting in concert such that the **Named Insured** is the surviving entity;
- b. The **Named Insured** acquires the assets of any other person or entity or

group of persons or entities acting in concert, where such assets represent a market value, as of the date of such acquisition, of 10% or greater of the **Named Insured's** market value;

- c. The **Named Insured** acquires or creates a new entity or subsidiary such that the **Named Insured** holds more than 50% of the issued and outstanding voting equity securities or controls voting rights representing the right to vote for election of or to appoint more than 50% of the directors or trustees of such entity or subsidiary; or
- d. The subsequent addition of another entity or person as a **Named Insured** in addition to the entity or person listed at the time of the commencement of the **Endorsement Period** as the **Named Insured** on the Policy Declarations to which this **Endorsement** is attached.

In the event of an Acquisition Transaction, then there is coverage under this **Endorsement** for such additional entity, subsidiary or person for any **Claim, Loss, Event, or Circumstances first Discovered** within the sixty (60) day period immediately following the Acquisition Transaction or until the end of the **Endorsement Period**, whichever occurs first. There is no coverage for such additional entity, subsidiary or person after that time period unless (i) as soon as practicable but no later than thirty (30) days after the Acquisition Transaction, the **Named Insured** provides the **Company** with notice and the particulars of such Acquisition Transaction; (ii) the **Company** agrees to extend the coverage of this **Endorsement** to such surviving **Named Insured**, newly acquired or created entity or subsidiary, or additional entity or person, as applicable, and the **Company** amends the terms of this **Endorsement** accordingly; and (iii) the **Named Insured** pays any additional premium when due. Such extended coverage does not apply to any **Claim, Loss, Event, or Circumstances first Discovered** or that could have been first **Discovered** (either by a **Knowledge Group Member** or equivalent in such additional entity or subsidiary) through the exercise of due diligence (including but not limited to in

0000 00180039 001273 0000



compliance with Section V) before the Acquisition Transaction.

#### C. BANKRUPTCY

Bankruptcy or insolvency of the **Named Insured** will not relieve any **Insured** or the **Company** of any obligations nor deprive the **Company** of its rights and defenses under this **Endorsement** unless such obligations are in violation of applicable law.

#### D. EXCESS COVERAGE

This insurance shall be excess of any other insurance that applies to any **Claim, Event, Loss, Circumstances** or **Damages** covered hereunder and shall not contribute with any or all other insurance, including any deductible or retention, whether collectible or not. For avoidance of doubt, this insurance is specifically on an excess basis of any or all crime insurance policies that may be available with respect to any **Funds Transfer Fraud Event**.

#### E. ASSIGNMENT

This **Endorsement** and any and all interests and rights hereunder are not assignable without **Approval**.

#### F. TERMS TO CONFORM TO APPLICABLE LAW

Where necessary, the **Company** shall amend the terms and conditions of this **Endorsement** to conform to applicable law.

#### G. TERRITORY

This **Endorsement** applies to acts committed or **Losses** occurring anywhere in the world except as set forth under "Sanctions" in Section VII.H.; provided, however, that any **Claim** must be brought in the United States.

#### H. SANCTIONS

This **Endorsement** does not apply, and the **Company** shall not be liable to provide coverage or provide any benefit hereunder, to the extent that the provision of such coverage, payment of such **Claim** or provision of such benefit would be in violation of any trade or economic sanctions law or regulation applicable to the **Company's** jurisdiction of domicile or those of another jurisdiction with which the **Company** is legally obligated to comply, including without limitation any trade or economic sanctions or embargo by the

United States.

#### I. LEGAL ACTION AGAINST THE COMPANY

1. No legal action or claim may be brought against the **Company** based upon, arising out of, attributable to, caused by or resulting from this **Endorsement** unless the following criteria are met:

- a. There has been full compliance by the **Insureds** with all the terms and conditions of this **Endorsement**; and
- b. The action is brought within the limit of time provided under applicable law, but in no event later than sixty (60) months from the date the **Knowledge Group Member** first **Discovers** the earliest of any **Circumstances, Claim, Event** or **Loss** pertaining to such action.

2. In the event that the requirements set forth in Section VII.I.1. have been complied with, with respect to a legal action or claim against the **Company**, the amount of damages and losses shall be limited to the following:

- a. The amount of a non-appealable order of a court or other tribunal (e.g., arbitral panel) resolving such dispute on the merits; or
- b. The amount for which the legal action or claim was settled, provided that the settlement was agreed to in accordance with the terms and conditions of this **Endorsement**.

#### J. NO JOINDER

No individual or entity shall have any right under this **Endorsement** to join the **Company** as a party to any **Claim** to determine the liability of the **Insured**, nor shall the **Company** be impleaded by the **Insured** or the **Insured's** legal representative in any such **Claim**.

#### K. SUBROGATION

In the event of any payment under this **Endorsement**, the **Company** shall be subrogated to the extent of such payment to all the **Insured's** rights of recovery thereof, and the **Insured** shall execute all papers required and shall do everything that may be necessary to preserve and secure such rights, including the execution of such documents necessary to enable the **Company** to

effectively bring suit in the name of the **Insured**.

The **Company** assumes no duty to recover any amounts paid under this **Endorsement**; however, any amounts as may be recovered pursuant to the exercise of the **Company's** rights of subrogation shall be applied as follows: (i) to the repayment of expenses incurred by the **Company** in exercising any rights of subrogation; (ii) to **Damages** and **Losses** incurred by the **Named Insured** in excess of the Limits of Liability hereunder; and (iii) to **Damages** and **Losses** paid by the

**Company.**

#### L. HEADINGS

The titles of paragraphs, sections, provisions, or endorsements of or to this **Endorsement** are intended solely for convenience and reference, and are not deemed in any way to limit or expand the provisions to which they relate and are not part of the **Endorsement**.

### SECTION VIII: DEFINITIONS

Except where this **Endorsement** expressly or by implication indicates otherwise, the plural of any term includes the singular, and the singular of any term includes the plural. To the extent of any conflict between defined terms in this **Endorsement** and the policy to which this **Endorsement** is attached, then the definitions set forth in this **Endorsement** shall prevail.

**A. Approval** and **Approved** means the **Company's** written approval, including in response to a written request for approval by the **Named Insured**. Where **Approval** is required in this **Endorsement** the **Named Insured** must promptly submit such written request for **Approval** to the **Company**.

**B. Business Income Loss** means the aggregate of **Extra Expenses** and **Reconstruction Period Net Income**.

**C. Business Interruption Event** means a total or partial disruption in the **Named Insured's** business operation directly arising from a **System Compromise Event**.

**D. Business Interruption Waiting Period** means the **Business Interruption Waiting Period** specified in the Schedule. The **Business Interruption Waiting Period** begins at the time each and every **Business Interruption Event** is first **Discovered**.

**E. Circumstances** means facts, subjects, situations, decisions, causes, persons, transactions, events, acts, errors or omissions, or class of persons or events, in each case which could reasonably be likely to give rise to a **Claim, Loss, or Event**, as applicable.

**F. Claim** means each of the following:

1. For the purposes of **Third Party Liability Events**, a **Third Party Claim**; and
2. For the purposes of Section I.A.3.b., the **REGULATORY INSURING AGREEMENT**, a **Regulatory Proceeding Claim**.

**G. Claim Expenses** means each of the following, with respect to any **Claim**:

1. Reasonable and necessary fees, costs and expenses charged by any **Vendor** and **Approved**, such **Vendor Approved** in advance (including lawyers, experts, and litigation support staff) for the investigation, adjustment, settlement and/or defense of such **Claim**;
2. Post-judgment interest which accrues after a **Final Judgment**; and
3. The premiums for appeal, attachment, or similar bonds, but only for bond amounts **Approved** and within the remaining applicable Limits of Insurance. The **Company** does not have any obligation to furnish these bonds.
4. **Claim Expenses** do not include the following:
  - a. Salaries, wages, fees, remuneration, overhead, benefits, or expenses of the **Company** or the **Insureds**;
  - b. Fees, costs, and expenses incurred prior to the time that a **Claim** was reported to the **Company**;
  - c. Fees, costs, and expenses incurred without **Approval**;
  - d. Fees, costs, and expenses incurred to improve or upgrade the **Computer**

0000 00190039 001273 0000



**System** beyond what it was prior to the **Claim**; or

- e. Fees, costs, and expenses to comply with any injunctive or other non-monetary equitable, declaratory, regulatory, or administrative relief.

H. **Company** means the Insurer as titled on the Schedule page of this **Endorsement**.

I. **Computer System** means a computer or series of interconnected computers owned or leased by and operated under the control of the **Named Insured**. **Computer System** also includes the following, but only if owned or leased by and operated under the control of the **Named Insured**:

1. **Electronic Media**;
2. **Portable Devices**;
3. **IOT Devices**; and
4. **Peripheral Hardwired Devices**.

**Computer System** does not include a computer system the **Named Insured** operates for others.

J. **Computer System Restoration Expenses** means the reasonable and necessary fees, costs and expenses charged by a **Vendor** designated in writing or **Approved** in advance to restore the software in the **Computer System**, if damaged by a **System Compromise Event**, to its operating performance immediately before the **System Compromise Event**, including costs to reinstall, or replace the software, or the configuration or correction of the configuration of the **Computer System**. If such software cannot reasonably be restored, the term **Computer System Restoration Expenses** means the reasonable and necessary costs and expenses incurred by the **Vendor** to reach this determination.

**Computer System Restoration Expenses** does not include any of the following:

1. The cost of new or replacement hardware;
2. Salaries, wages, fees, remuneration, overhead, benefits, or expenses of the **Company** or the **Insureds**;
3. Fees, costs or expenses to enhance, upgrade or otherwise modify, or improve the **Computer System** beyond the level

that existed immediately prior to the occurrence of a **System Compromise Event**, including but not limited to costs and expense to replace, remediate or improve the **Computer System**, or identify or remove software programs errors, malware, computer viruses or vulnerabilities or create or develop software or trade secrets; or

4. Any costs in excess of the cash value of the **Computer System** as of the date of the **System Compromise Event**.

K. **Corporate Information** means any business information of a third party, which is not available to the general public and is provided to an **Insured** subject to a mutually executed written confidentiality agreement with the **Named Insured**, or which the **Named Insured** is legally required to maintain in confidence. The **Corporate Information** must be in the direct care, custody or control of the **Named Insured** in the ordinary course and scope of its business operations. The term **Corporate Information** does not include **portable device**.

L. **Crypto currency** means a digital or virtual currency that uses crypto currency for security and uses encryption techniques to regulate the generation of units of currency and verify the transfer of funds, operating independently of a central bank.

M. **Damages** means each of the following:

1. With respect to a **Third Party Claim**, **Claim Expenses** and the following monetary amounts the **Insured** becomes legally obligated to pay resulting from a **Final Judgment** or settlement:
  - a. Compensatory damages,
  - b. Attorney's fees and other litigation costs included in any **Final Judgment**, and
  - c. Pre-Judgment interest included in any **Final Judgment**.
2. With respect to a **Regulatory Proceeding Claim**, **Claim Expenses** and only the **Regulatory Fines** the **Insured** becomes legally obligated to pay.
3. **Damages** does not include any of the following:
  - a. Any monetary amount which the **Insured** is not legally obligated to

pay;

- b. Any monetary amount which is not insurable under the applicable law or jurisdiction pursuant to which the **Endorsement** is construed;
- c. Past, present and future earned and unearned royalties, profits, fees, costs, expenses, or commissions, or the return of royalties, profits, fees, costs, expenses, commissions, and profits unjustly held or obtained;
- d. Consideration charged by, paid to or owed to the **Insured**, including but not limited to restitution, disgorgement, reduction, or return of any consideration;
- e. Fees, costs, and expenses required to comply with any injunctive or other non-monetary equitable, declaratory, regulatory, or administrative relief;
- f. Discounts, prizes, awards, coupons, or other incentives offered to the **Insured's** clients, **Impacted Individuals**, or **Impacted Entities**;
- g. Civil or criminal fines or penalties imposed by law, except **Regulatory Fines**;
- h. Punitive and exemplary damages;
- i. The multiple portion of any multiplied damages; or
- j. Taxes, loss of tax benefit or fines, tax penalties or sanctions imposed against the **Named Insured**.

**N. Data Replacement Expenses** means the reasonable and necessary fees, costs and expenses charged by a **Vendor** designated in writing or **Approved** in advance to research, re-create or replace electronic data on the **Computer System** that is damaged by a **System Compromise Event**, provided that such research, re-creation or replacement must be from written records or electronic backup of such electronic data. If such electronic data cannot reasonably be researched, recreated or replaced, the term **Data Replacement Expenses** means the reasonable and necessary costs and expenses incurred by such **Vendor** to reach this determination.

**Data Replacement Expenses** does not include any of the following:

1. Salaries, wages, fees, remuneration, overhead, benefits, or expenses of the

**Company** or the **Insureds**;

2. Fees, costs or expenses to enhance, upgrade or otherwise modify, or improve the **Computer System** beyond the level that existed immediately prior to the occurrence of a **System Compromise Event**, including but not limited to updating, upgrading or enhancing electronic data or replacing, remediating or improving any **Computer System**, or improving networks and data security practices, procedures or policies;
  3. Re-creation or replacement of software programs or operating systems that are not commercially available; or
  4. Re-creation or replacement of data that is obsolete, unnecessary or useless to the **Named Insured**.
- O. Defrauded Funds** means the value of funds that are transferred by the **Named Insured** (with the approval of a **Knowledge Group Member**) to a third party directly in response to a **Funds Transfer Fraud Event**, that are in the form of check, wire transfer, credit card payment, debit card payment or **Crypto currency**. **Defrauded Funds** excludes cash payments.
- P. Discovers or Discovered** means the time a **Knowledge Group Member** receives, receives notice of, or becomes aware of any of the following: (i) any **Event**; (ii) any **Circumstances**; or (iii) any **Claim** or **Loss** or potential **Claim** or **Loss**, regardless of the potential amount of the **Claim** or **Loss**.
- Q. Electronic Media** means any electronic data which is unique to the **Named Insured**, including audio or visual information, ready-for-use applications, programs, and other content in machine-readable format.
- R. Electronic Media Advertising** means **Electronic Media** which advertises or promotes the **Named Insured's** products or services.
- S. Endorsement** means this **Endorsement** issued by the **Company**.
- T. Endorsement Period** means the **Endorsement Period** set forth in the Schedule.
- U. Event** means a **Media Wrongful Event**, a **Network Security Event**, a **Privacy Breach Event**, a **System Compromise Event**, an **Extortion Threat Event**, a **Funds Transfer**

0000 00200039 001273 0000



**Fraud Event, a PCI Security Violation Event, or a Business Interruption Event.**

- V. Exploit** means a vulnerability in a **Computer System** or software through which **Malicious Code**, or software designed to find, create, or take advantage of such vulnerability, can enter such **Computer System**.
- W. Extortion Threat Event** means a credible threat, or a series of credible threats, by a third party, to cause or continue to cause one or more (i) **System Compromise Events** or (ii) the **Unauthorized Access or Unauthorized Use of Protected Information**, in each case accompanied by a demand by such third party for money (including **Crypto currency**) from the **Named Insured** or a **Knowledge Group Member** where the payment of such money is a condition of mitigation or removal of such threat or series of threats.
- X. Extortion Threat Losses** means the **Funds Paid** by the **Named Insured** (with the approval of a **Knowledge Group Member**) in response to an **Extortion Threat Event** to the party that made the **Extortion Threat Event**, and the reasonable and necessary fees, costs, and expenses charged by a **Vendor** (including lawyers, experts, and litigation support staff) to respond to, confirm, negotiate or pay an **Extortion Threat Event**.
- Y. Extra Expenses** means the amount of (i) reasonable and necessary expenses that the **Named Insured** directly incurs during a **Reconstruction Period**, with **Approval** in advance, to reduce or avoid **Reconstruction Period Net Income** as a result of a **Business Interruption Event**, in excess of (ii) its actual normal operating expenses that the **Named Insured** would have incurred during the same period had no **Business Interruption Event** occurred.
- Extra Expenses** do not include any of the following:
1. Any contractual penalties; or
  2. Any costs to update or upgrade the **Computer System** beyond the level that existed prior to the occurrence of the **Business Interruption Event**.
- Z. Final Judgment** means a non-appealable order of a court or other tribunal (e.g., arbitral panel) resolving, on the merits, a dispute between an **Insured** and a third party

(including government agencies), as to which either no further appeal is possible or a decision is made with **Approval** not to appeal further.

- AA. Funds Transfer Fraud Event** means the intentional deception of an **Insured** by a third party intended to cause an **Insured** to transfer funds under the **Named Insured's** control (with the approval of a **Knowledge Group Member**) to a third party not authorized to receive such funds.
- BB. Funds Paid** means the value of the funds paid that are in the form of check, wire transfer, credit card payment, debit card payment or **Crypto currency**. **Funds Paid** excludes cash payments. For **Funds Paid** in **Crypto currency**, the value of the **Funds Paid** shall be the value of the **Crypto currency**, in U.S. dollars, at the time of payment.
- CC. Impacted Entities** means any business, entity or organization whose **Corporate Information** is lost, stolen, unintentionally or unknowingly disseminated, or accidentally published by a **Privacy Breach Event** covered under this **Endorsement**. This definition is subject to all of the following provisions:
1. **Impacted Entity** does not include any **Impacted Individual**; and
  2. **Impacted Entity** may be domiciled anywhere in the world.
- DD. Impacted Individuals** means any person whose **Personally Identifiable Information** is lost, stolen, unintentionally or unknowingly disseminated, or accidentally published by a **Privacy Breach Event** covered under this **Endorsement**. This definition is subject to all of the following provisions:
1. **Impacted Individual** does not include any **Impacted Entity**. Only an individual person may be an **Impacted Individual**; and
  2. **Impacted Individual** may reside anywhere in the world.
- EE. IOT Device** means any electronic device (other than a **Portable Device**) or hardware connected device, that connects to the **Computer System** directly or through a **VPN**. **IOT Devices** include, but are not limited to, smart printers, industrial control systems, security systems, smart speakers, smart

televisions and smart appliances.

**FF. Insured** means the **Named Insured**, **Knowledge Group Members**, and the **Named Insured's** employees but only while such employees are acting within their capacity as such for the **Named Insured**.

**GG. Knowledge Group Member(s)** mean the **Named Insured's** principals, officers, directors, risk managers, and real estate managers but only while acting in their capacity as such for the **Named Insured**.

**HH. Loss(es)** means **Privacy Breach Expenses**, **Data Replacement Expenses**, **Computer System Restoration Expenses**, **Extortion Threat Losses**, **PCI Fines**, **Defrauded Funds**, and **Business Income Loss**.

**Loss(es)** do not include:

1. Costs and expenses required to comply with any injunctive or other non-monetary equitable, declaratory, regulatory, or administrative relief, including but not limited to costs to remove electronic data from a website or social media site;
2. Any monetary amount which is not insurable under the applicable law or jurisdiction pursuant to which the **Endorsement** is construed;
3. Discounts, prizes, awards, coupons, or other incentives offered to the **Insured's** clients, **Impacted Individuals**, or **Impacted Entities**;
4. Consideration charged by, paid to or owed to the **Insured**, including but not limited to restitution, disgorgement, reduction, royalties or licensing fees, or return of any consideration;
5. Any costs, fees or expenses incurred or paid by the **Insured** in establishing the existence of or amount of **Loss**, other than to a **Vendor** (including lawyers, experts, and litigation support staff) designated in writing or **Approved** in advance;
6. Fines, taxes, penalties, loss of tax benefits or sanctions, except for **PCI Fines**; or
7. Indirect or consequential losses.

**II. Malicious Code** means an unauthorized or harmful program, code, or script, including but not limited to any virus, Trojan horse, worm,

time, logic bomb, spyware, ransomware, or malware.

**JJ. Mass Event** means the original and any variant of a **Malicious Code** or **Exploit** that is both:

1. The subject of an alert by, or is identified by a name or designation that is assigned by, any (i) United States (federal or state) government entity or agency or (ii) computer security, forensics, threat intelligence, or anti-virus entity, service provider or vendor (including but not limited to CrowdStrike, Juniper Networks, Mandiant/FireEye, Norton, Malwarebytes, McAfee, Kaspersky, Digital Shadows, RiskIQ, Recorded Future, Flashpoint, Anomali, Mimecast, Proofpoint, Palo Alto Networks, RSA, Seculert/Radware, Symantec, or Verizon); and
2. Publicized (meaning reported on in two or more news or technology media or publications, including but not limited to The New York Times, Washington Post, Los Angeles Times, Financial Times, FOX Corporation, CNN, The Wall Street Journal, NBC News, ABC News, CBS News, VICE Motherboard, Data Breach Today, Krebs on Security, Dark Reading, ZD NET, Wired, PC World, The Register, or CSO Online);

in each case, prior to an **Insured** providing notice of an **Event**, **Loss**, **Claim** or **Circumstances**, whichever is earliest, pursuant to Section IV.A.

**KK. Media Wrongful Event** means any or all of the following that is unintentionally or unknowingly caused by **Electronic Media Advertising** first published or disseminated during the **Endorsement Period**:

1. Libel, slander or other defamation; or
2. Infringement of copyright, trademark, title, slogan, trade name, trade dress, service mark, service name, or misappropriation of ideas.

**LL. Named Insured** means the person(s) and/or entity(ies) listed on the Policy Declarations, to which this **Endorsement** is attached.

**MM. Network Disruption Event** means an interruption, disruption, failure, suspension, or delay in the performance of the **Computer System** directly caused by **Unauthorized Access or Unauthorized Use** of, or the



introduction of **Malicious Code** or **Exploit** into, the **Computer System**.

**NN. Network Security Event** means any one or more of the following directly caused by a **Network Disruption Event**:

1. The inability of an **Insured** or authorized third party user to access the **Computer System**;
2. An **Insured's** transmittal or distribution of **Malicious Code** or **Exploit** to, or the failure or corruption of, a third party's computer system or network; or
3. The perpetuation of a denial of service attack on a third party's computer system or network.

**OO. Payment Card Services Agreement** means an agreement between the **Named Insured** and a financial institution, credit card or debit card company or credit or debit card processor, enabling the **Named Insured** to accept credit card, debit card, prepaid card or other payment cards for payments.

**PP. PCI Claim** means the notification of the **Named Insured's** failure to comply with or violation of any Payment Card Industry Data Security Standards established by the PCI Security Standards Council, which notification is by a party who has entered into a **Payment Card Services Agreement** with the **Named Insured**.

**QQ. PCI Fines** means the fines paid which are explicitly defined as a "fine" in, and which the **Named Insured** is contractually obligated to pay pursuant to, a **Payment Card Services Agreement** due to a breach of a **Payment Card Services Agreement** caused by a **PCI Security Violation Event**. **PCI Fines** do not include (i) subsequent fines arising out of continued noncompliance or the same breach, (ii) any increased transaction costs, or (iii) any chargebacks.

**RR. PCI Security Violation Event** means the act or omission of the **Named Insured** that violated the Payment Card Industry Data Security Standards as determined in accordance with the terms of the **Payment Card Services Agreement**.

**SS.** means non-portable devices connected by hardware to the **Computer System**, including but not limited to printers, scanners, and routers.

**TT. Personally Identifiable Information** means any non-public information about a person that allows such person to be uniquely and reliably identified, or allows access to the person's financial account or medical records information, and for which notification of unauthorized access is required by a **Privacy Law**. The term **Personally Identifiable Information** does not include publicly available information that is lawfully made available to the general public (including, without limitation, being made available by such person on social media or other public sites), or **Corporate Information**. The **Personally Identifiable Information** must be in the direct care, custody or control of the **Named Insured** in the ordinary course and scope of its business operations.

**UU. Portable Device** means an electronic portable device such as a computer, smart phone, smart wearable or other similar device that connects to the **Computer System** either directly or through a **VPN**.

**VV. Privacy Breach Event** means the following actual or alleged events:

1. Theft, loss, unintentional or unknowing dissemination, or accidental publication of **Protected Information**;
2. **Unauthorized Access or Unauthorized Use of Protected Information**; or
3. The **Named Insured's** violation of a **Privacy Law**.

**WW. Privacy Breach Expenses** means the following reasonable and necessary fees, costs and expenses directly incurred for or by the **Named Insured**, and **Approved** in advance, in responding to a **Privacy Breach Event**:

**1. Notification Expenses:**

Notification fees and expenses charged by a **Vendor** (including lawyers, experts, and litigation support staff) to notify an **Impacted Individual** and any regulator required to be notified by applicable law that: (i) a **Privacy Breach Event** occurred, and (ii) there was, may have been or may be **Unauthorized Access or Unauthorized Use** of the **Personally Identifiable Information**.

**2. Monitoring Expenses:**

Fees and expenses charged by a **Vendor**

(including lawyers, experts, and litigation support staff) to provide credit monitoring, identity theft, or fraud resolution services to an **Impacted Individual** affected by a **Privacy Breach Event**.

### 3. Cyber Investigation Expenses:

Fees and expenses charged by a **Vendor** (including lawyers, experts, and litigation support staff) to investigate any or all of the following:

- a. Whether **Protected Information** has been accessed; or
- b. Whether the **Named Insured** has an obligation to provide notice under a **Privacy Law**.

### 4. Crisis Management Expenses:

- a. Fees and expenses charged by an **Approved** public relations firm, law firm or crisis management firm to perform crisis management services to minimize the potential harm to the **Named Insured's** business from a **Privacy Breach Event**; and
- b. Fees and expenses charged by a call center designated in writing or **Approved** in advance to assist in managing incoming calls during and concerning a **Privacy Beach Event**.

### 5. Privacy Breach Expenses shall not include the following:

- a. Salaries, wages, fees, remuneration, overhead, benefits, or expenses of the **Company** or the **Insureds**; or
- b. Fees, costs or expenses to enhance, upgrade or otherwise modify, or improve the **Computer System** beyond the level that existed immediately prior to the occurrence of a **Privacy Breach Event**.

**XX. Privacy Law** means any law or regulation governing the protection of **Personally Identifiable Information**, provided that the text of the law or regulation expressly requires one or more of the following:

1. Posting privacy policies;
2. Adopting specific privacy or security controls for **Personally Identifiable Information**; or
3. Notifying **Impacted Individuals** if their **Personally Identifiable Information** has

potentially been accessed or disclosed without authorization.

**YY. Protected Information** means **Personally Identifiable Information** or **Corporate Information**.

**ZZ. Reconstruction Period** means the period of time that begins at the conclusion of the **Business Interruption Waiting Period** and ends at the earliest of:

1. 60 days;
2. The date that data restoration, data re-creation and system restoration directly related to the **Business Interruption Event** has been completed in order to permit the **Named Insured** to resume business operations; and
3. The date on which such data restoration, data re-creation and system restoration could have been completed with the exercise of due diligence and prompt good faith effort.

**AAA. Reconstruction Period Net Income** means the measurable difference between (1) the actual net income (net profit or loss) before taxes, calculated on an hourly basis and based on actual historical financial numbers (specifically the twenty-four (24) months prior to the **Business Interruption Event**) that the **Named Insured** would have earned or incurred during the **Reconstruction Period** had no **Business Interruption Event** occurred, minus (2) the actual net income (net profit or loss) before taxes, earned or incurred by the **Named Insured** during the **Reconstruction Period**; provided that **Reconstruction Period Net Income** shall not be based on, shall not include, and no coverage shall be provided for (a) any net profit that could have or likely would have been earned as a result of an increase in the volume of the **Named Insured's** business during the **Reconstruction Period** (other than increases consistent with actual historical financial numbers (specifically the twenty-four (24) months prior to the **Business Interruption Event**)), or (b) any instances where the measurable difference calculated in this paragraph is less than \$0.00.

**BBB. Regulatory Fines** means the civil or administrative fines or penalties assessed against a **Named Insured** in a **Regulatory**

0000 00220039 001273 0000



**Proceeding Claim**, if such fines and penalties are insurable under the applicable law and the **Named Insured** is legally obligated to pay such fines and penalties, in all cases arising from a **Privacy Breach Event**.

**CCC. Regulatory Proceeding Claim** means each of the following that alleges the failure to comply with a U.S. federal or state **Privacy Law**:

1. A written demand to the **Named Insured** for documentation or information commenced by service of a complaint or similar pleading brought by a federal or state regulatory body or regulator; or
2. An investigation or civil proceeding brought against the **Named Insured** by a federal or state regulatory body or regulator.

**DDD. Related Claims** mean all **Claims** that are based upon, arising from, in consequence of, directly or indirectly resulting from, or involving the same, continuous, repeated, related, or substantially similar **Circumstances**, or a same, continuous, repeated, related, or substantially similar series of **Circumstances**.

**EEE. Related Events** means all **Events** that are based upon, arising from, in consequence of, directly or indirectly resulting from, or involving the same, continuous, repeated, related, or substantially similar **Circumstances**, or a same, continuous, repeated, related, or substantially similar series of **Circumstances**.

**FFF. Related Losses** mean all **Losses** that are based upon, arising from, in consequence of, directly or indirectly resulting from, or involving the same, continuous, repeated, related, or substantially similar **Circumstances**, or a same, continuous, repeated, related, or substantially similar series of **Circumstances**.

**GGG. System Compromise Event** means the **Unauthorized Access or Unauthorized Use** of the **Computer System**, or the introduction of **Malicious Code** or **Exploit** into the **Computer System**, that materially degrades or damages the performance of the **Computer System** or corrupts or destroys any **Electronic Media** in the **Computer System**.

**HHH. Third Party Claims** means a written demand or assertion of a legal right for monetary damages or services, including the service of a civil complaint or similar proceeding, or request for arbitration or mediation, brought against an **Insured**, in each case directly arising from a **Third Party Liability Event**. For the avoidance of doubt, **Third Party Claims** do not include **Regulatory Proceeding Claims**.

**III. Third Party Liability Event** means any or all of the following:

1. **Media Wrongful Event**;
2. **Network Security Event**; or
3. **Privacy Breach Event**.

**JJJ. Unauthorized Access or Unauthorized Use** means the access to or use of the **Computer System** or **Protected Information** by a person or entity not authorized to do so, or the access to or use of the **Computer System** or **Protected Information** by an authorized person or entity in an unauthorized manner.

**KKK. Vendor** means a third party person or entity that provides services to the **Named Insured** that the **Company** has either (i) designated in writing, or (ii) **Approved**. Where indicated, the term **Vendor** may include lawyers, experts, and litigation support staff.

**LLL. VPN** means a virtual private network.

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

**BUILDING LIMIT INFLATION PROTECTION COVERAGE**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

**Section I - Property** is amended as follows:

**C. Limits Of Insurance**

Paragraph **4. Building Limit - Automatic Increase** is replaced by the following:

**4. Building Limit - Inflation Protection Coverage.** We may increase limits at each renewal for Buildings and Scheduled Structures only as shown in the Declarations. We base increases on inflation cost indexes. We will round any increases in limits to the next highest \$100. Premium will change accordingly. Your payment of the renewal premium indicates your acceptance of any adjusted limits.

We will not reduce the Limit of Insurance to less than that previously specified without your consent.

0000 00230039 001273 0000



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****EXCLUSION – BIOMETRIC DATA, IDENTIFIERS OR INFORMATION**

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS COVERAGE FORM**

**A. The following exclusion is added to Paragraph B. Exclusions in Section II – Liability:**

**Biometric Identifiers Information**

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of an actual or alleged "biometric claim" based upon, attributable to, arising out of, or in any way relating to, directly or indirectly, "biometric data", "biometric identifier(s)", or "biometric identifier(s) information".

This exclusion extends to any damages claimed for costs incurred by the insured for identity fraud notification, credit monitoring, forensic review, data recovery or public relations restoration.

**B. The following are added to Paragraph F. Liability And Medical Expenses Definitions in Section II – Liability:**

1. "Biometric claim" means any claim, suit, or demand based upon, arising out of, or in any way relating to the capture, collection, storage, use, possession, transmission, dissemination, release, destruction, purchase, transfer, sale, lease, trade, disclosures (before and after collection), permission or written consent to collect and use, or retention and protection of "biometric data", "biometric Identifier(s)" or "biometric identifier(s) information", whether asserted under any local, state or federal statute, law, or regulation (including, without limitation, the Illinois Biometric Information Privacy Act and all other similar local, state and federal statutes which directly or indirectly pertain to "biometric data", "biometric Identifier(s)" or "biometric identifier(s) information") or under any common law legal theory (including, without limitation, invasion of privacy or intrusion upon seclusion)
2. "Biometric data" means the measurement of an individual's features and characteristics resulting from specific technical processing relating to the physical, physiological or

behavioral identifiers of a natural person, which allow or confirm the unique establishment of that natural person, such as "biometric identifier(s)" or "dactyloscopic data".

3. "Biometric identifier(s)" means:
  - a. DNA;
  - b. Written signature;
  - c. Computer navigation (mouse or touch-pad) patterns;
  - d. Keystroke patterns or rhythms;
  - e. Behavioral patterns;
  - f. Retinal, eyeball or iris scan;
  - g. Fingerprints;
  - h. Footprints;
  - i. Voiceprints or voice recordings;
  - j. Vascular scans or vein patterns;
  - k. Scans of hand, palm or face geometry;
  - l. Gait patterns or rhythms;
  - m. Sleep, health or exercise data;

or any other personally identifiable measurable biological characteristic of a natural person.
4. "Biometric identifier(s) information" means any information, regardless of how it is captured, collected, converted, stored or shared based on an individual's "biometric identifier(s)", and used by itself or with other information to identify an individual, and the personally attributable physical, psychological or behavioral characteristics of a natural person which allow or confirm the unique identification of that natural person.
5. "Dactyloscopic data" means fingerprint images, images of fingerprint latents, palm prints, palm print latents and templates of such images, when captured, collected, stored and dealt with in an automated fingerprint identification system database.

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

## CONDOMINIUM ASSOCIATION COVERAGE

This endorsement modifies insurance provided under the following:

### BUSINESSOWNERS COVERAGE FORM

**A. Paragraph A.1. Covered Property in Section I - Property is replaced by the following:**

**1. Covered Property**

Covered Property includes Buildings as described under Paragraph **a.** below, Scheduled Structures as described under Paragraph **b.** below, Unscheduled Structures as described under Paragraph **c.** below, and Business Personal Property as described under Paragraph **d.** below, or any combination thereof, depending on whether a Limit Of Insurance is shown in the Declarations for that type of property.

Regardless of whether coverage is shown in the Declarations for Buildings, Structures, Unscheduled Structures, and Business Personal Property, or any combination thereof, there is no coverage for property described under Paragraph **2. Property Not Covered.**

**a.** Buildings, meaning the buildings at the premises described in the Declarations and defined in the Condominium Association Agreement.

This does not include:

- (1) Scheduled Structures; or
- (2) Unscheduled Structures.

**b.** Scheduled Structures, meaning the listed structures at the premises described in the Declarations.

This does not include:

- (1) Buildings; or
- (2) Unscheduled Structures.

Buildings as described in Paragraph **a.** above or Scheduled Structures as described in Paragraph **b.** above that are damaged by a Covered Cause of Loss include:

- (1) Completed additions;
- (2) Fixtures, outside of individual units, including outdoor fixtures;
- (3) Permanently installed:
  - (a) Machinery; and
  - (b) Equipment;
- (4) Personal property owned by you that is used to maintain or service the Buildings, Scheduled Structures or the premises, including:
  - (a) Fire extinguishing equipment;
  - (b) Outdoor furniture;

(c) Floor coverings;

(d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering that are not contained within individual units; and

(e) Maintenance equipment.

But the most we will pay for the loss of maintenance equipment caused by or resulting from any Covered Cause of Loss is \$25,000 for any one occurrence.

(5) If not covered by other insurance:

(a) Additions under construction, alterations and repairs to the Buildings or Scheduled Structures;

(b) Materials, equipment, supplies, and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the Buildings or Scheduled Structures; and

(6) Any of the following types of property contained within a unit, regardless of ownership, if your Condominium Association Agreement requires you to insure it:

(a) Fixtures, improvements and alterations that are a part of the Buildings or Scheduled Structures; and

(b) Appliances, such as those used for refrigerating, ventilating, cooking, dishwashing, laundering, security or housekeeping.

But Buildings or Scheduled Structures do not include personal property owned by, used by or in the care, custody or control of a unit-owner except for personal property listed in Paragraph **A.1.(6)** above.

**c.** Unscheduled Structures, meaning any structures at the premises not otherwise described in the Declarations that are:

- (1) Permanently affixed to the land; and
- (2) Have a replacement cost value of less than \$25,000.

This does not include:

- (1) Buildings;

0000 00240039 001273 0000



- (2) Scheduled Structures;
- (3) Any structure with a permanent:
  - (a) Roof; and
  - (b) Exterior walls enclosing at least three sides of the structure;
 Including but not limited to detached garages, maintenance buildings, sheds and pool houses;
- (4) Any outdoor signs;
- (5) Any street lights;
- (6) Any streets, sidewalks, curbs or other paved surfaces; or
- (7) Any underground pipes, pump houses, wells or related equipment that are not Buildings or Scheduled Structures.

d. Business Personal Property located in or on the Buildings, Scheduled Structures or Unscheduled Structures at the described premises or in the open (or in a vehicle) within 100 feet of the Buildings, Scheduled Structures or Unscheduled Structures or within 100 feet of the premises described in the Declarations, whichever distance is greater, including:

- (1) Personal property owned by you or owned indivisibly by all unit-owners;
- (2) Your interest in the labor, materials or services furnished or arranged by you on personal property of others;
- (3) Leased personal property which you have a contractual responsibility to insure, unless otherwise provided for under personal property of others.

Business Personal Property does not include personal property owned only by a unit-owner, unless it is in your care, custody or control as covered below.

This also includes property of others that is in your care, custody or control except as otherwise provided in Loss Payment Property Loss Condition **E.5.d.(3)(b)**.

**B. Paragraph A.2.e. Property Not Covered in Section I - Property** is replaced by the following:

- e. Outdoor fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants (other than trees, shrubs or

plants which are part of a vegetated roof), all except as provided in :

- (1) Paragraph **A.1.b.** Scheduled Structures;
- (2) Paragraph **A.1.c.** Unscheduled Structures;
  - (a) Outdoor fences; and
  - (b) Radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;
- (3) Outdoor Property Coverage Extension; or
- (4) Outdoor Signs Optional Coverage;

**C.** The following applies to outdoor fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers when coverage is provided under Paragraph **A.1.b.** Scheduled Structures:

- 1. We will pay for direct physical loss of or damage to all outdoor fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers at the described premises:
  - a. Owned by you; or
  - b. Owned by others but in your care, custody or control.
- 2. Paragraph **A.2.e. Property Not Covered in Section I - Property** does not apply to this coverage.
- 3. Paragraph **B.1. Exclusions in Section I - Property** does not apply to this coverage except for:
  - a. Paragraph **B.1.c. Governmental Actions**;
  - b. Paragraph **B.1.d. Nuclear Hazard**; and
  - c. Paragraph **B.1.f. War And Military Action**.
- 4. Paragraphs **B.2.** and **B.3. Exclusions in Section - I Property** do not apply to this coverage except for:
  - I. **Other Types Of Loss**  
We will not pay for loss or damage caused by or resulting from:
    - (1) Wear and tear;
    - (2) Hidden or latent defect;
    - (3) Rust;
    - (4) Corrosion;
    - (5) Deterioration;
    - (6) "Fungi";
    - (7) Decay; or
    - (8) Mechanical Breakdown.
- 5. The provisions of this coverage supersede all other references to outdoor fences, radio or television antennas (including satellite dishes) and their

lead-in wiring, masts or towers in this policy.

**D. The following is added to Paragraph C. Limits Of Insurance:**

**6. Increased Building Limit Coverage**

We will settle covered losses to Buildings described in the Declarations at replacement cost up to a maximum of 125% of the limit applying to the damaged Buildings at the time of loss subject to the following provisions:

- a. You have notified us within 90 days of the start of any additions to or remodeling of an insured Building which increases its replacement cost value by 20% or more as determined by us at the time of loss. If you fail to notify us within 90 days, our payment will not exceed the limit applying to the Building as outlined in Paragraph **5. Loss Payment** of Paragraph **E. Property Loss Conditions** in **Section - I Property**; and
- b. You have paid any additional premium due for the increase in value.

The **Increased Building Limit Coverage** applies only to Buildings that are repaired or replaced at the same premises after a covered loss.

This coverage does not apply to:

- a. Buildings under construction;
- b. Scheduled Structures; or

**c. Unscheduled Structures.**

**E. The following is added to the Loss Payment Condition in Section I - Property:**

If you name an insurance trustee, we will adjust losses with you, but we will pay the insurance trustee. If we pay the trustee, the payments will satisfy your claims against us.

**F. The following is added to the Property Loss Conditions in Section I - Property:**

**9. Unit-Owner's Insurance**

A unit-owner may have other insurance covering the same property as this insurance. This insurance is intended to be primary and not to contribute with such other insurance.

**G. The following is added to Paragraph C. Who Is An Insured in Section II - Liability:**

3. Each individual unit-owner of the insured condominium, but only for liability arising out of the ownership, maintenance or repair of that portion of the premises which is not reserved for that unit-owner's exclusive use or occupancy.

**H. The following is added to Paragraph K. Transfer Of Rights Of Recovery Against Others To Us in Section III - Common Policy Conditions:**

**3. Waiver Of Rights Of Recovery**

We waive our rights to recover payment from any unit-owner of the condominium that is shown in the Declarations.

0000 00250039 001273 0000



POLICY NUMBER: 91003-34140-35

BUSINESSOWNERS  
BPF 88 11 08 18**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****EMPLOYMENT PRACTICES LIABILITY INSURANCE - COLORADO****THIS ENDORSEMENT PROVIDES CLAIMS MADE AND REPORTED COVERAGE. SUBJECT TO ITS TERMS, THIS ENDORSEMENT COVERS A CLAIM ONLY IF IT IS FIRST MADE AGAINST AN INSURED DURING THE POLICY PERIOD OR DURING THE EXTENDED REPORTING PERIOD, IF APPLICABLE.****AMOUNTS INCURRED AS DEFENSE COSTS SHALL REDUCE AND MAY EXHAUST THE LIMIT OF LIABILITY AND ARE SUBJECT TO THE RETENTIONS. THE INSURER SHALL NOT BE LIABLE FOR ANY DEFENSE COSTS OR FOR ANY JUDGMENT OR SETTLEMENT AFTER THE LIMIT OF LIABILITY HAS BEEN EXHAUSTED.****PLEASE READ THIS ENDORSEMENT CAREFULLY.**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

**SCHEDULE**

| <b>LIMIT OF LIABILITY (INCLUDES DEFENSE COSTS)</b>   |  |
|--|--|
| <b>Each Insured Event/Third Party Insured Event Limit</b>  | <b>\$</b>  |
| <b>Aggregate Limit Of Liability</b>  | <b>\$</b>  |
| <b>SELF-INSURED RETENTION (INCLUDES COST OF DEFENSE)</b>   |  |
| <b>Any One Insured Event/Third Party Insured Event</b>   |  |
| <b>Prior Knowledge Date</b>  |  |
| <b>Retroactive Date</b>  |  |
| <b>Extended Reporting Period</b>   | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>Authorized Representative</b>   | <b>American Family Claims Department</b>                 |
| Information required to complete this Schedule, if not shown above, will be shown in the Declarations. |  |

This endorsement amends the policy to provide Employment Practices Liability Insurance on a claims made and reported basis. The terms and conditions of this endorsement govern the scope of coverage and "your" and "our" duties. Various provisions in this endorsement restrict coverage. Read the entire endorsement carefully to determine your rights and duties and what is and is not covered. The terms, conditions, exclusions, and limits of insurance set forth in this endorsement apply only to the coverage provided by this endorsement.

The terms and conditions of the "Cancellation" and "Nonrenewal" provisions of the Businessowners Policy, and any amendment to such terms, are incorporated herein and shall apply to coverage as is afforded by this endorsement, unless specifically stated otherwise in an endorsement(s) attached hereto.

Throughout this endorsement, the words "you" and "your" refer to the Named Insured under this endorsement. The words "we", "us" and "our" refer to the company providing this coverage. The word "insured" means any person or organization qualifying as such under Paragraph **A.5. Who Is An Insured**. The term "policy" refers to the primary policy to which this endorsement is attached.

Words and phrases that appear in quotation marks have special meaning. Refer to **E. Definitions**. To the extent any words or phrases used in this endorsement are defined elsewhere in the policy, such definitions provided elsewhere do not apply to give meaning to the words or phrases used in this endorsement.

For the purposes of the coverage provided by this endorsement, **Section II - Liability** is amended as follows:

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

**1. What Is Covered**

We will pay "loss" amounts that an insured is legally obligated to pay on account of a "claim" because of an "insured event" to which this endorsement applies. However, the amount we will pay is limited as described in the Paragraph **C.1. Limit Of Liability** and Paragraph **C.2. Self-Insured Retention** of this endorsement.

This endorsement only applies if:

- a. A "claim" is first made against an insured in accordance with Paragraph **A.3. When Coverage Is Provided** in this endorsement;
- b. The "claim" is reported in accordance with Paragraph **A.3. When Coverage Is Provided** and the Paragraph **D.5. Duties In The Event Of A Claim** condition of this endorsement;
- c. A "claim" is first made against an insured based upon an "insured event" or a "third party insured event" that first occurred, or is alleged to have occurred, on after the Retroactive Date set forth in the Schedule of this endorsement

**2. Defense**

We have the right and duty to defend any "claim" for an "insured event" or "third party insured event" made or brought against any insured to which this endorsement applies. We have the right to choose counsel to defend a "claim" that we are defending. We have no duty to provide other services or take other actions. Our duty to defend any "claim" ends when the Limit Of Liability that applies has been exhausted, and in such event, the Named Insured shall, upon notice from us, promptly take over control of the defense and reimburse us any amount we have paid for the defense in excess of the Limit Of Liability.

We have the right to investigate and to settle any "claim" for an "insured event" or a "third party insured event" in the manner and to the extent that we believe is proper, contingent upon the consent of the Named Insured as defined in this endorsement. This includes the right to agree to post a notice of compliance, provided such notice does not contain an admission of liability.

- a. You may take over control of any

outstanding "claim" previously reported to us only if we both agree that you should, if required under law or if a court orders you to do so.

- b. If your Limit Of Liability is exhausted, we will notify you of all outstanding "claims" so that you can take over control of their defense. We will help to transfer control to you.
- c. **During the transfer of control.** We agree to take whatever steps are necessary to continue defense of any outstanding "claim" and avoid a default judgment during the transfer of control to you. If we do so, you agree to pay reasonable expenses that we incur for taking such steps after the Limit Of Liability is exhausted.
- d. **Duty to pay.** We have the duty to pay any "loss" (after you pay the applicable self-insured retention) that results from any "claim" for an "insured event" or "third party insured event" made or brought against any insured to which this endorsement applies. Our duty to pay ends when the applicable Limit Of Liability has been exhausted. We will not pay more than the applicable Limit Of Liability.
- e. We have the duty to pay "defense Costs" incurred (after you pay the applicable self-insured retention) for the defense of any "claim" that is controlled by us. Any payment of "defense costs" is included in the Limit Of Liability, it is not in addition to the Limit Of Liability.
- f. **Recommended Settlements.** With respect to any "claim" for which we recommend that a settlement offer be accepted but you do not give your consent to such settlement, and the "claim" later results in a judgment or settlement in excess of the recommended settlement, our liability for "loss" on account of such "claim" shall not exceed: (1) the amount for which the "claim" could have been settled plus "defense costs" incurred as of the date we recommended the settlement plus (2) 80% of covered "loss" excess of the proposed settlement as long as 20% is borne by the insured at its own risk. This provision shall not apply unless the total "loss", including the recommended settlement, would exceed the applicable Self-Insured Retention amount.

**3. When Coverage Is Provided**

- a. This endorsement applies only to "claims"

0000 00260039 001273 0000



- arising out of an "insured event" or "third party insured events", first made or brought during the policy period and which are reported to us in accordance with the endorsement's notice provisions as set forth in **Conditions Section D.5. Duties In The Event Of A Claim**. A "claim" is considered to be first made when it is first served or received by insured.
- b. All "claims" because of "one insured event" or "one third party insured event", will be considered to have been made or brought on the date that the first of those "claims" was first made or brought.
  - c. **Extended Reporting Period.** If this endorsement is non-renewed or cancelled an Extended Reporting Period of thirty-six (36) months from the end of the policy period, or the effective date of cancellation, whichever is earlier, can be added by us issuing you an Extended Reporting Period endorsement in exchange for your payment of an additional premium.
  - d. The Extended Reporting Period endorsement will not be issued unless:
    - (1) We receive a written request for it within sixty (60) days after this endorsement is cancelled or non-renewed, and
    - (2) The additional premium is paid within sixty (60) days after this endorsement is cancelled or non-renewed.

Once that premium is paid, the Endorsement may not be cancelled, and the additional premium will be fully earned.
  - e. The additional premium for a thirty-six (36) month Extended Reporting Period will be two hundred percent (200%) of the endorsement premium charged for the Policy Period being cancelled or non-renewed.
  - f. However, the Extended Reporting Period will not apply to any "claim" if other insurance you buy covers you or would cover you if its limits of coverage had not been exhausted.
  - g. Coverage under the Extended Reporting Period is with respect to "claims" first made against an insured during the policy period or Extended Reporting Period and first reported to us by an insured during the Extended Reporting Period, provided always that "claims" reported during the Extended Reported Period are limited to "insured events" or "third party insured events" which happen or commence before the original policy period ends by either cancellation or non-renewal and which are otherwise covered by this endorsement.
  - h. The Limit Of Liability that applies at the end of the policy period is not renewed or increased and the Limits, as shown in the Schedule, shall not be increased in any way by the addition of the Extended Reporting Period.
  - i. If, during the policy period, any of the following changes occur:
    - (1) The acquisition of an insured, or of all or substantially all of its assets, by another entity, or the merger or consolidation of an insured into or with another entity such that the insured is not the surviving entity; or
    - (2) The obtaining by any person, entity or affiliated group of persons or entities of the right to elect, appoint or designate over fifty percent (50%) of the directors of an insured

Then coverage under this endorsement with respect to such insured will continue in full force and effect with respect to "claims" for "insured events" or "third party insured events" committed before such change, but coverage with respect to such insured will cease with respect to "claims" for "insured events" committed after such change. After any such change, this endorsement may not be cancelled, regardless of **Section III - Common Policy Conditions, Paragraph A. Cancellation**, and the entire premium for the endorsement will be deemed fully earned.
4. **Where Coverage Is Provided**  
This endorsement covers "claims" made and "insured events" and "third party insured" events occurring anywhere in the United States of America or its territories.
  5. **Who Is Insured**  
**Individual.** If you are shown in the Declarations as an individual, you and your spouse are insureds but only for the conduct of a business of which you are the sole owner.  
**Corporation.** If you are shown in the Declarations as a corporation or organization other than a partnership or joint venture, you are an insured. Your stockholders are also insureds, but only with respect to their liability as your stockholders.  
**Partnership Or Joint Venture.** If you are shown in the Declarations as a partnership or joint venture, you are an insured. Your partners or co-venturers and their spouses are also insureds, but only for the conduct of your business.  
However, no person nor organization is covered for the conduct of any current or past partnership or joint venture not named in the Declarations.  
**Other.** If you are a Limited Liability

Corporation (LLC), or a Limited Liability Partnership (LLP) of the Named Insured and you are shown in the Declarations as 'Other' you are an insured. Your members, partners and shareholders are also insureds but only with respect to the conduct of your business.

**Employees.** Your "employees", executive officers, directors and your trustees are insureds only for the conduct of your business within the scope of their employment. Your employee's status as an insured will be determined as of the date of the "discrimination", "harassment", "inappropriate employment conduct", or an "inappropriate third party conduct", which caused an "insured event" or "third party insured event".

**Mergers And Acquisitions.** Any organization that you newly acquire, form or merge with while this endorsement is in effect that has less than 10% of the total number of your "employees" as of the inception date of this endorsement shall be an insured at the time of such acquisition, merger or formation if you own at least fifty one percent (51%) of it. Within thirty (30) days prior to the expiration of the Endorsement, the insured shall give us written notice as to all such organizations. If you acquire, form or merge with any organization that has more than 10% of the total number of your "employees" as of the inception date of this endorsement, such organization is also an insured if you own at least fifty one (51%) of it; provided, however, no such organization is covered for more than forty five (45) days from the date acquired, merged or formed unless we agree to cover such acquisition or newly formed organization within such forty five (45) day period in consideration of an additional premium to be determined by us. Notwithstanding the foregoing, any acquired or formed organization is not covered for "loss" that results from an "insured event" that happened or first commenced before the insured acquired or formed it; or for "loss" covered under any other insurance. This provision does not apply to a partnership or joint venture. Nor does it apply to any organization once it is shown in the Declarations of this policy.

**Subsidiary.** Any organization in which the Named Insured has more than a 50% ownership interest and which is identified in the "application" shall be an insured.

**B. The following is added to Paragraph B. Exclusions:**

**4. Worker's Compensation, ERISA, FLSA, NRLA, WARN, COBRA And OSHA.** This endorsement does not cover any "loss" arising out of any "claim" alleging violation of any: (i) worker's compensation, disability benefits or unemployment compensation law, social

security and other employment benefits law; (ii) the Employee Retirement Income Security Act of 1974 Public Law 93-406; (iii) the Fair Labor Standards Act (except the Equal Pay Act); (iv) the National Labor Relations Act; (v) the Worker Adjustment and Retraining Notification Act; (vi) the Consolidated Omnibus Budget Reconciliation Act of 1985; (vii) the Occupational Safety and Health Act; (viii) any other federal, state or local statute or law similar to any statute or law described in (i) through (vii) of this exclusion; provided, however, this exclusion shall not apply to any "claim" for any actual or alleged retaliatory treatment of the claimant on account of the claimant's exercise of rights pursuant to such statute, law, rule or regulation.

- 5. Contractual Liability.** This endorsement does not cover any "loss" based upon, arising out of, directly or indirectly in connection with, related to, or in any way involving any "claim" that any insured is obligated to pay by reason of the assumption of another's liability for an "insured event" in a contract or agreement. This exclusion will not apply to liability for damages because of an "insured event" that any insured would have without the contract or agreement.
- 6. Consequential Loss.** This endorsement does not cover any "loss" resulting from or attributable to any allegations made by or solely for the benefit of a claimant's domestic partner, spouse, child, parent, brother or sister.
- 7. Wage And Hour Law.** This endorsement does not cover any "loss" arising out of a "claim" based upon, arising out of, directly or indirectly in connection with, related to or in any way alleging violation of any state or local wage and hour law. However, in the event such "claim" also alleges an "insured event" otherwise covered by this endorsement, notwithstanding the provisions of Section **A.2. Defense**, and subject to all other terms, conditions and exclusion contained in this endorsement, we agree to pay "loss" solely for that portion of the "claim" involving such "insured event".
- 8. Stock Options.** This endorsement does not cover any "loss" resulting from or attributable to stock options, including, without limitation, 1) the failure to grant stock options and/or 2) amounts attributable to unvested stock options which options did not vest because of the actual or alleged wrongful termination of an "employee".
- 9. Fraud And Collusion.** This endorsement does not cover any "loss" based upon, arising out of, directly or indirectly in connection with, related to, or in any way involving any "claim" alleging fraud, collusion, dishonest, criminal or malicious acts by or at the direction of an insured. Without limiting the foregoing, we will

0000 00270039 001273 0000



pay "defense costs" incurred relating to allegations of fraud, collusion, dishonest, criminal or malicious acts to defend an innocent insured named in such "claim" so long as such "claim" also contains allegations against that innocent insured involving an "insured event" otherwise covered by this policy.

**10. Prior Knowledge.** This endorsement does not cover any "loss" arising out of "insured event" or "third party insured events" of which any insured who is a principal, partner, officer, director, trustee, in-house counsel, "employee(s)" within the Human Resource or Risk Management Department or "employee(s)" with personnel and risk management responsibilities was aware by actual knowledge of the facts or circumstances of such "insured event" or "third party insured events" prior to the Prior Knowledge Date, as shown in the Schedule.

**11. Prior Notice.** This endorsement does not cover any "loss" arising out of "insured events" or "third party insured events" that have been the subject of any notice given under any other policy prior to the inception date of this policy.

**12. Retroactive Date.** This endorsement does not cover any "loss" arising out of an "insured event" or "third party insured event" that first occurred or, is alleged to have occurred, on or before the Retroactive Date set forth in the Schedule. This endorsement also does not cover "loss" arising out of an "insured event" or "third party insured event" that is related to another "insured event" or "third party insured event" such as by similar conduct or an ongoing pattern of conduct, that first occurred, or is alleged to have occurred, prior to the Retroactive Date.

**13. Bodily Injury, Assault, Battery, Or Damage To Tangible Property.** This endorsement does not cover any "loss" for actual or alleged bodily injury, assault, battery, or damage to or destruction of tangible property (including loss of use thereof).

**C. Paragraph D. Liability And Medical Expenses Limits Of Insurance** is replaced by the following:

**1. Limit Of Liability**

a. The amount shown in the Schedule as the Each Insured Event/Third Party Insured Event Limit is the most we will pay for "claims" first made or brought during the Policy Period for "loss" that results from any "one insured event" or "one third party insured event" regardless of the number of "claims"

b. The amount shown in the Schedule as the Aggregate Limit Of Liability is the most we will pay for the combined total of all "claims" first made or brought during the

Policy Period for "loss" that result from all "insured events".

c. If this Policy Period is extended, the Limits, as shown in the Schedule; shall not in any way increase. For purposes of the Limit Of Liability, any policy extension is considered to be part of and not in addition to the former Policy Period.

**2. Self-Insured Retention**

Our obligation to pay under this endorsement applies only to covered amounts in excess of any Self Insured Retention amount that the Insured must pay, as shown in the Schedule, and the Limit Of Liability will not be reduced by the amount of such Self Insured Retention.

The Self Insured Retention amount will apply separately to each "claim" made, however, it will only apply once to all "claims" arising out of any "one insured event" or "one third party insured event" regardless of the number of claimants who allege damages.

If a "claim" is reported within thirty (30) days of when it was first made, the applicable Self Insured Retention will be reduced by fifty percent (50%).

If, prior to terminating or demoting an "employee" the Insured consults with and follows the advice of a labor law attorney approved by our Authorized Representative, then the Insured's Self-Insured Retention is reduced by 50% in the event the Insured faces a "claim" involving such termination or demotion.

**D. The following are added to Paragraph E. Liability And Medical Expenses General Conditions:**

**5. Duties In The Event Of A Claim**

a. In the event any insured who is a principal, partner, officer, director, trustee, in house counsel, "employee(s)" within the HR Department and/or Risk Management Department with personnel and risk management responsibilities, becomes aware that a "claim" has been made, you must see to it that we or our Authorized Representative are notified as soon as practicable but in no event later than thirty days (30) after a the expiration of the Policy Period or the last day of the Extended Reporting Period. Your notification should include:

(1) The identity of the person(s) alleging "discrimination", "harassment", "inappropriate employment conduct", "workplace bullying" and/or "inappropriate third party conduct";

(2) The identity of any insured(s) who allegedly committed the "discrimination", "harassment", "inappropriate employment conduct", "workplace bullying", and/or

“inappropriate third party conduct”;

- (3) The identity of any witnesses to the alleged “discrimination”, “harassment”, “inappropriate employment conduct”, “workplace bullying” and/or “inappropriate third party conduct”; and
- (4) The date(s) an “insured event” or “third party insured event” took place.
- b. You and any other insured must:
- (1) Immediately send us or our Authorized Representative copies of any demands, notices, summonses or legal papers received in connection with the “claim”;
- (2) Authorize us or our Authorized Representative to obtain statements, records and other information;
- (3) Co-operate with us or our Authorized Representative in the investigation or defense of the “claim”; and
- (4) Assist us or our Authorized Representative in the enforcement of any right against any person or organization which may be liable to an insured because of “loss” to which this endorsement may also apply.
- c. No insured will, except at the insured’s own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent. Subsequent payments that are deemed by us as having been made necessary by any such voluntary payment, assumed obligation or incurred expense will also be the sole responsibility of the insured.

#### 6. Report Of A Potential Claim

Solely at an insured’s option, an insured may within the policy period report an oral complaint by an “employee”, former “employee” or applicant for employment alleging “discrimination”, “harassment”, “inappropriate employment conduct”, and/or “workplace bullying” or an oral complaint of “inappropriate third party conduct”. If such report is received by us or our Authorized Representative within the Policy Period then any “claim” subsequently arising from such oral complaint will be deemed to be made on the date such report was received. Such report must include the identity of the person(s) making the oral complaint. In no event, however, is an insured entitled to coverage under this endorsement based on a “laundry list notification”.

#### 7. Legal Action Against Us

- a. No person or organization has the right under this endorsement:
- (1) To join us as a party or otherwise bring us into a suit asking for damages from

an insured; or

- (2) To sue us on this endorsement unless all of its terms have been fully complied with.
- b. A person or organization may sue us to recover on an agreed settlement or on final judgment against an insured obtained after an actual trial, but we will not be liable for damages that are not payable under the terms of this endorsement or that are in excess of the applicable Limit Of Liability. An agreed settlement means a settlement and release of liability signed by us, an Insured and the claimant’s legal representative.

#### 8. Other Insurance

This endorsement shall apply in excess of any other existing valid policy including any self-insured retention or deductible portion thereof, where such other insurance is stated to be primary, contributory, excess, contingent or otherwise, and regardless of whether or not any “loss” in connection with such “claim” is collectible or recoverable under such other policy, unless such other policy is written only as specific excess insurance other the Limits of Liability of this endorsement. Nothing herein is intended to make this endorsement subject to the terms, conditions and limitations of any other insurance, and nothing herein is intended to limit our or any insured’s right to contribution or indemnity from any other party, insurer or indemnitor.

#### 9. Representations

By accepting this endorsement you agree:

- a. All statements in any “application”, if applicable, and any attachments as well as all other information provided to us are true and complete and shall be deemed material to the acceptance of the risk or the hazard assumed by us under this endorsement;
- b. Those statements are based upon representations you made to us;
- c. We have issued this endorsement in reliance upon your representations;
- d. In the event that any statement or representation in the “application” is untrue, this endorsement in its entirety shall be void at inception and of no effect whatsoever; and
- e. To disclose any material facts you become aware of between the time that the “application” for this policy is signed and the policy inception date.

The truth of any statement or representation in the “application” shall be determined without regard to whether any insured knew the “application” contained such untrue statement or representation.

0000 00280039 001273 0000



#### 10. Transfer Of Rights Of Recovery Against Others To Us

If any insured has rights to recover all or part of any payment(s) we have made under this endorsement, those rights are transferred to us; the insured must do nothing after a "loss" to impair them. At our request, any insured will bring suit or transfer those rights to us and help us to enforce them.

#### 11. Bankruptcy

Bankruptcy or insolvency of any insured or of an insured's estate will not relieve us of our obligations under this endorsement, except as excluded in **Exclusions**.

#### 12. False Or Fraudulent Claims

If any insured shall proffer any "claim" knowing the same to be false or fraudulent as regards amount or otherwise, this endorsement will become void in its entirety and all coverage hereunder shall be forfeited.

#### 13. Allocation

If both "loss" covered by this endorsement and non-covered loss are incurred, either because the "claim" made against the insured includes both covered and non-covered matters, or because a "claim" is made against both the insured and others not insured under this policy, then such covered "loss" and non-covered loss shall be allocated as follows:

- a. One hundred percent (100%) of "defense costs" shall be allocated to covered "loss";
- b. Settlements, judgments, verdicts and awards shall be allocated between covered "loss" and noncovered loss based upon the relative legal and financial exposures of, and the relative benefits obtained in connection with the resolution of the "claim" as between the insureds' or non-Insureds' exposure to non-covered loss, and the insureds' exposure to covered "loss". In making such allocation determination, we and you agree to use their best efforts to determine a fair and proper allocation. In the event that an allocation cannot be agreed to, then we shall make an interim payment of the amount of "loss" that the parties agree is not in dispute until a final amount is agreed upon or determined pursuant to the provisions of applicable law.

#### 14. Right To Claim Information

Once an insured has made a "claim" during the Policy Period, we must provide the Named Insured, within thirty (30) days of its request, sufficient information about closed or paid "claims" made against the insureds, "claims" made against the insureds for which we have established reserves, and "claims" made against the insureds for which we have received notice of any "insured event" or, if

applicable, any "third party insured event", which could give rise to "claims", to allow the insured to determine how much of the aggregate coverage remains available under the policy.

#### E. Definitions

The following is added to Paragraph **F. Liability And Medical Expenses Definitions**:

23. "Application" means each and every signed "application", any attachments to such "application(s)", any materials or information submitted with such "application(s)" or incorporated therein and any other documents submitted in connection with the underwriting of this endorsement or the underwriting of any other Employment Practices Liability endorsement or policy issued by us, or any of our affiliates, of which this policy is a renewal, replacement or which succeed it in time.

24. "Claim(s)" means a written complaint or written charge made against an insured or a written demand made against an insured in which damages are alleged or where specific charges of "discrimination", "harassment", "inappropriate employment conduct", "workplace bullying" and/or "inappropriate third party conduct" are brought.

"Claim" includes a civil action, suit or administrative proceeding, to which any insured must submit or to which any insured submits with our consent.

But "claim" shall not mean any labor or grievance arbitration subject to a collective bargaining agreement; or any complaint, writ or other proceeding in which an insured is alleged to have committed or engaged in a criminal offense or violation of a federal, state or local penal law.

25. "Defense costs". Means those reasonable and necessary expenses that result from the investigation, settlement or defense of a specific "claim" including attorneys' fees and expenses, the cost of legal proceedings, the cost of appeal bonds, the cost of bonds to release property being used to secure a legal obligation (but only for bond amounts within the Limit Of Liability that applies). We have no obligation to furnish any bonds.

The following are not "defense costs": costs incurred by any insured before notice is provided to us; salaries and expenses of your employees, including in-house and/or coverage attorneys, salaries and expenses of our employees, or our in-house coverage attorneys or the fees and expenses of independent adjusters we hire.

26. "Discrimination" means termination of the employment relationship, a demotion, a failure or refusal to hire or promote, denial of an employment benefit or the taking of any

adverse or differential employment action because of race, color, religion, age, sex, disability, pregnancy, sexual orientation, national origin, or any other basis prohibited by federal, state or local law occurring on or after the Retroactive Date as shown in the Schedule.

This endorsement covers retaliation claims based on unlawful "discrimination" occurring on or after the Retroactive Date as shown in the Schedule, except as excluded in **Exclusions, Paragraph B.**

27. "Employee" means an individual whose labor or service is engaged by and directed by the Named Insured, or any covered entity. This includes volunteers, part time, seasonal and temporary employees, and independent contractors, as well as any individual employed in a supervisory, managerial or confidential position. Sub contractors are not "employees" unless they are dedicated agents or representatives of an insured.

Employees who are leased to another employer are not "employees".

28. "Harassment" means unwelcome sexual or non-sexual advances, requests for sexual or non-sexual favors or other verbal, visual or physical conduct of a sexual or non-sexual nature, where such "harassment" occurs on or after the Retroactive Date as shown in the Schedule, and pursuant to **Exclusions, Paragraph B.** and is based on a factor or category prohibited by law (including sex, race, age, national origin, disability, etc.), that (1) explicitly or implicitly are made a condition of employment, or (2) are used as a basis for employment decisions, or (3) create a work environment that interferes with performance.

29. "Inappropriate employment conduct" means any of the following occurring on or after the Retroactive Date as shown in the Schedule, and pursuant to **Exclusions, Paragraph B.**

- a. Actual or constructive termination of an employment relationship in a manner which is alleged to have been against the law or wrongful or in breach of an implied employment contract or breach of the covenant of good faith and fair dealing in the employment contract;
- b. Allegations of wrongful demotion, wrongful evaluation, wrongful deprivation of a career opportunity, or wrongful discipline;
- c. Allegations of misrepresentation made by an "employee", a former "employee" or an applicant for employment which arise from the insured's employment decision to hire, fire, promote or demote;
- d. Allegations of infliction of emotional distress, mental injury, mental anguish, shock, sickness, disease or disability

made by an "employee", a former "employee" or an applicant for employment which arise from the insured's employment decision to hire, fire, promote or demote;

- e. Allegations of false imprisonment, detention or malicious prosecution made by an "employee", a former "employee" or an applicant for employment which arise from the insured's employment decision to hire, fire, promote or demote;
  - f. Allegations of libel, slander, defamation of character or any invasion of right of privacy made by an "employee", a former "employee" or an applicant for employment which arise from the insured's employment decision to hire, fire, promote or demote;
  - g. Allegations of failure to employ or promote, train, create or enforce adequate workplace or employment policies and procedures, or grant tenure or seniority;
  - h. Other personal injury allegations made by an "employee", a former "employee" or an applicant for employment which arise from the insured's employment decision to hire, fire, promote or demote;
  - i. Allegations of violation(s) of the Family and Medical Leave Act (FMLA); or
  - j. Allegations of violation(s) of the Uniformed Services Employment Reemployment Rights Act (USERRA).
30. "Inappropriate employment conduct" shall not include any allegations other than those set forth above.
31. "Inappropriate third party conduct" means actual or alleged acts of discrimination or harassment by an insured against any natural person who is not an "employee" and "tenant discrimination". "Inappropriate third party conduct" shall not include actual or alleged acts of assault or battery.
32. "Insured event" means actual or alleged acts of "discrimination", "harassment", "inappropriate employment conduct", and/or "workplace bullying" by an Insured against an "employee" or former "employee" or applicant for employment with an insured entity occurring on or after the Retroactive Date as shown in the Schedule, and pursuant to **Exclusions, Paragraph B.** "Insured event" shall not include "claims" for actual or alleged violation of any federal, state or local wage and hour laws or regulations.
33. "Laundry list notification" means any attempt by an insured to report multiple matters under this endorsement in a summary fashion that does not comply with Paragraph **E. Liability And Medical Expenses General Conditions, Paragraph 5.a. or 5.b.** By way of example, a "laundry list notification" may consist of a report by an insured that lists purported

0000 00290039 001273 0000



potential claimants, either in the absence of a "claim", or in the absence of an oral complaint.

34. "Loss" means damages, judgments (including prejudgment and post judgment interest awarded against an insured on that part of any judgment paid by us), settlements we authorize or agree to, statutory attorneys' fees and "defense costs".

However, "loss" does not include any things specifically excluded in **Exclusions**, or any of the following:

- a. Salary or wages of the insured;
- b. Non-monetary relief (this provision does not apply to "defense costs" where non-monetary relief is sought for alleged "harassment", "discrimination", "inappropriate employment conduct", "workplace bullying", and/or "inappropriate third party conduct");
- c. Payment of insurance plan benefits by or on behalf of retired "employees", or that which a claimant would have been entitled as an "employee" had any insured provided the claimant with a continuation of insurance;
- d. Liquidated damages where there is a finding of willfulness;
- e. Costs incurred by an insured to modify or adapt any building or property in order to make such building or property more accessible or accommodating to any disabled person; costs associated with eliminating non-essential duties from the job description of a disabled person; costs associated with providing a disabled person with reasonable workplace accommodations; and costs associated with lost productivity by an employer as the result of making a reasonable workplace accommodation for a disabled person;
- f. Matters which may be deemed uninsurable according to the law under which this endorsement is construed;
- g. Amounts owed under federal, state or local wage and hour laws;
- h. Amounts owed under a contract of employment;
- i. Commissions, bonuses, profit sharing or benefits pursuant to a contract of employment, including but not limited to

vacation, holiday, and/or sick pay;

- j. Severance payments or obligations to make payments;
  - k. Amounts that are sought or deemed to be owed under partnership, stock or other ownership agreements; or
  - l. Fines, penalties and taxes.
35. "One insured event" means (1) one or more covered allegations of "discrimination", "harassment", "inappropriate employment conduct", and/or "workplace bullying", which are related to each other, such as by similar conduct or an ongoing pattern of conduct or (2) class action or multiple claimant or multiple plaintiff lawsuits or other legal proceedings arising out of related "insured events".
36. "One third party insured event" means one or more covered allegations of "inappropriate third party conduct" which are related to each other, such as by similar conduct or an ongoing pattern of conduct.
37. "Tenant discrimination" means any actual or alleged: 1) differential action on account of race, color, religion, age, sex, disability, pregnancy, sexual orientation or national origin, or any other basis prohibited by federal, state or local law by an Insured claimed by a tenant or applicant for tenancy at a Covered Property; 2) "harassment", including any type of sexual or gender harassment, as well as racial, religious, sexual orientation, pregnancy, disability, age or national-origin based harassment by an Insured claimed by a tenant or applicant for tenancy at a Covered Property; or 3) attempts to dispossess a tenant of property to which the tenant claims a right to occupancy or wrongful eviction on account of race, color, religion, age, sex, disability, pregnancy, sexual orientation or national origin, or any other basis prohibited by federal, state or local law by an Insured claimed by a tenant at a Covered Property.
38. "Third party insured event" means actual or alleged acts of "inappropriate third party conduct" by an insured against any natural person who is not an "employee".
39. "Workplace bullying" means repeated, abusive conduct that is threatening, humiliating, or intimidating and creates a hostile work environment that interferes with performance.

POLICY NUMBER:

BUSINESSOWNERS  
BP 14 07 01 10

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## BUSINESS INCOME AND EXTRA EXPENSE – REVISED PERIOD OF INDEMNITY

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

### SCHEDULE

| Premises Number | Building Number | Number Of Consecutive Days |
|-----------------|-----------------|----------------------------|
|                 |                 |                            |
|                 |                 |                            |
|                 |                 |                            |

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

With respect to the premises shown in the Schedule:

A. Paragraph A.5.f.(1)(b) of Section I – Property is replaced by the following:

(b) We will only pay for loss of Business Income that you sustain during the "period of restoration" and that occurs within the "applicable number of consecutive days" after the date of direct physical loss or damage. We will only pay for ordinary payroll expenses for 60 days following the date of direct physical loss or damage, unless a greater number of days is shown in the Declarations.

B. Paragraph A.5.g.(4) of Section I – Property is replaced by the following:

(4) We will only pay for Extra Expense that occurs within the "applicable number of consecutive days" after the date of direct physical loss or damage. This Additional Coverage is not subject to the Limits of Insurance of Section I – Property.

C. The following is added to Section H. – Property Definitions:

"Applicable number of consecutive days" means the number of consecutive days indicated in the Schedule for the premises.

0000 00300039 001273 0000



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

**EXCLUSION – ACCESS OR DISCLOSURE OF  
CONFIDENTIAL OR PERSONAL INFORMATION AND  
DATA-RELATED LIABILITY – WITH LIMITED  
BODILY INJURY EXCEPTION**

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS COVERAGE FORM**

**A. Exclusion B.1.q. of Section II – Liability** is replaced by the following:

This insurance does not apply to:

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

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

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

However, unless Paragraph **(1)** above applies, this exclusion does not apply to damages because of "bodily injury".

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

**B.** The following is added to Paragraph **B.1.p. Personal And Advertising Injury** Exclusion of **Section II – Liability:**

This insurance does not apply to:

**p. Personal And Advertising Injury**

"Personal and advertising injury":

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

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

0000 00310039 001273 0000



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## BUSINESS INCOME CHANGES – TIME PERIOD

This endorsement modifies insurance provided under the following:

### BUSINESSOWNERS COVERAGE FORM

Section I – Property is amended as follows:

A. Paragraph A.5.i. **Civil Authority Additional Coverage** is amended by deleting the second and third paragraphs and replacing them with the following:

This coverage will apply for a period of up to four consecutive weeks from the date of that action.

B. Paragraph (a) under Paragraph A.5.m.(6) **Business Income From Dependent Properties Additional Coverage** is replaced by the following:

(a) Begins immediately after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises of the dependent property or secondary dependent property; and

C. Paragraph H.9.a.(1)(a) of the "period of restoration" definition is replaced by the following:

(a) Immediately after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; or

POLICY NUMBER:

BUSINESSOWNERS  
BP 04 02 07 13

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

**ADDITIONAL INSURED – MANAGERS OR LESSORS  
OF PREMISES**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

**SCHEDULE**

|  |
|--|
| Designation Of Premises (Part Leased To You):  |
| Name Of Person(s) Or Organization(s) (Additional Insured):   |
| Additional Premium: \$   |
| Information required to complete this Schedule, if not shown above, will be shown in the Declarations. |

**Section II – Liability** is amended as follows:

**A. The following is added to Paragraph C. Who Is An Insured:**

- 3. The person(s) or organization(s) shown in the Schedule is also an additional insured, but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Schedule.

However:

- a. The insurance afforded to such additional insured only applies to the extent permitted by law; and
- b. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B. With respect to the insurance afforded to these additional insureds the following additional exclusions apply:**

This insurance does not apply to:

- 1. Any "occurrence" that takes place after you cease to be a tenant in the premises described in the Schedule.

- 2. Structural alterations, new construction or demolition operations performed by or for the person(s) or organization(s) designated in the Schedule.

**C. With respect to the insurance afforded to these additional insureds, the following is added to Paragraph D. Liability And Medical Expenses Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

- 1. Required by the contract or agreement; or
  - 2. Available under the applicable Limits Of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits Of Insurance shown in the Declarations.

0000 00320039 001273 0000



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUSION OF CERTIFIED ACTS OF TERRORISM AND EXCLUSION OF OTHER ACTS OF TERRORISM COMMITTED OUTSIDE THE UNITED STATES

This endorsement modifies insurance provided under the following:

### BUSINESSOWNERS COVERAGE FORM

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

**A. The following exclusion is added:**

This insurance does not apply to:

**TERRORISM**

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

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

b. Protracted and obvious physical disfigurement; or

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

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

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

**B. The following definitions are added:**

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

2. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:
- a. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act;
  - b. The act resulted in damage:
    - (1) Within the United States (including its territories and possessions and Puerto Rico); or
    - (2) Outside of the United States in the case of:
      - (a) An air carrier (as defined in Section 40102 of title 49, United States Code) or United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs; or
      - (b) The premises of any United States mission; and
      - c. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
3. "Other act of terrorism" means a violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion, and the act is not a "certified act of terrorism".
- Multiple incidents of an "other act of terrorism" which occur within a seventy-two hour period and appear to be carried out in concert or to have a related purpose or common leadership shall be considered to be one incident.
- C. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Policy.

0000 00330039 001273 0000



**BUSINESSOWNERS  
BP 04 39 07 02**

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

**ABUSE OR MOLESTATION EXCLUSION**

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS COVERAGE FORM**

The following applies to Section II – Liability and supersedes any provision to the contrary:

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

- (a) The actual or threatened abuse or molestation by anyone of any person while in the care, custody or control of any insured, or
- (b) The negligent:
  - (i) Employment;

- (ii) Investigation;
- (iii) Supervision;
- (iv) Reporting to the proper authorities, or failure to so report; or
- (v) Retention;
  - of a person for whom any insured is or ever was legally responsible and whose conduct would be excluded by (a) above.

**BUSINESSOWNERS  
BP 04 54 01 06**

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

**NEWLY ACQUIRED ORGANIZATIONS**

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS COVERAGE FORM**

The following is added to Paragraph **C. Who Is An Insured** in **Section II – Liability**:

3. Any organization you newly acquire or form, other than a partnership, joint venture, or limited liability company and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
  - a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;

b. Paragraph **A.1. Business Liability** does not apply to:

- (1) "Bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
- (2) "Personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

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

0000 00340039 001273 0000





## You may elect to purchase terrorism insurance coverage



No action is required if you do not want to add this coverage

American Family Insurance Company  
6000 American Parkway  
Madison WI 53783

For customer service and claims service  
24 hours a day, 7 days a week

**1-800-MY AMFAM (1-800-692-6326)**  
**amfam.com**

| Policy number  | Renewal date |
|----------------|--------------|
| 91003-34140-35 | 4/25/2024    |

The Terrorism Risk Insurance Reauthorization Act (TRIA) of 2015 was signed into law in January, 2015. This law extended the Terrorism Risk Insurance Program, which is effective through 2020. To comply with the provisions of TRIA and guidelines of the United States Treasury, we are enclosing a new Terrorism Insurance Coverage and Disclosure of Premium form. This disclosure contains the updated provisions of the 2015 reauthorization of the federal program. The premium rate is unchanged.

Under this program, you have a right to purchase insurance coverage for loss resulting from "Certified Acts of Terrorism," as defined by TRIA. Our records indicate you have not elected to purchase this coverage on the policy listed above. If you do not wish to change your current election, no further action is required.

If you want to add coverage for Certified Acts of Terrorism, complete the Coverage Options section on page 2 of the enclosed Disclosure Form, sign, date and return the attached form. Please use one of the following methods to return the form:

- **Mail:** Use the enclosed addressed envelope or mail to American Family Insurance Company, 6000 American Parkway, Madison, WI 53783-0001.
- **Fax\*:** 1-866-656-1032 or 1-866-656-1033.

An additional premium will be charged. The premium cost is shown on page 2 of the Disclosure Form. We will endorse the coverage to your policy, effective on the renewal date indicated above.

All other terms and conditions of your policy remain unchanged.

Thank you again for being our customer. If you have questions about this notice, please contact your agent listed below.

Commercial Lines  
1-800-MY AMFAM (1-800-692-6326), ext. 76000

*American Family Insurance Company*

### Your American Family Agent is:

Richard Nelson

rnelson2@amfam.com

2505 FORESIGHT CIR UNIT B  
Grand Junction CO 81505-1081  
970-241-0078

VIRTUAL AGENCY  
Palisade CO 81526  
970-241-0078

VIRTUAL AGENCY  
Fruita CO 81521  
970-241-0078

0000 00350039 001273 0000



**\* Before choosing to FAX the completed form, please note:**

Data transmitted by FAX cannot be guaranteed to be secure, timely, or free from computer virus or other damaging code. American Family takes great pride in ensuring a positive customer experience and takes great care to keep your personal data secure. By submitting the completed form by FAX, you acknowledge that American Family cannot ensure or guarantee that any information transmitted will be secure.

# OFFER OF TERRORISM INSURANCE COVERAGE AND DISCLOSURE OF PREMIUM



American Family Insurance Company  
6000 American Parkway  
Madison WI 53783

For customer service and claims service  
24 hours a day, 7 days a week

1-800-MY AMFAM (1-800-692-6326)  
amfam.com

Thank you for insuring with American Family Insurance. This notice provides you with important information about the Terrorism Risk Insurance Program Reauthorization Act of 2019. Please read the information below about the Act and notify American Family if you wish to change your previous decision regarding acceptance or rejection of the coverage for certified acts of terrorism.

## Some Background

On Nov. 26, 2002, President Bush signed the Terrorism Risk Insurance Act into law, which requires insurance carriers to make coverage available to policyholders for losses due to "certified acts of terrorism". This Act has been reauthorized since then, and the latest reauthorization occurred in December of 2019 when President Trump signed the Terrorism Risk Insurance Program Reauthorization Act of 2019 into law. The most recent reauthorization extends the current program through December 31, 2027.

As an American Family customer, you have the right, under the recently reauthorized Act, to purchase insurance coverage for losses resulting from "certified acts of terrorism", which are defined as: any act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism. The criteria contained in that law for certifying an act of terrorism includes the following:

- The act is a violent act or an act that is dangerous to human life, property or infrastructure;
- The act results in aggregate property and casualty insurance losses in excess of \$5 million; and
- The act 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.

## Further Explanation

Where coverage is provided under the Act for losses resulting from "certified acts of terrorism", such losses may be partially reimbursed by the United States Government as established by the Act. You should also understand that your policy may contain exclusions (not part of the Act) that might affect your coverage. For example, if a "certified act of terrorism" occurs and results in damage that you're not covered for under other portions of your policy, the terrorism coverage may not apply to the loss because you need to have underlying coverage to qualify for a "certified act of terrorism" loss covered by the Act.

You should also be aware that the reauthorized Act contains a \$100 billion cap that limits United States Government reimbursement as well as insurers' liability for losses resulting from "certified acts of terrorism" to \$100 billion per calendar year. What this means is, if the combined insured losses for all insurers exceeds \$100 billion, your coverage may be reduced due to the cap.

Per the Act, the United States Government generally reimburses 80% of covered terrorism losses exceeding the statutorily established deductible paid by American Family Insurance. The premium charged for this coverage is provided below and does not include any charges for the portion of loss that may be covered by the Federal Government under the Act.

0000 00360039 001273 0000



**Disclosure Of Premium**

| Location | Premium Charge for Certified Acts of Terrorism |                                       | *Fire Following Exposure charge of the total property premium |
|----------|--|---------------------------------------|---|
|          | charge of the total property premium           | charge of the total liability premium |   |
|          |  |                                       |   |
|          |  |                                       |   |
|          |  |                                       |   |

**\* Please note the following coverage exception that may apply based on policy type and location state.**

Certain states have mandated that even if you elect to reject the "certified acts of terrorism" coverage, your rejection does not apply to fire losses resulting from an act of terrorism, and the coverage in your policy for such fire losses will continue. Therefore, the "**Fire Following Exposure**" charge (listed in the chart above) applies in this case.

For Businessowners Policies, the following states mandate coverage for fire losses that result from acts of terrorism - Arizona\*\*, Georgia, Illinois, Iowa, Missouri, Oregon, Washington\*\*\* and Wisconsin.

\*\* For Arizona locations, this exception applies to building coverage being provided for 1-4 unit dwellings.

\*\*\* For Washington locations, if you elect not to purchase terrorism coverage, that rejection does not apply to fire losses resulting from an act of terrorism and the coverage in your policy for such fire losses will continue.

### TERRORISM INSURANCE COVERAGE OPTIONS

Our records indicate you previously elected not to purchase coverage for "certified acts of terrorism" for the policy referenced above. If you do not wish to make any changes regarding this coverage will continue to be excluded throughout the renewal term of your policy.

However, if you want to add coverage for "certified acts of terrorism," please indicate your decision to accept coverage for "certified acts of terrorism" by:

1. Checking the box below;
2. Signing this notice; and
3. Returning this notice in the provided envelope.

**I wish to purchase coverage** for "certified acts of terrorism." I understand that as a result, I will be charged an additional premium for adding coverage for "certified acts of terrorism" to this policy.

*If you choose to purchase coverage for "certified acts of terrorism", you must notify us before your policy's effective date by signing and returning this notice in the enclosed envelope. (Exception: If we send you a new disclosure form after your policy's effective date, and you wish to change your election, we will endorse your policy to reflect your new coverage election.)*

Your decision to accept coverage for "certified acts of terrorism" applies to the term of this policy. You will receive an offer and disclosure at each renewal as required by the Act.

Only if you are accepting coverage for "certified acts of terrorism", please sign and return this notice.

|   |                             |   |
|---|-----------------------------|---|
| <b>Insured's Signature</b>                                  |                             |   |
| <b>Named Insured</b><br>Desert Peaks Business Complex Condo |                             | <b>Date</b>                                 |
| <b>Policy Number</b><br>91003-34140-35                      | <b>Producer ID</b><br>23603 | <b>Policy Expiration Date</b><br>04/25/2024 |

0000 00370039 001273 0000





**FACTS**

**WHAT DOES AMERICAN FAMILY INSURANCE DO WITH YOUR PERSONAL INFORMATION?**



**Why?** Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

**What?** The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number and income
- Account balances and payment history
- Credit history and credit based insurance scores
- Drivers license records and claims history

When you are no longer our customer, we continue to share your information as described in this notice.

**How?** All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons American Family Insurance chooses to share; and whether you can limit this sharing.

| Reasons we can share your personal information  | Does American Family Insurance share? | Can you limit this sharing? |
|---|---------------------------------------|-----------------------------|
| <b>For our everyday business purposes—</b><br>such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus | Yes                                   | No                          |
| <b>For our marketing purposes—</b><br>to offer our products and services to you   | Yes                                   | No                          |
| <b>For joint marketing with other financial companies</b>   | Yes                                   | No                          |
| <b>For our affiliates' everyday business purposes—</b><br>information about your transactions and experiences   | Yes                                   | No                          |
| <b>For our affiliates' everyday business purposes—</b><br>information about your creditworthiness   | Yes                                   | Yes                         |
| <b>For our affiliates to market to you</b>  | Yes                                   | Yes                         |
| <b>For nonaffiliates to market to you</b>   | Yes                                   | Yes                         |

**To limit our sharing** Call 1-888-312-2263 – when prompted you will be asked to provide your first name, middle initial (if applicable), last name, address, city, state and at least one of your policy numbers. Please also indicate if you are requesting to limit sharing for others on your policies. Please indicate their full names.

**Please note:**

If you are a new customer, or receiving this notice from us for the first time, we can begin sharing your information 30 days from the date we sent this notice. When you are no longer our customer, we continue to share your information as described in this notice.

However, you can contact us at any time to limit our sharing.

**Questions?** Please go to our website at [www.amfam.com/privacy-security](http://www.amfam.com/privacy-security)

**Who we are**

**Who is providing this notice?** This privacy notice is provided by American Family Mutual Insurance Company, S.I. and the affiliates as listed under the "Other important information" section of this notice (referred to collectively as "American Family Insurance").

0000 00380039 001273 0000



|   |   |
|---|---|
| <b>What we do</b>   |   |
| <b>How does American Family Insurance protect my personal information?</b>                | To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.   |
| <b>How does American Family Insurance collect my personal information?</b>                | We collect your personal information, for example, when you <ul style="list-style-type: none"> <li>• Apply for insurance</li> <li>• Pay insurance premiums</li> <li>• File an insurance claim</li> <li>• Give us your contact information</li> <li>• Use your credit or debit card</li> </ul>   |
| <b>Why can't I limit all sharing?</b>   | Federal law gives you the right to limit only <ul style="list-style-type: none"> <li>• sharing for affiliates' everyday business purposes—information about your creditworthiness</li> <li>• affiliates from using your information to market to you</li> <li>• sharing for nonaffiliates to market to you</li> </ul> State laws and individual companies may give you additional rights to limit sharing. (See below for more on your rights under state law.) |
| <b>What happens when I limit sharing for an account I hold jointly with someone else?</b> | Your limit-sharing request will only apply to the names received in your request.   |

|                        |  |
|------------------------|--|
| <b>Definitions</b>     |  |
| <b>Affiliates</b>      | Companies related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> <li>• The affiliates of American Family Mutual Insurance Company, S.I. include the companies identified under the "Other important information" section of this notice, and other affiliated companies within Homesite Group Incorporated and PGC Holdings Corp.</li> </ul> |
| <b>Nonaffiliates</b>   | Companies not related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> <li>• Nonaffiliates we share with can include our sales agents, mortgage companies and direct marketing companies.</li> </ul>   |
| <b>Joint marketing</b> | A formal agreement between nonaffiliated financial companies that together market financial products or services to you. <ul style="list-style-type: none"> <li>• Our joint marketing partners include other financial services companies and insurance companies.</li> </ul>  |

|  |
|--|
| <b>Other important information</b>   |
| <p><b>For Nevada residents only.</b></p> <p>You have the right to place your telephone number on American Family Insurance's internal do not call list, which means we can contact you by telephone only in response to a specific request from you for information or in order to service any existing American Family Insurance business. For additional information about the Nevada do not call requirements, or to add your telephone number to our internal do not call list, contact American Family Insurance at 1-877-216-9232. For information on the Nevada state do not call law, contact the Nevada Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Ste. 3900, Las Vegas, NV 90101, Phone: 1-702-486-3132, email: <a href="mailto:BCPINFO@ag.state.nv.us">BCPINFO@ag.state.nv.us</a></p> |
| <p><b>For Vermont residents only.</b></p> <p>We will not disclose information about your creditworthiness to our affiliates and will not disclose your personal information, financial information, credit report, or health information to nonaffiliated third parties to market to you, other than as permitted by Vermont law, unless you authorize us to make those disclosures. Additional information concerning our privacy policies can be found at <a href="http://www.amfam.com/privacy-security">www.amfam.com/privacy-security</a> or call 1-800-692-6326.</p>   |
| <p><b>For Georgia residents only.</b></p> <p>NOTICE: The laws of the State of Georgia prohibit insurers from unfairly discriminating against any person based upon his or her status as a victim of family violence.</p>   |
| <p><b>For New Mexico residents only.</b></p> <p>We are prohibited from disclosing information related to domestic abuse. In New Mexico an individual has certain rights as a Protected Person under N.M. Admin Code 13.7.5 and N. M. S. A 1978, § 59A-16B-4. If you would like to exercise any of those rights or want an explanation of those rights, please contact American Family Insurance at 1-800-MYAMFAM ext. 78082.</p>   |

**Other important information – continued**

**For our customers in AK, AZ, CA, CT, GA, IL, ME, MA, MN, MT, NV, NJ, NC, OH, OR, SC and VA only.**

You have the right to review information in your file. You may do so by writing to us at the address at the end of this section and providing us with your complete name, address, date of birth, and all policy numbers under which you are insured. Within 30 days of receipt of your request, we will contact you and inform you of the nature of recorded information that can be reasonably located and retrieved about you in our files. If you believe there is information in our file that is incorrect, you have the right to notify us and request that it be corrected, amended or deleted from your file. Use this address for requesting information in your file or for questions about the information in your file: **American Family Insurance, Attn: Consumer Affairs Department, 6000 American Pkwy., Madison, Wisconsin 53783-0001.**

**American Family Insurance Legal Entities:**

In addition to American Family Mutual Insurance Company, S.I., this privacy notice is provided by the following companies, which are all affiliates of American Family Mutual Insurance Company, S.I.: American Standard Insurance Company of Wisconsin, American Family Life Insurance Company, American Family Brokerage, Inc., American Family Insurance Company, American Standard Insurance Company of Ohio, and Midvale Indemnity Company. All companies are collectively referred to as "American Family Insurance" in this notice.

5000 00390039 001273 0000



