CBP00000301
08/21/24

Brookwillow Village Condominium I Association
607 S 7th St
Grand Junction, CO 81501

Brookwillow Village Condominium I Association
607 S 7th St
Grand Junction, CO 81501

360 Insurance Company

PO Box 1348, Laramie, WY 82073
(307) 745-4835 | www.360insuranceco.com

Businessowners – Declarations

Printed: 08/21/24

Words and phrases that are defined are shown in quotation marks. The definitions for these words and phrases are set forth in Definitions.

Named Insured(s): Brookwillow Village Condominium I Association

Mailing Address:
607 S 7th St
Grand Junction, CO 81501

Account Number: BA000200442
Policy Number: CBP00000301
Agent: Dan Gillespie
Agent Phone: 970-639-2600

POLICY TERM 10/10/24 12:01 AM to 10/10/25 12:01 AM

Insurance is provided only with respect to what is specified on the attached Schedule of Coverage. The insurance is provided only to the extent set forth in the specific forms and endorsements that are made a part of your policy.

Total "Premium" (This is not a bill) $6,450.40

** **IMPORTANT** ** Please attach this update to your original insurance policy.

Forms and Endorsements Applicable to This Policy:

PF.Declarations 01 22	BOP.Schedule 10 22	BP P 029 03 22	BP IN 01 07 13	BP 00 03 07 13
BP 01 81 03 15	BP 05 01 07 02	BP 04 15 02 21	BP 04 46 07 13	BP 04 56 07 13
BP 04 57 07 13	BP 05 94 01 06	BP 07 77 08 06	BP 14 09 07 13	BP 14 10 01 10
BP 14 78 07 13	BP 15 30 09 19	BP 17 01 07 13	BP.012 10 22	BP.017 10 22
BP.018 10 22	BP.019 10 22	BP.025 10 22	BP.026 10 22	BP.028 10 22
BP.030 10 22	BP.031 10 22	BP.032 10 22	BP.033 10 22	BP.034 10 22
BP.035 10 22	BP.036 10 22	BP.037 10 22	BP.038 10 22	BP.042 10 22
BP.043 10 22	BP.044 10 22	BP.045 10 22	BP 04 04 01 10	BP 04 17 01 10
BP 04 39 07 02	BP 04 50 07 13	BP 04 92 07 02	BP 05 15 12 20	BP 05 17 01 06
BP 05 23 01 15	BP 05 47 07 13	BP 05 77 01 06	BP 10 05 07 02	BP 14 51 05 10
BP 14 86 07 13	BP 15 05 05 14	BP 15 11 12 16	BP 15 32 09 19	BP 15 60 02 21
BP 17 24 01 10	BP.020 10 22	BP.023 10 22	BP.024 10 22	BP.027 10 22
BP.029 10 22	BP.046 10 22	BP.049 10 22	BP.067 10 22	CY 00 01_CO 10 22
CY 00 04_CO 10 22	EP 00 01_CO 10 22			

The insurance afforded by this policy as indicated within the "Declarations" supersedes and replaces all insurance previously afforded by this policy. Assignment of this policy shall not be valid without "our" written consent.

FRAUD STATEMENT:

It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

360 Insurance Company

PO Box 1348, Laramie, WY 82073
(307) 745-4835 | www.360insuranceco.com

BUSINESSOWNER (BOP) – SCHEDULE OF COVERAGE

Date Printed: 08/21/24 **Brookwillow Village Condominium I Association** **Policy Term: 10/10/24-10/10/25**

DESCRIBED PREMISES

Location Number	Location Name	Location	Primary
1	2474 Orion Way Units A-J	2474 Orion Way, Grand Junction, CO 81505	X
2	2476 Orion Way Units A-J	2476 Orion Way, Grand Junction, CO 81505	

OFFERINGS

Xpand Apartment

Premium: $296.00

SECTION I – PROPERTY

LOCATIONS – DEDUCTIBLES

Location Number	Property Deductible	Windstorm or Hail Percentage Deductible	Automatic % Increase	Inside City Limits	Distance To Fire Station
1	$2,500	Refer To Building	6%	Yes	3
2	$2,500	Refer To Building	6%	Yes	3

BUILDINGS

Location: 1 **Building Number:** 1 **Building Description:** 2474 Orion Way Units A-J

Building Limit of Insurance:	Valuation:	Automatic Increase %:	Damage To Premises Rented To You:
$2,116,432.04	Replacement Cost	6%	$300,000

Building Premium: $2,212.10

Location: 2 **Building Number:** 1 **Building Description:** 2476 Orion Way Units A-J

Building Limit of Insurance:	Valuation:	Automatic Increase %:	Damage To Premises Rented To You:
$2,116,432.04	Replacement Cost	6%	$300,000

Building Premium: $2,212.10

360 Insurance Company

PO Box 1348, Laramie, WY 82073
(307) 745-4835 | www.360insuranceco.com

BUSINESSOWNER (BOP) – SCHEDULE OF COVERAGE

Date Printed: 08/21/24 **Brookwillow Village Condominium I Association** **Policy Term: 10/10/24-10/10/25**

CLASSIFICATION

Location / Building Number:	Class Number:	Property Type:	Classification Description:	Class Code:
Location 1, Building 1	1	Apartment Condominium Association	Condominiums - Residential Condominium (Association risk only)	69145

Business Personal Property Limit of Insurance: $1,000

Functional Building Personal Property Loss Valuation: No

Classification Premium: $2.00

Location / Building Number:	Class Number:	Property Type:	Classification Description:	Class Code:
Location 2, Building 1	1	Apartment Condominium Association	Condominiums - Residential Condominium (Association risk only)	69145

Business Personal Property Limit of Insurance: $1,000

Functional Building Personal Property Loss Valuation: No

Classification Premium: $2.00

BUILDING – OPTIONAL COVERAGES

Coverage Name	Coverage Information	Applicable Building	Premium
Accounts Receivables	Limit of Insurance: $50,000	Location: 1 Building: 1	
Accounts Receivables	Limit of Insurance: $50,000	Location: 2 Building: 1	
Debris Removal Additional Insurance	Limit of Insurance: $25,000	Location: 1 Building: 1	
Debris Removal Additional Insurance	Limit of Insurance: $25,000	Location: 2 Building: 1	
Detached Building		Location: 1 Building: 1	
Detached Building		Location: 2 Building: 1	
Ordinance or Law	Coverage: Coverage 1 with Coverages 2 and 3 Combined Combined Coverage 2 and 3 Limit of Insurance: $10,000	Location: 1 Building: 1	$236.00
Ordinance or Law	Coverage: Coverage 1 with Coverages 2 and 3 Combined Combined Coverage 2 and 3 Limit of Insurance: $10,000	Location: 2 Building: 1	$236.00

360 Insurance Company

PO Box 1348, Laramie, WY 82073
(307) 745-4835 | www.360insuranceco.com

BUSINESSOWNER (BOP) – SCHEDULE OF COVERAGE

Date Printed: 08/21/24 **Brookwillow Village Condominium I Association** **Policy Term: 10/10/24-10/10/25**

Coverage Name	Coverage Information	Applicable Building	Premium
Ordinance or Law Increased Period of Restoration	Business Income and Extra Expense Optional Coverage: No Number of Hours Waiting Period: Not Applicable	Location: 1 Building: 1	
Ordinance or Law Increased Period of Restoration	Business Income and Extra Expense Optional Coverage: No Number of Hours Waiting Period: Not Applicable	Location: 2 Building: 1	
Outdoor Property	Limit of Insurance: $10,000 Per Item Limit: $5,000	Location: 1 Building: 1	
Outdoor Property	Limit of Insurance: $10,000 Per Item Limit: $5,000	Location: 2 Building: 1	
Personal Effects	Limit of Insurance: $10,000	Location: 1 Building: 1	
Personal Effects	Limit of Insurance: $10,000	Location: 2 Building: 1	
Personal Property – Off Premises	Limit of Insurance: $25,000	Location: 1 Building: 1	
Personal Property – Off Premises	Limit of Insurance: $25,000	Location: 2 Building: 1	
Spoilage	Limit Of Insurance: $10,000	Location: 1 Building: 1	
Spoilage	Limit Of Insurance: $10,000	Location: 2 Building: 1	
Tenant Move-Back Expense	Limit of Insurance: $15,000	Location: 1 Building: 1	
Tenant Move-Back Expense	Limit of Insurance: $15,000	Location: 2 Building: 1	
Utility Services – Direct Damage	Limit Of Insurance: $25,000	Location: 1 Building: 1	
Utility Services – Direct Damage	Limit Of Insurance: $25,000	Location: 2 Building: 1	
Utility Services – Time Element	Limit Of Insurance: $25,000	Location: 1 Building: 1	
Utility Services – Time Element	Limit Of Insurance: $25,000	Location: 2 Building: 1	
Valuable Papers	On-Premises Limit of Insurance: $50,000 Off-Premises Limit of Insurance: $25,000	Location: 1 Building: 1	
Valuable Papers	On-Premises Limit of Insurance: $50,000 Off-Premises Limit of Insurance: $25,000	Location: 2 Building: 1	

360 Insurance Company

PO Box 1348, Laramie, WY 82073
(307) 745-4835 | www.360insuranceco.com

BUSINESSOWNER (BOP) – SCHEDULE OF COVERAGE

Date Printed: 08/21/24 **Brookwillow Village Condominium I Association** **Policy Term: 10/10/24-10/10/25**

Coverage Name	Coverage Information	Applicable Building	Premium
Water Backup and Sump Overflow	Limit of Insurance: $10,000	Location: 1 Building: 1	$93.10
Water Backup and Sump Overflow	Limit of Insurance: $10,000	Location: 2 Building: 1	$93.10
Windstorm or Hail Percentage Deductible	Deductible: 1%	Location: 1 Building: 1	
Windstorm or Hail Percentage Deductible	Deductible: 1%	Location: 2 Building: 1	

BUILDING – EXCLUSIONS AND CONDITIONS

Exclusion / Condition	Exclusion / Condition Information	Applicable Building
Exclusion of Loss Due to By-Products of Production or Processing Operations (Rental Properties)	Description of Rental Unit:	Location: 1 Building: 1
Exclusion of Loss Due to By-Products of Production or Processing Operations (Rental Properties)	Description of Rental Unit:	Location: 2 Building: 1

CLASSIFICATION – OPTIONAL COVERAGES

Coverage Name	Coverage Information	Applicable Classification	Premium
Brands and Labels		Loc, Bldg: 1, 1 Class: 1	
Brands and Labels		Loc, Bldg: 2, 1 Class: 1	
Business Income – Dependant Properties	Limit of Insurance: $25,000 Business Income From Secondary Dependant Properties: No	Loc, Bldg: 1, 1 Class: 1	
Business Income – Dependant Properties	Limit of Insurance: $25,000 Business Income From Secondary Dependant Properties: No	Loc, Bldg: 2, 1 Class: 1	

LOCATION – OPTIONAL COVERAGES

Coverage Name	Coverage Information	Applicable Locations	Premium
Computer Fraud and Funds Transfer	Included: Yes Number of Employees: 1	1, 2	

360 Insurance Company

PO Box 1348, Laramie, WY 82073
(307) 745-4835 | www.360insuranceco.com

BUSINESSOWNER (BOP) – SCHEDULE OF COVERAGE

Date Printed: 08/21/24 **Brookwillow Village Condominium I Association** **Policy Term: 10/10/24-10/10/25**

Coverage Name	Coverage Information	Applicable Locations	Premium
Employee Dishonesty	Included: Yes Number of Employees: 1	1, 2	
Equipment Breakdown Protection		1, 2	Included
Fine Arts	Limit of Insurance: $10,000	1, 2	
Fire Department Services	Limit of Insurance: $15,000	1, 2	
Fire Extinguisher Systems Recharge Expense	Limit of Insurance: $10,000	1, 2	
Franchise Agreement – Increased Cost of Construction	Limit of Insurance: $25,000	1, 2	
Free Standing Fences or Walls	Limit of Insurance: $5,000	1, 2	
Increased Cost of Construction	Limit of Insurance: $25,000	1, 2	
Ingress / Egress – Business Income / Extra Expense – Loss At Other Location	Limit of Insurance: $25,000	1, 2	
Location – Outdoor Signs	Limit of Insurance: $5,000	1, 2	
Lock Replacement	Limit of Insurance: $5,000	1, 2	
Lost Key – Consequential Loss	Limit of Insurance: $5,000	1, 2	
Money and Securities	Off Premises: $5,000 On Premises: $10,000	1, 2	
Money Orders and "Counterfeit Money"	Limit of Insurance: $5,000	1, 2	
Ordinance or Law – Equipment		1, 2	
Pollutant Clean-Up and Removal	Limit of Insurance: $25,000	1, 2	
Salesperson Samples	Limit of Insurance: $10,000	1, 2	
Tenant Building Coverage – Required By Lease	Limit of Insurance: $10,000	1, 2	

PROPERTY – BUSINESSOWNER LEVEL COVERAGE

Coverage	Limit of Liability	Premium
Business Income – Extended Period of Indemnity Number of Days	90	
Business Income – Exempt Employees / Jobs	No	
Business Income – Ordinary Payroll	Number of Days: 120	
Business Income / Extra Expense – 18 Month Period of Indemnity	Number of Months: 18	
Business Income / Extra Expense – Newly Acquired Properties	Limit of Insurance: $25,000	

360 Insurance Company

PO Box 1348, Laramie, WY 82073
(307) 745-4835 | www.360insuranceco.com

BUSINESSOWNER (BOP) – SCHEDULE OF COVERAGE

Date Printed: 08/21/24 **Brookwillow Village Condominium I Association** **Policy Term: 10/10/24-10/10/25**

Coverage	Limit of Liability	Premium
Business Income / Extra Expense – No Time Deductible		
Business Income From Dependent Properties	Limit of Insurance: $25,000	
Computer Fraud and Funds Transfer Fraud	Limit of Insurance: $25,000	
Newly Acquired Business Personal Property	Limit of Insurance: $250,000	
Newly Acquired or Constructed Buildings	Limit of Insurance: $500,000	

Section II – Liability Insurance

LIABILITY AND MEDICAL EXPENSES

Coverage	Limit of Liability
Liability and Medical Expenses	$1,000,000
Medical Expenses – Per Person	$5,000
Liability and Medical Expenses General Aggregate	$2,000,000
Products / Completed Operations Aggregate	$2,000,000

Liability Premium: $418.00

LIABILITY – OPTIONAL COVERAGES

Coverage	Coverage Information	Premium
Cap on Losses From Certified Acts of Terrorism		
Claim Data Expense	Limit of Insurance: $10,000	
Computer / Electronic Data Processing Coverage – Off Premises	Limit of Insurance: $5,000	
Condominiums, Co-ops, Associations - Directors And Officers Liability Endorsement	Name of Association: Brookwillow Village Condominium I Association Limit of Insurance: $1,000,000 Deductible: $1,000 Pending or Prior Litigation Date: 10/10/23 Retroactive Date: 10/10/23 Extended Reporting Period: No	$300.00

360 Insurance Company

PO Box 1348, Laramie, WY 82073
(307) 745-4835 | www.360insuranceco.com

BUSINESSOWNER (BOP) – SCHEDULE OF COVERAGE

Date Printed: 08/21/24 **Brookwillow Village Condominium I Association** **Policy Term: 10/10/24-10/10/25**

Coverage	Coverage Information	Premium
Data Response, Cyber Liability and Data Protection	Limit of Insurance: $50,000 Deductible: $2,500 Retroactive Date: 10/10/23 PCI Fines, Expenses and Costs Sublimit: $25,000 Website Media Liability Sublimit: $10,000 Data Protection Loss Sublimit: $10,000 Business Interruption Sublimit: $10,000 Extortion Sublimit: $10,000	$90.00
Disclosure Pursuant To Terrorism Risk Insurance Act	Additional Information:	$30.00
Electronic Commerce (E-Commerce)	Annual Aggregate Limit of Insurance: $25,000 Section I – Deductible: $2,500	
Electronic Data	Limit of Insurance: $15,000	
Employee Dishonesty	Limit of Insurance: $25,000	
Employment Practices Liability Coverage	Limit of Insurance: $50,000 Deductible: $2,500 Retroactive Date: 10/10/23	$50.00
Forgery Alteration	Limit of Insurance: $25,000	
Heating or Air Conditioning Loss Reimbursement	Limit of Insurance: 10,000	
Hired Auto and Non-Owned Auto Liability	Hired Auto Liability Coverage: Yes Non-Owned Auto Liability Coverage (With Delivery Service): No Non-Owned Auto Liability Coverage (Without Delivery Service): Yes	$39.00
Interruption of Computer Operations	Limit of Insurance: $15,000	
Lockout or Sale, Removal and Disposal of Liability	Limit of Insurance: $5,000	
Reward Payment	Limit of Insurance: $5,000	
Tenants' Property Legal Liability	Limit of Insurance: 10,000	
Unauthorized Business Card Use	Limit of Insurance: $5,000	

LIABILITY – EXCLUSIONS AND CONDITIONS

Exclusion / Condition	Exclusion / Condition Information
Abuse or Molestation Exclusion	
Amendment to Exclusion – Expected or Intended Injury	
Asbestos Exclusion	
Businessowner Maximum Aggregate Limits	
Cannabis Liability Exclusion	
Cannabis Property Exclusion	
Communicable Disease Exclusion	
Cyber Incident Exclusion	

360 Insurance Company

PO Box 1348, Laramie, WY 82073
(307) 745-4835 | www.360insuranceco.com

BUSINESSOWNER (BOP) – SCHEDULE OF COVERAGE

Date Printed: 08/21/24 **Brookwillow Village Condominium I Association** **Policy Term: 10/10/24-10/10/25**

Exclusion / Condition	Exclusion / Condition Information
Employment-Related Practices Exclusion	
Exclusion – Access or Disclosure of Confidential or Personal Information and Data-Related Liability – Limited Bodily Injury Exception Not Included	
Exclusion – Silica or Silica-Related Dust	
Exclusion – Unmanned Aircraft	Bodily Injury and Property Damage: No Personal and Advertising Injury: No
Exclusion – Violation of Trade or Consumer Protection Laws	
Exclusion – Year 2000 Computer-Related and Other Electronic Problems	
Fungi or Bacteria Exclusion (Liability)	
Lead Exclusion	
Punitive Damages Exclusion	
Sanctions Limitation and Exclusion	
Total Pollution Exclusion	

TOTAL PREMIUM – (THIS IS NOT A BILL) $6,450.40*

***The premium shown above does not reflect the premium owed for modified / removed coverage(s).**

360 Insurance Company

PRIVACY POLICY

We Respect Your Privacy

Our mission is to provide financial peace of mind for our customers with competitive, quality products and services. To fulfill this mission, each of you as our customers must know that your privacy is secure. We understand your concerns about guarding all personal information with which we are entrusted. This policy is our assurance to you that we have taken steps, and will continue to take steps, to safeguard that information.

Confidentiality and Security

360 Insurance Company (hereinafter "360") respects your right to privacy and is committed to the protection of your personal information. All personal information is treated confidentially, with only those essential employees, agents, or third-party service providers having access. Their right to further disclose and use that information is limited by our employee conduct rules, applicable law, and non-disclosure agreements where appropriate. We maintain safeguards that comply with applicable law and regulations to guard your nonpublic personal information. 360 affords prospective and former customers the same protection as existing customers with respect to the use of personal information.

360 does not sell your personal information. Neither do we allow outside organizations to use your information for marketing purposes.

The Necessity of Collecting Information

To adequately serve your insurance needs, it is necessary that we collect and maintain accurate personal information about you and your family. The information collected is used to determine your coverages, accurately rate your policy and complete comparison quotes to establish your premium as well as to bind coverage. In addition, it is used to continue servicing your insurance needs as well as evaluate and pay claims.

Information That May Be Collected

Some of the information collected is nonpublic personal information including financial information. Information is collected from the following sources:

** **Applications**: Information you provide on applications, supplemental applications, client service folders and interviews. It may include, but not be limited to, your name, address, family affiliations, social security number, former insurance history and financial history including current assets and income.

** **Service and Support**: Information gathered during the life of your past and/or present policy(s) with 360, including records maintained about your policy coverage, payment history or claims.

** **Consumer Report Agencies**: Information gathered for underwriting purposes such as claim history, credit reports, previous carriers and related data.

** **Inspection Reports**: Information gathered during inspections of your property.

** **Claim Investigation**: Information gathered during the adjusting and investigation of any claims reported in which your 360 policy is involved.

** **Public Records**: Information that we receive from public records including, but not limited to, motor vehicle and driving reports.

Your Right To Review Information

As a policyholder of 360, and to the extent provided by law, you have the right to access and correct any information we have collected about you. You are also entitled to a record of any disclosures of health record information made by us. To exercise your rights in obtaining access to such information, please provide a written request, which must include proper identification, to the address listed below.

Categories of Information We Share

360 limits the sharing of information with others when at all possible. However, there are circumstances in which information must be shared in order to provide you with the products and services you expect. 360 will share information as permitted or required by law.

** **To Authorized Personnel and Affiliates**: to provide you with outstanding products and services;

** **To Servicing Third-Parties**: that are necessary to effect, administer or enforce your transactions with us, or in connection with serving your account; and

** **To Others**: credit bureaus, regulatory authorities, insurance support organizations and other third-parties.

Personally identifiable health information is disclosed only as allowed by law or with your written authorization. Personally identifiable information about you will be disclosed to non-affiliated third parties upon proper notice and with your consent.

We may disclose customer information to persons or organizations inside or outside our company as permitted or required by law including companies with whom we have joint marketing agreements. These agreements allow us to provide a broader selection of insurance products for you.

Information obtained from a report prepared by an insurance-support organization may be retained by that organization and shared with others. We require any company with whom information is shared to adhere to our privacy standards and to use the information only for the limited purpose for which it was shared.

Former Customers

If you decide to terminate your customer relationship with 360, we will continue to adhere to the privacy policies and practices described in this Privacy Policy.

Your Files

We strive to keep our records of your information completely accurate. If you see any error in our communications to you, please notify us immediately, and we will promptly address any inaccuracy that may have occurred.

Mail inquiries to:

360 Insurance Company
Customer Privacy
c/o Corporate Counsel
PO Box 1348
Laramie, WY 82073-1348

Telephone: 307-745-4835

BUSINESSOWNERS COVERAGE FORM INDEX

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

Businessowners Coverage Feature	Page Number	Businessowners Coverage Feature	Page Number
Abandonment Property Loss Condition	24	Business Liability Coverage	34-36
Accounts Receivable Coverage Extension	16	Business Personal Property Coverage	1-2
Accounts Receivable Exclusion	22	Business Personal Property Limit – Seasonal Increase (Limit Of Insurance)	23
Acts Or Decisions Exclusion	22	Business Personal Property Temporarily In Portable Storage Units Coverage Extension	17
Additional Coverages	3-14	Cancellation Condition	50
Additional Exclusion – Loss Or Damage To Products Exclusion	22	Certain Computer-related Losses Exclusion	19
"Advertisement" Definition	46	Changes Condition	51
Aggregate Limits (Liability And Medical Expenses Limits Of Insurance)	45	Changes In Or Extremes Of Temperature Exclusion	21
Aircraft, Auto Or Watercraft Exclusion	38-39	Civil Authority Additional Coverage	8-9
Appraisal Property Loss Condition	24	Collapse Additional Coverage	5-6
"Auto" Definition	46	Collapse Exclusion	21
Bankruptcy General Condition	45	"Computer" Definition	32
"Bodily Injury" Definition	46	Concealment, Misrepresentation Or Fraud Condition	51
Building Coverage	1	Consequential Losses Exclusion	20
Building Limit – Automatic Increase (Limits Of Insurance)	23	Continuous Or Repeated Seepage Or Leakage Of Water Exclusion	21-22
Business Income Additional Coverage	6-7	Contractual Liability Exclusion	36
Business Income And Extra Expense Exclusions	22	Control Of Property General Condition	28
Business Income From Dependent Properties Additional Coverage	10-11	"Counterfeit Money" Definition	32

© Insurance Services Office, Inc., 2012

Businessowners Coverage Feature	Page Number	Businessowners Coverage Feature	Page Number
Coverage Extension – Supplementary Payments (Business Liability Coverage)	35-36	Employer's Liability Exclusion	37
Coverage Extensions – Section **I** – Property	14-17	Equipment Breakdown Protection Optional Coverage	31-32
"Coverage Territory" Definition	46-47	Errors Or Omissions Exclusion	21
Covered Causes Of Loss	2	Examination Of Your Books And Records Condition	51
Covered Property	1-2	Exclusions – Section **I** – Property	17-22
Damage To Impaired Property Or Property Not Physically Injured Exclusion	40	Exclusions – Section **II** – Liability	36-44
Damage To Property Exclusion	40	"Executive Officer" Definition	47
Damage To Your Product Exclusion	40	Expected Or Intended Injury Exclusion	36
Damage To Your Work Exclusion	40	Exposed Property Exclusion	20
Dampness Or Dryness Of Atmosphere Exclusion	21	Extended Business Income Coverage (Business Income Additional Coverage)	7
Debris Removal Additional Coverage	3-4	Extra Expense Additional Coverage	7-8
Deductibles	23-24	False Pretense Exclusion	20
Dishonesty Exclusion	20	Fire Department Service Charge Additional Coverage	5
Duties In The Event Of Loss Or Damage Property Loss Condition	24	Fire Extinguisher Systems Recharge Expense Additional Coverage	11-12
Duties In The Event Of Occurrence, Offense, Claim Or Suit General Condition	46	Forgery Or Alteration Additional Coverage	9
Earth Movement Exclusion	17-18	Frozen Plumbing Exclusion	20
Electrical Apparatus Exclusion	19-20	"Fungi" Definition	32
Electrical Disturbance Exclusion	21	"Fungi", Wet Rot Or Dry Rot Exclusion	19
Electronic Data Additional Coverage	12	Glass Expenses Additional Coverage	11
"Electronic Data" Definition	32	Governmental Action Exclusion	18
Electronic Data Exclusion	41-42	"Hostile Fire" Definition	47
"Employee" Definition	47	"Impaired Property" Definition	47
Employee Dishonesty Optional Coverage	29-31	Increased Cost Of Construction Additional Coverage	9-10

 © Insurance Services Office, Inc., 2012

Businessowners Coverage Feature	Page Number	Businessowners Coverage Feature	Page Number
Inspections And Surveys Condition	51	Medical Expenses Exclusions	42-44
Installation, Testing, Repair Exclusion	21	"Member" Definition	32
Insurance Under Two Or More Coverages Condition	51	Mobile Equipment Exclusion	39
"Insured Contract" Definition	47	"Mobile Equipment" Definition	48
Interruption Of Computer Operations Additional Coverage	12-13	Money And Securities Optional Coverage	29
"Leased Worker" Definition	47	"Money" Definition	32
Legal Action Against Us General Condition – Section **II** – Liability	46	Money Orders And "Counterfeit Money" Additional Coverage	9
Legal Action Against Us Property Loss Condition – Section **I** – Property	24	Mortgageholders Property General Condition	28
Liability And Medical Expenses Definitions	46-50	Neglect Exclusion	21
Liability And Medical Expenses General Conditions	45-46	Negligent Work Exclusion	22
Liability And Medical Expenses Limits Of Insurance	45	Nesting Or Infestation Exclusion	21
Liberalization Condition	51	Newly Acquired Or Constructed Property Coverage Extension	14-15
Limitations	2-3	No Benefit To Bailee Property General Condition	28
Limited Coverage For "Fungi", Wet Rot Or Dry Rot Additional Coverage	13-14	Nuclear Energy Liability Exclusion	42-44
Limits Of Insurance – Section **I** – Property	23	Nuclear Hazard Exclusion	18
Liquor Liability Exclusion	36-37	"Occurrence" Definition	48
"Loading Or Unloading" Definition	48	"Operations" Definition	32
Loss Payment Property Loss Condition	24-27	Optional Coverages	28-32
"Manager" Definition	32	Ordinance Or Law Exclusion	17
Marring Or Scratching Exclusion	21	Other Insurance Condition	51
Mechanical Breakdown Exclusion	21	Other Types Of Loss Exclusion	21
Medical Expenses Coverage	36	Outdoor Property Coverage Extension	15

 © Insurance Services Office, Inc., 2012

Businessowners Coverage Feature	Page Number	Businessowners Coverage Feature	Page Number
Outdoor Signs Optional Coverage	28-29	Property Not Covered	2
"Period Of Restoration" Definition	32	Recall Of Products, Work Or Impaired Property Exclusion	40
"Personal And Advertising Injury" Definition	48	Recovered Property Loss Condition	27
Personal And Advertising Injury Exclusion	40-41	Resumption Of Operations Property Loss Condition	27
Personal Effects Coverage Extension	15	Rust Or Other Corrosion Exclusion	21
Personal Property Off-premises Coverage Extension	15	Section **I** – Property	1-33
Policy Period, Coverage Territory Property General Condition	28	Section **II** – Liability	34-50
Pollutant Clean-up And Removal Additional Coverage	8	Section **III** – Common Policy Conditions	50-52
"Pollutants" Definition – Section **I** – Property	33	"Securities" Definition	33
"Pollutants" Definition – Section **II** – Liability	48	Separation Of Insureds General Condition	46
Pollution Exclusion – Section **I** – Property	21	Settling, Cracking, Shrinking Or Expansion Exclusion	21
Pollution Exclusion – Section **II** – Liability	37-38	Smog Exclusion	21
Premium Audit Condition	52	Smoke, Vapor, Gas Exclusion	20
Premiums Condition	51-52	"Specified Causes Of Loss" Definition	33
Preservation Of Property Additional Coverage	4-5	Steam Apparatus Exclusion	20
"Products-completed Operations Hazard" Definition	49	"Stock" Definition	33
Professional Services Exclusion	39-40	"Suit" Definition	49
"Property Damage" Definition	49	"Temporary Worker" Definition	49
Property Definitions	32-33	Transfer Of Rights Of Recovery Against Others To Us Condition	52
Property General Conditions	28	Transfer Of Your Rights And Duties Under This Policy Condition	52
Property Loss Conditions	24-28	Utility Services Exclusion	18

 © Insurance Services Office, Inc., 2012

Businessowners Coverage Feature	Page Number	Businessowners Coverage Feature	Page Number
Vacancy Property Loss Condition	27	Water Damage, Other Liquids, Powder Or Molten Material Damage Additional Coverage	6
Valuable Papers And Records Coverage Extension	15-16	Water Exclusion	19
"Valuable Papers And Records" Definition	33	Wear And Tear Exclusion	21
Violation Of Customer Protection Statutes Exclusion	42	Weather Conditions Exclusion	22
Virus Or Bacteria Exclusion	19	Who Is An Insured	44-45
"Volunteer Worker" Definition	49	Workers' Compensation And Similar Laws Exclusion	37
War And Military Action Exclusion	18	"Your Product" Definition	49-50
War Exclusion	39	"Your Work" Definition	50

© Insurance Services Office, Inc., 2012

NOTICE SECTION OF IMPORTANT PROVISIONS – BUSINESSOWNERS

This Notice highlights certain sections of your policy with important provisions and is only provided as guidance in helping you understand your policy. This Notice does not alter your coverage in any way. This Notice does not form part of your policy. No coverage is provided by this Notice nor can it be construed to replace any provision of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided. If there is any conflict between the Policy and this Notice, **THE PROVISIONS OF THE POLICY SHALL PREVAIL.**

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

The Declarations are usually the first page(s) of your policy and typically provide a snapshot of basic coverage information, including your specific coverage(s), limit(s) of insurance, and deductible(s).

SECTION I – PROPERTY

Section **I** contains coverage section(s) that generally describe what property-related coverage may be provided by your policy. These may be expressed as Coverage(s), Additional Coverage(s), Coverage Extension(s) and/or Optional Coverage(s).

The Covered Causes Of Loss Provision generally instructs on the causes or perils provided by your policy that directly, or indirectly, may cause direct physical loss(es) of, or result in damage(s) to, Covered Property.

The provisions in the Property Loss Conditions and Property General Conditions sections generally address various aspects relevant to coverage under Section **I** of your policy, including each party's rights and obligations.

The Deductible(s) generally is an amount of covered loss or damage that must be exceeded before we will pay for loss or damage in excess of that same amount. Deductibles may be expressed as dollar deductibles, time deductibles or percentage deductibles.

Exclusions and/or limitations, which generally describe what your insurance does not apply to, may vary by coverage.

The most we will pay for loss or damage in any one occurrence is limited, as described in the Limits Of Insurance Provision.

Words and phrases that appear in quotation marks have special meaning, as described in the Property Definitions section.

SECTION II – LIABILITY

Section **II** contains coverage section(s) that generally describe what liability-related coverage may be provided by your policy.

The Who Is An Insured Provision outlines who is covered under this section.

Exclusions, which generally describe what your insurance does not apply to, may vary by type of coverage. The Liability And Medical Expenses General Conditions section generally addresses various aspects relevant to coverage under Section **II** of your policy, including each party's rights and obligations.

The amount we will pay is limited, as described in the Limits Of Insurance Provision. Under the Supplementary Payments Provision, we cover certain costs and expenses that do not reduce your limit of insurance.

Words and phrases that appear in quotation marks have special meaning, as described in the Liability And Medical Expenses Definitions section.

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

Section **III** contains Common Policy Conditions that generally address various aspects relevant to coverage under Sections **I** and **II** of your policy, including each party's rights and obligations.

Endorsements may be attached that modify provisions contained elsewhere in the Policy. Refer to the Declarations for a list of forms and endorsements attached to this Policy.

© Insurance Services Office, Inc., 2022

Additional Important Provisions:

This Notice is just a summary of certain coverages and exclusions under your policy. **It is not an exhaustive list.** Each coverage is subject to the specific terms, conditions, exclusions, limits and deductibles set forth in your policy and the Declarations page, which is the page of your policy that provides a listing of the coverages and limits of those coverages that you have purchased. You should read your policy for complete information regarding your coverage. Should you have any questions regarding this Notice, your policy, its coverages or the limits of coverage, you should contact your insurance producer or agent or your insurance company directly to discuss your policy with them.

© Insurance Services Office, Inc., 2022

BUSINESSOWNERS COVERAGE FORM

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

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

In Section **II** – Liability, the word "insured" means any person or organization qualifying as such under Paragraph **C.** Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Paragraph **H.** Property Definitions in Section **I** – Property and Paragraph **F.** Liability And Medical Expenses Definitions in Section **II** – Liability.

SECTION I – PROPERTY

A. Coverage

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

1. Covered Property

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

a. Buildings, meaning the buildings and structures at the premises described in the Declarations, including:

(1) Completed additions;

(2) Fixtures, including outdoor fixtures;

(3) Permanently installed:

(a) Machinery; and

(b) Equipment;

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

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

(a) Fire extinguishing equipment;

(b) Outdoor furniture;

(c) Floor coverings; and

(d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;

(6) If not covered by other insurance:

(a) Additions under construction, alterations and repairs to the buildings or structures;

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

b. Business Personal Property located in or on the buildings or structures at the described premises or in the open (or in a vehicle) within 100 feet of the buildings or structures or within 100 feet of the premises described in the Declarations, whichever distance is greater, including:

(1) Property you own that is used in your business;

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

(3) Tenant's improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:

(a) Made a part of the building or structure you occupy but do not own; and

(b) You acquired or made at your expense but cannot legally remove;

(4) Leased personal property which you have a contractual responsibility to insure, unless otherwise provided for under Paragraph **1.b.(2);** and

© Insurance Services Office, Inc., 2012

(5) Exterior building glass, if you are a tenant and no Limit Of Insurance is shown in the Declarations for Building property. The glass must be owned by you or in your care, custody or control.

2. Property Not Covered

Covered Property does not include:

a. Aircraft, automobiles, motortrucks and other vehicles subject to motor vehicle registration;

b. "Money" or "securities" except as provided in the:

(1) Money And Securities Optional Coverage; or

(2) Employee Dishonesty Optional Coverage;

c. Contraband, or property in the course of illegal transportation or trade;

d. Land (including land on which the property is located), water, growing crops or lawns (other than lawns which are part of a vegetated roof);

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 the:

(1) Outdoor Property Coverage Extension; or

(2) Outdoor Signs Optional Coverage;

f. Watercraft (including motors, equipment and accessories) while afloat;

g. Accounts, bills, food stamps, other evidences of debt, accounts receivable or "valuable papers and records"; except as otherwise provided in this policy;

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

i. "Electronic data", except as provided under Additional Coverages – Electronic Data. This Paragraph **i.** does not apply to your "stock" of prepackaged software or to "electronic data" which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system; or

j. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings.

3. Covered Causes Of Loss

Direct physical loss unless the loss is excluded or limited under Section **I** – Property.

4. Limitations

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

(1) Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

(2) Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.

(3) Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property. This limitation does not apply to the Optional Coverage for Money and Securities.

(4) Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.

(5) The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:

(a) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or

© Insurance Services Office, Inc., 2012

(b) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

(6) Lawns, trees, shrubs or plants which are part of a vegetated roof, caused by or resulting from:

(a) Dampness or dryness of atmosphere or of soil supporting the vegetation;

(b) Changes in or extremes of temperature;

(c) Disease;

(d) Frost or hail; or

(e) Rain, snow, ice or sleet.

b. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:

(1) Animals, and then only if they are killed or their destruction is made necessary.

(2) Fragile articles such as glassware, statuary, marble, chinaware and porcelain, if broken. This restriction does not apply to:

(a) Glass that is part of the exterior or interior of a building or structure;

(b) Containers of property held for sale; or

(c) Photographic or scientific instrument lenses.

c. For loss or damage by theft, the following types of property are covered only up to the limits shown (unless a higher Limit Of Insurance is shown in the Declarations):

(1) $2,500 for furs, fur garments and garments trimmed with fur.

(2) $2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semiprecious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth $100 or less per item.

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

5. Additional Coverages

a. Debris Removal

(1) Subject to Paragraphs **(2), (3)** and **(4),** we will pay your expense to remove debris of Covered Property and other debris that is on the described premises, when such debris is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.

(2) Debris Removal does not apply to costs to:

(a) Remove debris of property of yours that is not insured under this policy, or property in your possession that is not Covered Property;

(b) Remove debris of property owned by or leased to the landlord of the building where your described premises are located, unless you have a contractual responsibility to insure such property and it is insured under this policy;

(c) Remove any property that is Property Not Covered, including property addressed under the Outdoor Property Coverage Extension;

(d) Remove property of others of a type that would not be Covered Property under this policy;

(e) Remove deposits of mud or earth from the grounds of the described premises;

(f) Extract "pollutants" from land or water; or

(g) Remove, restore or replace polluted land or water.

(3) Subject to the exceptions in Paragraph **(4),** the following provisions apply:

(a) The most that we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.

© Insurance Services Office, Inc., 2012

(b) Subject to Paragraph **(3)(a)** above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage. However, if no Covered Property has sustained direct physical loss or damage, the most we will pay for removal of debris of other property (if such removal is covered under this Additional Coverage) is $5,000 at each location.

(4) We will pay up to an additional $25,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

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

(b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if Paragraphs **(4)(a)** and/or **(4)(b)** apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus $25,000.

(5) Examples

Example 1

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

($10,000 is 20% of $50,000)

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

Example 2

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

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

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

 © Insurance Services Office, Inc., 2012

b. Preservation Of Property

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

(1) While it is being moved or while temporarily stored at another location; and

(2) Only if the loss or damage occurs within 30 days after the property is first moved.

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to $2,500 for service at each premises described in the Declarations, unless a different limit is shown in the Declarations. Such limit is the most we will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed.

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

(1) Assumed by contract or agreement prior to loss; or

(2) Required by local ordinance.

d. Collapse

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

(1) For the purpose of this Additional Coverage – Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.

(2) We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this policy or that contains Covered Property insured under this policy, if such collapse is caused by one or more of the following:

(a) Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;

(b) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;

(c) Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.

(d) Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:

(i) A cause of loss listed in Paragraph **(2)(a)** or **(2)(b);**

(ii) One or more of the "specified causes of loss";

(iii) Breakage of building glass;

(iv) Weight of people or personal property; or

(v) Weight of rain that collects on a roof.

(3) This Additional Coverage – Collapse does **not** apply to:

(a) A building or any part of a building that is in danger of falling down or caving in;

(b) A part of a building that is standing, even if it has separated from another part of the building; or

(c) A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

(4) With respect to the following property:

(a) Awnings;

(b) Gutters and downspouts;

(c) Yard fixtures;

(d) Outdoor swimming pools;

(e) Piers, wharves and docks;

(f) Beach or diving platforms or appurtenances;

(g) Retaining walls; and

(h) Walks, roadways and other paved surfaces;

 © Insurance Services Office, Inc., 2012

if an abrupt collapse is caused by a cause of loss listed in Paragraphs **(2)(a)** through **(2)(d),** we will pay for loss or damage to that property only if such loss or damage is a direct result of the abrupt collapse of a building insured under this policy and the property is Covered Property under this policy.

(5) If personal property abruptly falls down or caves in and such collapse is **not** the result of abrupt collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:

(a) The collapse of personal property was caused by a cause of loss listed in Paragraphs **(2)(a)** through **(2)(d)** of this Additional Coverage;

(b) The personal property which collapses is inside a building; and

(c) The property which collapses is not of a kind listed in Paragraph **(4),** regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph **(5)** does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

(6) This Additional Coverage – Collapse does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

(7) This Additional Coverage – Collapse will not increase the Limits of Insurance provided in this policy.

(8) The term Covered Cause of Loss includes the Additional Coverage – Collapse as described and limited in Paragraphs **d.(1)** through **d.(7).**

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

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes.

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

(1) Results in discharge of any substance from an automatic fire protection system; or

(2) Is directly caused by freezing.

f. Business Income

(1) Business Income

(a) We will pay for the actual loss of Business Income you sustain due to the necessary suspension of your "operations" during the "period of restoration". The suspension must be caused by direct physical loss of or damage to property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of such premises.

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

(i) The portion of the building which you rent, lease or occupy;

(ii) The area within 100 feet of the building or within 100 feet of the premises described in the Declarations, whichever distance is greater (with respect to loss of or damage to personal property in the open or personal property in a vehicle); and

(iii) Any area within the building or at the described premises, if that area services, or is used to gain access to, the portion of the building which you rent, lease or occupy.

 © Insurance Services Office, Inc., 2012

(b) We will only pay for loss of Business Income that you sustain during the "period of restoration" and that occurs within 12 consecutive months after the date of direct physical loss or damage. We will only pay for ordinary payroll expenses for 60 days following the date of direct physical loss or damage, unless a greater number of days is shown in the Declarations.

(c) Business Income means the:

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

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

(d) Ordinary payroll expenses:

(i) Means payroll expenses for all your employees except:

i. Officers;

ii. Executives;

iii. Department Managers;

iv. Employees under contract; and

v. Additional Exemptions shown in the Declarations as:

- Job Classifications; or
- Employees.

(ii) Include:

i. Payroll;

ii. Employee benefits, if directly related to payroll;

iii. FICA payments you pay;

iv. Union dues you pay; and

v. Workers' compensation premiums.

(2) Extended Business Income

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

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

(ii) Ends on the earlier of:

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

ii. 60 consecutive days after the date determined in Paragraph **(a)(i)** above, unless a greater number of consecutive days is shown in the Declarations.

However, Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

(b) Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

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

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

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

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

© Insurance Services Office, Inc., 2012

g. Extra Expense

(1) We will pay necessary Extra Expense you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of such premises.

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

(a) The portion of the building which you rent, lease or occupy;

(b) The area within 100 feet of the building or within 100 feet of the premises described in the Declarations, whichever distance is greater (with respect to loss of or damage to personal property in the open or personal property in a vehicle); and

(c) Any area within the building or at the described premises, if that area services, or is used to gain access to, the portion of the building which you rent, lease or occupy.

(2) Extra Expense means expense incurred:

(a) To avoid or minimize the suspension of business and to continue "operations":

(i) At the described premises; or

(ii) At replacement premises or at temporary locations, including relocation expenses, and costs to equip and operate the replacement or temporary locations.

(b) To minimize the suspension of business if you cannot continue "operations".

(c) To:

(i) Repair or replace any property; or

(ii) Research, replace or restore the lost information on damaged "valuable papers and records";

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

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

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

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

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

h. Pollutant Clean-up And Removal

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

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

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

 © Insurance Services Office, Inc., 2012

i. Civil Authority

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

(1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and

(2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority Coverage for Business Income will begin 72 hours after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

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

(1) Four consecutive weeks after the date of that action; or

(2) When your Civil Authority Coverage for Business Income ends;

whichever is later.

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

j. Money Orders And "Counterfeit Money"

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

(1) Money orders issued by any post office, express company or bank that are not paid upon presentation; or

(2) "Counterfeit money" that is acquired during the regular course of business.

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

k. Forgery Or Alteration

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

(2) If you are sued for refusing to pay the check, draft, promissory note, bill of exchange or similar written promise of payment in "money", on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur in that defense.

(3) For the purpose of this coverage, check includes a substitute check as defined in the Check Clearing for the 21st Century Act and will be treated the same as the original it replaced.

(4) The most we will pay for any loss, including legal expenses, under this Additional Coverage is $2,500, unless a higher Limit Of Insurance is shown in the Declarations.

l. Increased Cost Of Construction

(1) This Additional Coverage applies only to buildings insured on a replacement cost basis.

(2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with the minimum standards of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in Paragraphs **(3)** through **(9)** of this Additional Coverage.

 © Insurance Services Office, Inc., 2012

(3) The ordinance or law referred to in Paragraph **(2)** of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises and is in force at the time of loss.

(4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:

(a) You were required to comply with before the loss, even when the building was undamaged; and

(b) You failed to comply with.

(5) Under this Additional Coverage, we will not pay for:

(a) The enforcement of or compliance with any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungi", wet rot or dry rot; or

(b) Any costs associated with the enforcement of or compliance with an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungi", wet rot or dry rot.

(6) The most we will pay under this Additional Coverage, for each described building insured under Section **I** – Property, is $10,000. If a damaged building(s) is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for each damaged building, is $10,000.

The amount payable under this Additional Coverage is additional insurance.

(7) With respect to this Additional Coverage:

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

(i) Until the property is actually repaired or replaced, at the same or another premises; and

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

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

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

(8) This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion, to the extent that such exclusion would conflict with the provisions of this Additional Coverage.

(9) The costs addressed in the Loss Payment Property Loss Condition in Section **I** – Property do not include the increased cost attributable to enforcement of or compliance with an ordinance or law. The amount payable under this Additional Coverage, as stated in Paragraph **(6)** of this Additional Coverage, is not subject to such limitation.

m. Business Income From Dependent Properties

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

 © Insurance Services Office, Inc., 2012

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

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

(2) We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume "operations", in whole or in part, by using any other available:

(a) Source of materials; or

(b) Outlet for your products.

(3) If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

(4) Dependent property means property owned by others whom you depend on to:

(a) Deliver materials or services to you, or to others for your account. But services does not mean water supply services, wastewater removal services, communication supply services or power supply services;

(b) Accept your products or services;

(c) Manufacture your products for delivery to your customers under contract for sale; or

(d) Attract customers to your business.

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

(5) Secondary dependent property means an entity which is not owned or operated by a dependent property and which;

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

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

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

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

(i) Water supply services;

(ii) Wastewater removal services;

(iii) Communication supply services; or

(iv) Power supply services.

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

(6) The coverage period for Business Income under this Additional Coverage:

(a) Begins 72 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the premises of the dependent property or secondary dependent property; and

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

(7) The Business Income coverage period, as stated in Paragraph **(6),** does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:

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

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

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

 © Insurance Services Office, Inc., 2012

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

n. Glass Expenses

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

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

o. Fire Extinguisher Systems Recharge Expense

(1) We will pay:

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

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

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

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

p. Electronic Data

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

(2) The Covered Causes of Loss applicable to Business Personal Property include a computer virus, harmful code or similar instruction introduced into or enacted on a computer system (including "electronic data") or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including "electronic data") by any employee, including a temporary or leased employee, or by an entity retained by you, or for you, to inspect, design, install, modify, maintain, repair or replace that system.

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

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

q. Interruption Of Computer Operations

(1) Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Business Income and Extra Expense to apply to a suspension of "operations" caused by an interruption in computer operations due to destruction or corruption of "electronic data" due to a Covered Cause of Loss.

© Insurance Services Office, Inc., 2012

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

(a) Coverage under this Additional Coverage – Interruption Of Computer Operations is limited to the "specified causes of loss" and Collapse.

(b) If the Businessowners Coverage Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage.

(c) The Covered Causes of Loss include a computer virus, harmful code or similar instruction introduced into or enacted on a computer system (including "electronic data") or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including "electronic data") by any employee, including a temporary or leased employee, or by an entity retained by you, or for you, to inspect, design, install, modify, maintain, repair or replace that system.

(3) The most we will pay under this Additional Coverage – Interruption Of Computer Operations for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved, is $10,000 unless a higher Limit Of Insurance is shown in the Declarations. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.

(4) This Additional Coverage – Interruption Of Computer Operations does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in **(3)** above has not been exhausted.

(5) Coverage for Business Income does not apply when a suspension of "operations" is caused by destruction or corruption of "electronic data", or any loss or damage to "electronic data", except as provided under Paragraphs **(1)** through **(4)** of this Additional Coverage.

© Insurance Services Office, Inc., 2012

(6) Coverage for Extra Expense does not apply when action is taken to avoid or minimize a suspension of "operations" caused by destruction or corruption of "electronic data", or any loss or damage to "electronic data", except as provided under Paragraphs **(1)** through **(4)** of this Additional Coverage.

(7) This Additional Coverage does not apply when loss or damage to "electronic data" involves only "electronic data" which is integrated in and operates or controls a building's elevator, lighting, heating, ventilation, air conditioning or security system.

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

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

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

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

(a) Direct physical loss or damage to Covered Property caused by "fungi", wet rot or dry rot, including the cost of removal of the "fungi", wet rot or dry rot;

(b) The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungi", wet rot or dry rot; and

(c) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungi", wet rot or dry rot is present.

(3) The coverage described under this Limited Coverage is limited to $15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungi", wet rot or dry rot, we will not pay more than the total of $15,000 even if the "fungi", wet rot or dry rot continues to be present or active, or recurs, in a later policy period.

(4) The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungi", wet rot or dry rot, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

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

(5) The terms of this Limited Coverage do not increase or reduce the coverage provided under the Water Damage, Other Liquids, Powder Or Molten Material Damage or Collapse Additional Coverages.

 © Insurance Services Office, Inc., 2012

(6) The following applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the suspension of "operations" satisfies all the terms and conditions of the applicable Business Income and/or Extra Expense Additional Coverage:

(a) If the loss which resulted in "fungi", wet rot or dry rot does not in itself necessitate a suspension of "operations", but such suspension is necessary due to loss or damage to property caused by "fungi", wet rot or dry rot, then our payment under the Business Income and/or Extra Expense Additional Coverages is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.

(b) If a covered suspension of "operations" was caused by loss or damage other than "fungi", wet rot or dry rot, but remediation of "fungi", wet rot or dry rot prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

6. Coverage Extensions

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

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

a. Newly Acquired Or Constructed Property

(1) Buildings

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

(a) Your new buildings while being built on the described premises; and

(b) Buildings you acquire at premises other than the one described, intended for:

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

(ii) Use as a warehouse.

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

(2) Business Personal Property

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

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

(b) Business Personal Property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations.

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

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

(3) Period Of Coverage

With respect to insurance provided under this Coverage Extension for Newly Acquired Or Constructed Property, coverage will end when any of the following first occurs:

(a) This policy expires;

(b) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as Covered Property; or

(c) You report values to us.

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

b. Personal Property Off-premises

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

© Insurance Services Office, Inc., 2012

c. Outdoor Property

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

(1) Fire;

(2) Lightning;

(3) Explosion;

(4) Riot or Civil Commotion; or

(5) Aircraft.

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

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

d. Personal Effects

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

(1) Tools or equipment used in your business; or

(2) Loss or damage by theft.

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

e. Valuable Papers And Records

(1) You may extend the insurance that applies to Business Personal Property to apply to direct physical loss or damage to "valuable papers and records" that you own, or that are in your care, custody or control, caused by or resulting from a Covered Cause of Loss. This Coverage Extension includes the cost to research, replace or restore the lost information on "valuable papers and records" for which duplicates do not exist.

(2) This Coverage Extension does not apply to:

(a) Property held as samples or for delivery after sale; and

(b) Property in storage away from the premises shown in the Declarations.

(3) The most we will pay under this Coverage Extension for loss or damage to "valuable papers and records" in any one occurrence at the described premises is $10,000, unless a higher Limit Of Insurance for "valuable papers and records" is shown in the Declarations.

For "valuable papers and records" not at the described premises, the most we will pay is $5,000.

(4) Loss or damage to "valuable papers and records" will be valued at the cost of restoration or replacement of the lost or damaged information. To the extent that the contents of the "valuable papers and records" are not restored, the "valuable papers and records" will be valued at the cost of replacement with blank materials of substantially identical type.

(5) Paragraph **B.** Exclusions in Section **I** – Property does not apply to this Coverage Extension except for:

(a) Paragraph **B.1.c.,** Governmental Action;

(b) Paragraph **B.1.d.,** Nuclear Hazard;

(c) Paragraph **B.1.f.,** War And Military Action;

 © Insurance Services Office, Inc., 2012

(d) Paragraph **B.2.f.**, Dishonesty;

(e) Paragraph **B.2.g.**, False Pretense;

(f) Paragraph **B.2.m.(2)**, Errors Or Omissions; and

(g) Paragraph **B.3.**

f. Accounts Receivable

(1) You may extend the insurance that applies to Business Personal Property to apply to accounts receivable. We will pay:

(a) All amounts due from your customers that you are unable to collect;

(b) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;

(c) Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and

(d) Other reasonable expenses that you incur to reestablish your records of accounts receivable;

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

(2) The most we will pay under this Coverage Extension for loss or damage in any one occurrence at the described premises is $10,000, unless a higher Limit of Insurance for accounts receivable is shown in the Declarations.

For accounts receivable not at the described premises, the most we will pay is $5,000.

(3) Paragraph **B.** Exclusions in Section **I** – Property does not apply to this Coverage Extension except for:

(a) Paragraph **B.1.c.**, Governmental Action;

(b) Paragraph **B.1.d.**, Nuclear Hazard;

(c) Paragraph **B.1.f.**, War And Military Action;

(d) Paragraph **B.2.f.**, Dishonesty;

(e) Paragraph **B.2.g.**, False Pretense;

(f) Paragraph **B.3.**; and

(g) Paragraph **B.6.**, Accounts Receivable Exclusion.

g. Business Personal Property Temporarily In Portable Storage Units

(1) You may extend the insurance that applies to Business Personal Property to apply to such property while temporarily stored in a portable storage unit (including a detached trailer) located within 100 feet of the buildings or structures described in the Declarations or within 100 feet of the described premises, whichever distance is greater.

(2) The limitation under Paragraph **A.4.a.(5)** also applies to property in a portable storage unit.

(3) Coverage under this Extension:

(a) Will end 90 days after the Business Personal Property has been placed in the storage unit;

(b) Does not apply if the storage unit itself has been in use at the described premises for more than 90 consecutive days, even if the Business Personal Property has been stored there for 90 or fewer days as of the time of loss or damage.

(4) Under this Extension, the most we will pay for the total of all loss or damage to Business Personal Property is $10,000 (unless a higher limit is indicated in the Declarations for such Extension) regardless of the number of storage units.

(5) This Extension does not apply to loss or damage otherwise covered under this Coverage Form or any endorsement to this Coverage Form, and does not apply to loss or damage to the storage unit itself.

B. Exclusions

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

a. Ordinance Or Law

(1) The enforcement of or compliance with any ordinance or law:

(a) Regulating the construction, use or repair of any property; or

© Insurance Services Office, Inc., 2012

(b) Requiring the tearing down of any property, including the cost of removing its debris.

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

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

(b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property or removal of its debris, following a physical loss to that property.

b. Earth Movement

(1) Earthquake, including tremors and aftershocks and any earth sinking, rising or shifting related to such event;

(2) Landslide, including any earth sinking, rising or shifting related to such event;

(3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;

(4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

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

(5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or volcanic action, we will pay for the loss or damage caused by that fire, building glass breakage or volcanic action.

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

(a) Airborne volcanic blast or airborne shock waves;

(b) Ash, dust or particulate matter; or

(c) Lava flow.

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

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

This exclusion applies regardless of whether any of the above, in Paragraphs **(1)** through **(5),** is caused by an act of nature or is otherwise caused.

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

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

d. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

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

e. Utility Services

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

(1) Originates away from the described premises; or

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

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

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

 © Insurance Services Office, Inc., 2012

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

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

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

f. War And Military Action

(1) War, including undeclared or civil war;

(2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

(3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

g. Water

(1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);

(2) Mudslide or mudflow;

(3) Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;

(4) Water under the ground surface pressing on, or flowing or seeping through:

(a) Foundations, walls, floors or paved surfaces;

(b) Basements, whether paved or not; or

(c) Doors, windows or other openings; or

(5) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph **(1), (3)** or **(4),** or material carried or otherwise moved by mudslide or mudflow.

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

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

h. Certain Computer-related Losses

(1) The failure, malfunction or inadequacy of:

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

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

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

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

(iv) "Computer" networks;

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

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

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

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

© Insurance Services Office, Inc., 2012

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

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

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

i. "Fungi", Wet Rot Or Dry Rot

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

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

This exclusion does not apply:

(1) When "fungi", wet rot or dry rot results from fire or lightning; or

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

j. Virus Or Bacteria

(1) Any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.

(2) However, the exclusion in Paragraph **(1)** does not apply to loss or damage caused by or resulting from "fungi", wet rot or dry rot. Such loss or damage is addressed in Exclusion **i.**

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

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

a. Electrical Apparatus

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

(1) Electrical or electronic wire, device, appliance, system or network; or

(2) Device, appliance, system or network utilizing cellular or satellite technology.

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

(1) Electrical current, including arcing;

(2) Electrical charge produced or conducted by a magnetic or electromagnetic field;

(3) Pulse of electromagnetic energy; or

(4) Electromagnetic waves or microwaves.

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

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

(1) An occurrence that took place within 100 feet of the described premises; or

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

b. Consequential Losses

Delay, loss of use or loss of market.

c. Smoke, Vapor, Gas

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

 © Insurance Services Office, Inc., 2012

d. Steam Apparatus

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

e. Frozen Plumbing

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

(1) You do your best to maintain heat in the building or structure; or

(2) You drain the equipment and shut off the supply if the heat is not maintained.

f. Dishonesty

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

This exclusion:

(1) Applies whether or not an act occurs during your normal hours of operation;

(2) Does not apply to acts of destruction by your employees (including temporary or leased employees) or authorized representatives; but theft by your employees (including temporary or leased employees) or authorized representatives is not covered.

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

This exclusion does not apply to coverage that is provided under the Employee Dishonesty Optional Coverage.

g. False Pretense

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

h. Exposed Property

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

i. Collapse

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

(a) An abrupt falling down or caving in;

(b) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or

(c) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to Paragraph **i.(1)(a)** or **i.(1)(b).**

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

(2) This Exclusion **i.** does not apply:

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

(b) To collapse caused by one or more of the following:

(i) The "specified causes of loss";

(ii) Breakage of building glass;

(iii) Weight of rain that collects on a roof; or

(iv) Weight of people or personal property.

j. Pollution

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

 © Insurance Services Office, Inc., 2012

k. Neglect

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

l. Other Types Of Loss

(1) Wear and tear;

(2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;

(3) Smog;

(4) Settling, cracking, shrinking or expansion;

(5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;

(6) Mechanical breakdown, including rupture or bursting caused by centrifugal force.

This exclusion does not apply with respect to the breakdown of "computer(s)";

(7) The following causes of loss to personal property:

(a) Dampness or dryness of atmosphere;

(b) Changes in or extremes of temperature; or

(c) Marring or scratching.

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

m. Errors Or Omissions

Errors or omissions in:

(1) Programming, processing or storing data, as described under "electronic data" or in any "computer" operations; or

(2) Processing or copying "valuable papers and records".

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

n. Installation, Testing, Repair

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

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

o. Electrical Disturbance

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

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

p. Continuous Or Repeated Seepage Or Leakage Of Water

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

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

a. Weather Conditions

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

b. Acts Or Decisions

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

c. Negligent Work

Faulty, inadequate or defective:

(1) Planning, zoning, development, surveying, siting;

(2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;

(3) Materials used in repair, construction, renovation or remodeling; or

(4) Maintenance;

of part or all of any property on or off the described premises.

© Insurance Services Office, Inc., 2012

4. **Additional Exclusion**

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

   Loss Or Damage To Products

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

5. **Business Income And Extra Expense Exclusions**

   a. We will not pay for:

      (1) Any Extra Expense, or increase of Business Income loss, caused by or resulting from:

         (a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or

         (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the suspension of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage.

      (2) Any other consequential loss.

   b. With respect to this exclusion, suspension means:

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

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

6. **Accounts Receivable Exclusion**

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

   We will not pay for:

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

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

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

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

C. Limits Of Insurance

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

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

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

   a. Fire Department Service Charge;

   b. Pollutant Clean-up And Removal;

   c. Increased Cost Of Construction;

   d. Business Income From Dependent Properties;

   e. Electronic Data; and

   f. Interruption Of Computer Operations.

4. **Building Limit – Automatic Increase**

   a. In accordance with Paragraph **C.4.b.**, the Limit of Insurance for Buildings will automatically increase by 8%, unless a different percentage of annual increase is shown in the Declarations.

 © Insurance Services Office, Inc., 2012

b. The amount of increase is calculated as follows:

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

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

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

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

Example

If:

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

The amount of increase is

$100,000 x .08 x 146 ÷ 365 = $3,200.

5. Business Personal Property Limit – Seasonal Increase

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

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

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

to provide for seasonal variances.

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

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

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

D. Deductibles

1. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance of Section **I** – Property.

2. Regardless of the amount of the Deductible, the most we will deduct from any loss or damage under all of the following Optional Coverages in any one occurrence is the Optional Coverage Deductible shown in the Declarations:

a. Money and Securities;

b. Employee Dishonesty;

c. Outdoor Signs; and

d. Forgery or Alteration.

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

3. No deductible applies to the following Additional Coverages:

a. Fire Department Service Charge;

b. Business Income;

c. Extra Expense;

d. Civil Authority; and

e. Fire Extinguisher Systems Recharge Expense.

E. Property Loss Conditions

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

If we and you disagree on the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

a. Pay its chosen appraiser; and

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

 © Insurance Services Office, Inc., 2012

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

3. **Duties In The Event Of Loss Or Damage**

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

      (1) Notify the police if a law may have been broken.

      (2) Give us prompt notice of the loss or damage. Include a description of the property involved.

      (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.

      (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limits of Insurance of Section **I** – Property. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.

      (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.

      (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

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

      (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

      (8) Cooperate with us in the investigation or settlement of the claim.

      (9) Resume all or part of your "operations" as quickly as possible.

   b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

4. **Legal Action Against Us**

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

   a. There has been full compliance with all of the terms of this insurance; and

   b. The action is brought within two years after the date on which the direct physical loss or damage occurred.

5. **Loss Payment**

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

   a. At our option, we will either:

      (1) Pay the value of lost or damaged property;

      (2) Pay the cost of repairing or replacing the lost or damaged property;

      (3) Take all or any part of the property at an agreed or appraised value; or

      (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to Paragraph **d.(1)(e)** below.

   b. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.

   c. We will not pay you more than your financial interest in the Covered Property.

   d. Except as provided in Paragraphs **(2)** through **(7)** below, we will determine the value of Covered Property as follows:

      (1) At replacement cost without deduction for depreciation, subject to the following:

         (a) If, at the time of loss, the Limit of Insurance on the lost or damaged property is 80% or more of the full replacement cost of the property immediately before the loss, we will pay the cost to repair or replace, after application of the deductible and without deduction for depreciation, but not more than the least of the following amounts:

            (i) The Limit of Insurance under Section **I** – Property that applies to the lost or damaged property;

 © Insurance Services Office, Inc., 2012

(ii) The cost to replace, on the same premises, the lost or damaged property with other property:

i. Of comparable material and quality; and

ii. Used for the same purpose; or

(iii) The amount that you actually spend that is necessary to repair or replace the lost or damaged property.

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

(b) If, at the time of loss, the Limit of Insurance applicable to the lost or damaged property is less than 80% of the full replacement cost of the property immediately before the loss, we will pay the greater of the following amounts, but not more than the Limit of Insurance that applies to the property:

(i) The actual cash value of the lost or damaged property; or

(ii) A proportion of the cost to repair or replace the lost or damaged property, after application of the deductible and without deduction for depreciation. This proportion will equal the ratio of the applicable Limit of Insurance to 80% of the full replacement cost of the property.

Example

The full replacement cost of property which suffers a total loss is $100,000. The property is insured for $70,000. 80% of the full replacement cost of the property immediately before the loss is $80,000 ($100,000 x .80 = $80,000). A partial loss of $25,000 is sustained. The amount of recovery is determined as follows:

Amount of recovery

$70,000 ÷ $80,000 = .875

.875 x $25,000 = $21,875

(c) You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim on a replacement cost basis if you notify us of your intent to do so within 180 days after the loss or damage.

(d) We will not pay on a replacement cost basis for any loss or damage:

(i) Until the lost or damaged property is actually repaired or replaced; and

(ii) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage.

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

(e) The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

(2) If the Actual Cash Value – Buildings option applies, as shown in the Declarations, Paragraph **(1)** above does not apply to Buildings. Instead, we will determine the value of Buildings at actual cash value.

(3) The following property at actual cash value:

(a) Used or secondhand merchandise held in storage or for sale;

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

 © Insurance Services Office, Inc., 2012

(c) Household contents, except personal property in apartments or rooms furnished by you as landlord;

(d) Manuscripts; and

(e) Works of art, antiques or rare articles, including etchings, pictures, statuary, marble, bronzes, porcelain and bric-a-brac.

(4) Glass at the cost of replacement with safety glazing material if required by law.

(5) Tenants' improvements and betterments at:

(a) Replacement cost if you make repairs promptly.

(b) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:

(i) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and

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

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

(c) Nothing if others pay for repairs or replacement.

(6) Applicable only to the Optional Coverages:

(a) "Money" at its face value; and

(b) "Securities" at their value at the close of business on the day the loss is discovered.

(7) Applicable only to accounts receivable:

(a) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage:

(i) We will determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and

(ii) We will adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.

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

(i) The amount of the accounts for which there is no loss or damage;

(ii) The amount of the accounts that you are able to reestablish or collect;

(iii) An amount to allow for probable bad debts that you are normally unable to collect; and

(iv) All unearned interest and service charges.

e. Our payment for loss of or damage to personal property of others will only be for the account of the owners of the property. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.

f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.

g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, provided you have complied with all of the terms of this policy, and:

(1) We have reached agreement with you on the amount of loss; or

(2) An appraisal award has been made.

 © Insurance Services Office, Inc., 2012

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

6. Recovered Property

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

7. Resumption Of Operations

We will reduce the amount of your:

a. Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.

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

8. Vacancy

a. Description Of Terms

(1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in Paragraphs **(a)** and **(b)** below:

(a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

(b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:

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

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

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

b. Vacancy Provisions

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

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

(a) Vandalism;

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

 © Insurance Services Office, Inc., 2012

(c) Building glass breakage;

(d) Water damage;

(e) Theft; or

(f) Attempted theft.

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

F. Property General Conditions

1. Control Of Property

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

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

2. Mortgageholders

a. The term "mortgageholder" includes trustee.

b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.

c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.

d. If we deny your claim because of your acts or because you have failed to comply with the terms of this policy, the mortgageholder will still have the right to receive loss payment if the mortgageholder:

(1) Pays any premium due under this policy at our request if you have failed to do so;

(2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and

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

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

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

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

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

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

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

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

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

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

3. No Benefit To Bailee

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

4. Policy Period, Coverage Territory

Under Section **I** – Property:

a. We cover loss or damage commencing:

(1) During the policy period shown in the Declarations; and

(2) Within the coverage territory or, with respect to property in transit, while it is between points in the coverage territory.

b. The coverage territory is:

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

(2) Puerto Rico; and

(3) Canada.

 © Insurance Services Office, Inc., 2012

G. Optional Coverages

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

1. Outdoor Signs

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

(1) Owned by you; or

(2) Owned by others but in your care, custody or control.

b. Paragraph **A.3.**, Covered Causes Of Loss and Paragraph **B.**, Exclusions in Section **I** – Property do not apply to this Optional Coverage, except for:

(1) Paragraph **B.1.c.**, Governmental Action;

(2) Paragraph **B.1.d.**, Nuclear Hazard; and

(3) Paragraph **B.1.f.**, War And Military Action.

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

(1) Wear and tear;

(2) Hidden or latent defect;

(3) Rust;

(4) Corrosion; or

(5) Mechanical breakdown.

d. The most we will pay for loss or damage in any one occurrence is the Limit Of Insurance for Outdoor Signs shown in the Declarations.

e. The provisions of this Optional Coverage supersede all other references to outdoor signs in this policy.

2. Money And Securities

a. We will pay for loss of "money" and "securities" used in your business while at a bank or savings institution, within your living quarters or the living quarters of your partners or any employee (including a temporary or leased employee) having use and custody of the property, at the described premises, or in transit between any of these places, resulting directly from:

(1) Theft, meaning any act of stealing;

(2) Disappearance; or

(3) Destruction.

b. In addition to the Limitations and Exclusions applicable to Section **I** – Property, we will not pay for loss:

(1) Resulting from accounting or arithmetical errors or omissions;

(2) Due to the giving or surrendering of property in any exchange or purchase; or

(3) Of property contained in any "money"-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.

c. The most we will pay for loss in any one occurrence is:

(1) The limit shown in the Declarations for Inside the Premises for "money" and "securities" while:

(a) In or on the described premises; or

(b) Within a bank or savings institution; and

(2) The limit shown in the Declarations for Outside the Premises for "money" and "securities" while anywhere else.

d. All loss:

(1) Caused by one or more persons; or

(2) Involving a single act or series of related acts;

is considered one occurrence.

e. You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.

3. Employee Dishonesty

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

(1) Cause you to sustain loss or damage; and also

(2) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:

(a) Any employee; or

(b) Any other person or organization.

 © Insurance Services Office, Inc., 2012

b. We will not pay for loss or damage:

(1) Resulting from any dishonest or criminal act that you or any of your partners or "members" commit whether acting alone or in collusion with other persons.

(2) Resulting from any dishonest act committed by any of your employees (except as provided in Paragraph **a.**), "managers" or directors:

(a) Whether acting alone or in collusion with other persons; or

(b) While performing services for you or otherwise.

(3) The only proof of which as to its existence or amount is:

(a) An inventory computation; or

(b) A profit and loss computation.

(4) Caused by an employee if the employee had also committed theft or any other dishonest act prior to the effective date of this policy and you or any of your partners, "members", "managers", officers, directors or trustees, not in collusion with the employee, learned of that theft or dishonest act prior to the policy period shown in the Declarations.

c. The most we will pay for loss or damage in any one occurrence is the Limit Of Insurance for Employee Dishonesty shown in the Declarations.

d. All loss or damage:

(1) Caused by one or more persons; or

(2) Involving a single act or series of acts;

is considered one occurrence.

e. If any loss is covered:

(1) Partly by this insurance; and

(2) Partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest;

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

We will pay only for loss or damage you sustain through acts committed or events occurring during the policy period. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.

f. This Optional Coverage is cancelled as to any employee immediately upon discovery by:

(1) You; or

(2) Any of your partners, "members", "managers", officers or directors not in collusion with the employee;

of any dishonest act committed by that employee before or after being hired by you.

g. We will pay only for covered loss or damage sustained during the policy period and discovered no later than one year from the end of the policy period.

h. If you (or any predecessor in interest) sustained loss or damage during the policy period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this Optional Coverage, provided:

(1) This Optional Coverage became effective at the time of cancellation or termination of the prior insurance; and

(2) The loss or damage would have been covered by this Optional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.

i. The insurance under Paragraph **h.** above is part of, not in addition to, the Limit of Insurance applying to this Optional Coverage and is limited to the lesser of the amount recoverable under:

(1) This Optional Coverage as of its effective date; or

(2) The prior insurance had it remained in effect.

j. With respect to the Employee Dishonesty Optional Coverage in Paragraph **G.3.**, employee means:

(1) Any natural person:

(a) While in your service or for 30 days after termination of service;

(b) Who you compensate directly by salary, wages or commissions; and

(c) Who you have the right to direct and control while performing services for you;

 © Insurance Services Office, Inc., 2012

(2) Any natural person who is furnished temporarily to you:

(a) To substitute for a permanent employee, as defined in Paragraph **(1)** above, who is on leave; or

(b) To meet seasonal or short-term workload conditions;

(3) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in Paragraph **(2)** above;

(4) Any natural person who is a former employee, director, partner, member, manager, representative or trustee retained as a consultant while performing services for you; or

(5) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside any building you occupy in conducting your business.

But employee does not mean:

(1) Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or

(2) Any "manager", director or trustee except while performing acts coming within the usual duties of an employee.

4. Equipment Breakdown Protection Coverage

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

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

(1) Malfunction including but not limited to adjustment, alignment, calibration, cleaning or modification;

(2) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;

(3) Damage to any vacuum tube, gas tube, or brush; or

(4) The functioning of any safety or protective device.

b. Paragraphs **A.4.a.(1)** and **A.4.a.(2),** Limitations, do not apply to this Optional Coverage.

c. With respect to the coverage provided by this Optional Coverage, the following exclusions in Paragraph **B. Exclusions** do not apply:

(1) Paragraph **B.2.a.,** Electrical Apparatus;

(2) Paragraph **B.2.d.,** Steam Apparatus; and

(3) Paragraph **B.2.l.(6),** Mechanical Breakdown.

d. With respect to the coverage provided by this Optional Coverage, Paragraph **G.1.c.(5)** of the **Outdoor Signs Optional Coverage** does not apply.

e. If a dollar deductible is shown in the Declarations for this Optional Coverage, we will first subtract the applicable deductible amount from any loss we would otherwise pay. We will then pay the amount of loss in excess of the applicable deductible up to the applicable limit for this coverage.

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

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

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

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

1. "Computer" means:

a. Programmable electronic equipment that is used to store, retrieve and process data; and

 © Insurance Services Office, Inc., 2012

b. Associated peripheral equipment that provides communication, including input and output functions such as printing and auxiliary functions such as data transmission.

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

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

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

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

(1) Your last known address; or

(2) The address where the pressure, mechanical or electrical machinery and equipment is located.

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

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

H. Property Definitions

1. "Computer" means:

a. Programmable electronic equipment that is used to store, retrieve and process data; and

b. Associated peripheral equipment that provides communication, including input and output functions such as printing and auxiliary functions such as data transmission.

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

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

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

4. "Fungi" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

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

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

7. "Money" means:

a. Currency, coins and bank notes in current use and having a face value; and

b. Traveler's checks, register checks and money orders held for sale to the public.

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

9. "Period of restoration":

a. Means the period of time that:

(1) Begins:

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

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

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

 © Insurance Services Office, Inc., 2012

(2) Ends on the earlier of:

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

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

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

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

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

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

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

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

a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and

b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include "money".

12. "Specified causes of loss" means the following:

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

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

(1) The cost of filling sinkholes; or

(2) Sinking or collapse of land into man-made underground cavities.

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

(1) Personal property in the open; or

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

c. Water damage means:

(1) Accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam; and

(2) Accidental discharge or leakage of water or waterborne material as the direct result of the breaking apart or cracking of a water or sewer pipe that is located off the described premises and is part of a municipal potable water supply system or municipal sanitary sewer system, if the breakage or cracking is caused by wear and tear.

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

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

13. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

© Insurance Services Office, Inc., 2012

14. "Valuable papers and records" means inscribed, printed or written:

a. Documents;

b. Manuscripts; and

c. Records;

including abstracts, books, deeds, drawings, films, maps or mortgages.

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

SECTION II – LIABILITY

A. Coverages

1. Business Liability

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury", "property damage" or "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" or any offense and settle any claim or "suit" that may result. But:

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

(2) Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements or medical expenses.

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

b. This insurance applies:

(1) To "bodily injury" and "property damage" only if:

(a) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

(b) The "bodily injury" or "property damage" occurs during the policy period; and

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

(2) To "personal and advertising injury" caused by an offense arising out of your business, but only if the offense was committed in the "coverage territory" during the policy period.

c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph **C.1.** Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of "bodily injury" or "property damage" after the end of the policy period.

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

(1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;

(2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or

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

e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

 © Insurance Services Office, Inc., 2012

f. Coverage Extension – Supplementary Payments

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

(a) All expenses we incur.

(b) Up to $250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Business Liability Coverage for "bodily injury" applies. We do not have to furnish these bonds.

(c) The cost of bonds to release attachments, but only for bond amounts within our Limit of Insurance. We do not have to furnish these bonds.

(d) All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to $250 a day because of time off from work.

(e) All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.

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

(g) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within our Limit of Insurance.

These payments will not reduce the limit of liability.

(2) If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

(a) The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";

(b) This insurance applies to such liability assumed by the insured;

(c) The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";

(d) The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;

(e) The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and

(f) The indemnitee:

(i) Agrees in writing to:

i. Cooperate with us in the investigation, settlement or defense of the "suit";

ii. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";

iii. Notify any other insurer whose coverage is available to the indemnitee; and

© Insurance Services Office, Inc., 2012

iv. Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and

(ii) Provides us with written authorization to:

i. Obtain records and other information related to the "suit"; and

ii. Conduct and control the defense of the indemnitee in such "suit".

(3) So long as the conditions in Paragraph **(2)** are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph **B.1.b.(2)** Exclusions in Section **II** – Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the Limits of Insurance.

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

(a) We have used up the applicable Limit of Insurance in the payment of judgments or settlements; or

(b) The conditions set forth above, or the terms of the agreement described in Paragraph **(2)(f)** above, are no longer met.

2. Medical Expenses

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

(1) On premises you own or rent;

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

(3) Because of your operations;

provided that:

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

(b) The expenses are incurred and reported to us within one year of the date of the accident; and

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

b. We will make these payments regardless of fault. These payments will not exceed the Limits of Insurance of Section **II** – Liability. We will pay reasonable expenses for:

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

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

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

B. Exclusions

1. Applicable To Business Liability Coverage

This insurance does not apply to:

a. Expected Or Intended Injury

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

b. Contractual Liability

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

(1) That the insured would have in the absence of the contract or agreement; or

(2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:

(a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and

 © Insurance Services Office, Inc., 2012

(b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

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

(1) Causing or contributing to the intoxication of any person;

(2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or

(3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims allege negligence or other wrongdoing in:

(a) The supervision, hiring, employment, training or monitoring of others by an insured; or

(b) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the "occurrence" which caused the "bodily injury" or "property damage", involved that which is described in Paragraph **(1)**, **(2)** or **(3)** above.

However, this exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

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

e. Employer's Liability

"Bodily injury" to:

(1) An "employee" of the insured arising out of and in the course of:

(a) Employment by the insured; or

(b) Performing duties related to the conduct of the insured's business; or

(2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph **(1)** above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

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

f. Pollution

(1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

(a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:

(i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;

(ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";

 © Insurance Services Office, Inc., 2012

(b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

(c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:

(i) Any insured; or

(ii) Any person or organization for whom you may be legally responsible;

(d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

(i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;

(ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire"; or

(e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

(2) Any loss, cost or expense arising out of any:

(a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

(b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

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

g. Aircraft, Auto Or Watercraft

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

© Insurance Services Office, Inc., 2012

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

This exclusion does not apply to:

(1) A watercraft while ashore on premises you own or rent;

(2) A watercraft you do not own that is:

(a) Less than 51 feet long; and

(b) Not being used to carry persons or property for a charge;

(3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;

(4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

(5) "Bodily injury" or "property damage" arising out of:

(a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where it is licensed or principally garaged; or

(b) The operation of any of the following machinery or equipment:

(i) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

(ii) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

(1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or

(2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition or stunting activity.

i. War

"Bodily injury", "property damage" or "personal and advertising injury", however caused, arising, directly or indirectly, out of:

(1) War, including undeclared or civil war;

(2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

(3) Insurrection, rebellion, revolution, usurped power, or action taken by government authority in hindering or defending against any of these.

j. Professional Services

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

(1) Legal, accounting or advertising services;

(2) Preparing, approving, or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications;

(3) Supervisory, inspection or engineering services;

(4) Medical, surgical, dental, X-ray or nursing services treatment, advice or instruction;

(5) Any health or therapeutic service treatment, advice or instruction;

(6) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming;

 © Insurance Services Office, Inc., 2012

(7) Optometry or optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;

(8) Body piercing services; and

(9) Services in the practice of pharmacy.

This exclusion applies even if the claims allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by an insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved the rendering or failure to render of any professional service.

k. Damage To Property

"Property damage" to:

(1) Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;

(2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;

(3) Property loaned to you;

(4) Personal property in the care, custody or control of the insured;

(5) That particular part of real property on which you or any contractor or subcontractor working directly or indirectly on your behalf is performing operations, if the "property damage" arises out of those operations; or

(6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs **(1)**, **(3)** and **(4)** of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of seven or fewer consecutive days. A separate Limit of Insurance applies to Damage To Premises Rented To You as described in Paragraph **D.** Liability And Medical Expenses Limits Of Insurance in Section **II** – Liability.

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

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

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

l. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

m. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

n. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

(1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or

(2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

o. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

(1) "Your product";

(2) "Your work"; or

(3) "Impaired property";

 © Insurance Services Office, Inc., 2012

if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

p. Personal And Advertising Injury

"Personal and advertising injury":

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

(2) Arising out of oral or written publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity;

(3) Arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period;

(4) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement;

(5) Arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement";

(6) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";

(7) Arising out of the wrong description of the price of goods, products or services stated in your "advertisement";

(8) Committed by an insured whose business is:

(a) Advertising, broadcasting, publishing or telecasting;

(b) Designing or determining content of web sites for others; or

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

However, this exclusion does not apply to Paragraphs **14.a., b.** and **c.** of "personal and advertising injury" under Paragraph **F.** Liability And Medical Expenses Definitions.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, by itself, is not considered the business of advertising, broadcasting, publishing or telecasting;

(9) Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time;

(10) With respect to any loss, cost or expense arising out of any:

(a) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

(b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants";

(11) Arising out of an electronic chatroom or bulletin board the insured hosts, owns or over which the insured exercises control;

(12) Arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan;

(13) Arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatags, or any other similar tactics to mislead another's potential customers.

q. Electronic Data

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

However, this exclusion does not apply to liability for damages because of "bodily injury".

 © Insurance Services Office, Inc., 2012

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

r. Criminal Acts

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

s. Recording And Distribution Of Material Or Information In Violation Of Law

"Bodily injury", "property damage" or "personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

(1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;

(2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;

(3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or

(4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

Exclusions **c., d., e., f., g., h., i., k., l., m., n.** and **o.** in Section **II** – Liability do not apply to damage by fire to premises while rented to you, or temporarily occupied by you with permission of the owner. A separate Damage To Premises Rented To You Limit of Insurance applies to this coverage as described in Paragraph **D.** Liability And Medical Expenses Limits of Insurance in Section **II** – Liability.

2. Applicable To Medical Expenses Coverage

We will not pay expenses for "bodily injury":

a. To any insured, except "volunteer workers".

b. To a person hired to do work for or on behalf of any insured or a tenant of any insured.

c. To a person injured on that part of premises you own or rent that the person normally occupies.

d. To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

e. To a person injured while practicing, instructing or participating in any physical exercises or games, sports or athletic contests.

f. Included within the "products-completed operations hazard".

g. Excluded under Business Liability Coverage.

3. Applicable To Both Business Liability Coverage And Medical Expenses Coverage – Nuclear Energy Liability Exclusion

This insurance does not apply:

a. Under Business Liability Coverage, to "bodily injury" or "property damage":

(1) With respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by the Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or

 © Insurance Services Office, Inc., 2012

(2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which:

(a) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or

(b) The insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

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

c. Under Business Liability Coverage, to "bodily injury" or "property damage" resulting from the "hazardous properties" of the "nuclear material"; if:

(1) The "nuclear material":

(a) Is at any "nuclear facility" owned by, or operated by or on behalf of, an insured; or

(b) Has been discharged or dispersed therefrom;

(2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or

(3) The "bodily injury" or "property damage" arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility"; but if such facility is located within the United States of America, its territories or possessions or Canada, this Exclusion **(3)** applies only to "property damage" to such "nuclear facility" and any property thereat.

d. As used in this exclusion:

(1) "By-product material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;

(2) "Hazardous properties" include radioactive, toxic or explosive properties;

(3) "Nuclear facility" means:

(a) Any "nuclear reactor";

(b) Any equipment or device designed or used for:

(i) Separating the isotopes of uranium or plutonium;

(ii) Processing or utilizing "spent fuel"; or

(iii) Handling, processing or packaging "waste";

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

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

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

(4) "Nuclear material" means "source material", "special nuclear material" or "by-product material";

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

(6) "Property damage" includes all forms of radioactive contamination of property;

(7) "Source material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;

(8) "Special nuclear material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;

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

 © Insurance Services Office, Inc., 2012

(10) "Waste" means any waste material:

(a) Containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content; and

(b) Resulting from the operation by any person or organization of any "nuclear facility" included under Paragraphs **(a)** and **(b)** of the definition of "nuclear facility".

C. Who Is An Insured

1. If you are designated in the Declarations as:

a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.

b. A partnership or joint venture, you are an insured. Your members, your partners and their spouses are also insureds, but only with respect to the conduct of your business.

c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.

d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

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

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

(a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;

(b) To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of Paragraph **(a)** above;

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

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

(2) "Property damage" to property:

(a) Owned, occupied or used by;

 © Insurance Services Office, Inc., 2012

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

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

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

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

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

(2) Until your legal representative has been appointed.

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

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

D. Liability And Medical Expenses Limits Of Insurance

1. The Limits of Insurance of Section **II** – Liability shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

a. Insureds;

b. Claims made or "suits" brought; or

c. Persons or organizations making claims or bringing "suits".

2. The most we will pay for the sum of all damages because of all:

a. "Bodily injury", "property damage" and medical expenses arising out of any one "occurrence"; and

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

is the Liability and Medical Expenses limit shown in the Declarations. But the most we will pay for all medical expenses because of "bodily injury" sustained by any one person is the Medical Expenses limit shown in the Declarations.

3. The most we will pay under Business Liability Coverage for damages because of "property damage" to a premises while rented to you or in the case of fire while rented to you or temporarily occupied by you with permission of the owner is the applicable Damage To Premises Rented To You limit shown for that premises in the Declarations. For a premises temporarily occupied by you, the applicable limit will be the highest Damage To Premises Rented To You limit shown in the Declarations.

4. **Aggregate Limits**

The most we will pay for:

a. All "bodily injury" and "property damage" that is included in the "products-completed operations hazard" is twice the Liability and Medical Expenses limit.

b. All:

(1) "Bodily injury" and "property damage" except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard";

(2) Plus medical expenses;

(3) Plus all "personal and advertising injury" caused by offenses committed;

is twice the Liability and Medical Expenses limit.

Subject to Paragraph **a.** or **b.** above, whichever applies, the Damage To Premises Rented To You limit is the most we will pay for damages because of "property damage" to any one premises, while rented to you, or in the case of fire, while rented to you or temporarily occupied by you with permission of the owner.

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

E. Liability And Medical Expenses General Conditions

1. **Bankruptcy**

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this policy.

 © Insurance Services Office, Inc., 2012

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

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

      (1) How, when and where the "occurrence" or offense took place;

      (2) The names and addresses of any injured persons and witnesses; and

      (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

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

      (1) Immediately record the specifics of the claim or "suit" and the date received; and

      (2) Notify us as soon as practicable.

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

   c. You and any other involved insured must:

      (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";

      (2) Authorize us to obtain records and other information;

      (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and

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

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

3. **Legal Action Against Us**

   No person or organization has a right under this policy:

   a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or

   b. To sue us on this policy unless all of its terms have been fully complied with.

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

4. **Separation Of Insureds**

   Except with respect to the Limits of Insurance of Section **II** – Liability, and any rights or duties specifically assigned in this policy to the first Named Insured, this insurance applies:

   a. As if each Named Insured were the only Named Insured; and

   b. Separately to each insured against whom claim is made or "suit" is brought.

F. Liability And Medical Expenses Definitions

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:

   a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and

   b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

2. "Auto" means:

   a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or

   b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where it is licensed or principally garaged.

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

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

4. "Coverage territory" means:

   a. The United States of America (including its territories and possessions), Puerto Rico and Canada;

 © Insurance Services Office, Inc., 2012

b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph **a.** above; or

c. All other parts of the world if the injury or damage arises out of:

(1) Goods or products made or sold by you in the territory described in Paragraph **a.** above;

(2) The activities of a person whose home is in the territory described in Paragraph **a.** above, but is away for a short time on your business; or

(3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication;

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

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

6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.

7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.

8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:

a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or

b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by:

(1) The repair, replacement, adjustment or removal of "your product" or "your work"; or

(2) Your fulfilling the terms of the contract or agreement.

9. "Insured contract" means:

a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";

b. A sidetrack agreement;

c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;

d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;

e. An elevator maintenance agreement;

f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph **f.** does not include that part of any contract or agreement:

(1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;

(2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:

(a) Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or

(b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or

(3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in Paragraph **(2)** above and supervisory, inspection or engineering services.

10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

 © Insurance Services Office, Inc., 2012

11. "Loading or unloading" means the handling of property:

a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";

b. While it is in or on an aircraft, watercraft or "auto"; or

c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;

b. Vehicles maintained for use solely on or next to premises you own or rent;

c. Vehicles that travel on crawler treads;

d. Vehicles, whether self-propelled or not, on which are permanently mounted:

(1) Power cranes, shovels, loaders, diggers or drills; or

(2) Road construction or resurfacing equipment such as graders, scrapers or rollers;

e. Vehicles not described in Paragraph **a.**, **b.**, **c.** or **d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

(1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or

(2) Cherry pickers and similar devices used to raise or lower workers;

f. Vehicles not described in Paragraph **a.**, **b.**, **c.** or **d.** above maintained primarily for purposes other than the transportation of persons or cargo.

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

(1) Equipment designed primarily for:

(a) Snow removal;

(b) Road maintenance, but not construction or resurfacing; or

(c) Street cleaning;

(2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

(3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

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

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

a. False arrest, detention or imprisonment;

b. Malicious prosecution;

c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;

d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;

e. Oral or written publication, in any manner, of material that violates a person's right of privacy;

 © Insurance Services Office, Inc., 2012

f. The use of another's advertising idea in your "advertisement"; or

g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

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

16. "Products-completed operations hazard":

a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

(1) Products that are still in your physical possession; or

(2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:

(a) When all of the work called for in your contract has been completed.

(b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.

(c) When that part of the work done at the job site has been put to its intended use by any other person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

The "bodily injury" or "property damage" must occur away from premises you own or rent, unless your business includes the selling, handling or distribution of "your product" for consumption on premises you own or rent.

b. Does not include "bodily injury" or "property damage" arising out of:

(1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured; or

(2) The existence of tools, uninstalled equipment or abandoned or unused materials.

17. "Property damage" means:

a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

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

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

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

a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or

b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

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

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

21. "Your product":

a. Means:

(1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

(a) You;

(b) Others trading under your name; or

© Insurance Services Office, Inc., 2012

(c) A person or organization whose business or assets you have acquired; and

(2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes:

(1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and

(2) The providing of or failure to provide warnings or instructions.

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

22. "Your work":

a. Means:

(1) Work or operations performed by you or on your behalf; and

(2) Materials, parts or equipment furnished in connection with such work or operations.

b. Includes:

(1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and

(2) The providing of or failure to provide warnings or instructions.

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

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.

2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

a. Five days before the effective date of cancellation if any one of the following conditions exists at any building that is Covered Property in this policy:

(1) The building has been vacant or unoccupied 60 or more consecutive days. This does not apply to:

(a) Seasonal unoccupancy; or

(b) Buildings in the course of construction, renovation or addition. Buildings with 65% or more of the rental units or floor area vacant or unoccupied are considered unoccupied under this provision.

(2) After damage by a Covered Cause of Loss, permanent repairs to the building:

(a) Have not started; and

(b) Have not been contracted for;

within 30 days of initial payment of loss.

(3) The building has:

(a) An outstanding order to vacate;

(b) An outstanding demolition order; or

(c) Been declared unsafe by governmental authority.

(4) Fixed and salvageable items have been or are being removed from the building and are not being replaced. This does not apply to such removal that is necessary or incidental to any renovation or remodeling.

(5) Failure to:

(a) Furnish necessary heat, water, sewer service or electricity for 30 consecutive days or more, except during a period of seasonal unoccupancy; or

(b) Pay property taxes that are owing and have been outstanding for more than one year following the date due, except that this provision will not apply where you are in a bona fide dispute with the taxing authority regarding payment of such taxes.

b. 10 days before the effective date of cancellation if we cancel for nonpayment of premium.

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

3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.

4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.

 © Insurance Services Office, Inc., 2012

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

B. Changes

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

C. Concealment, Misrepresentation Or Fraud

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

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

D. Examination Of Your Books And Records

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

E. Inspections And Surveys

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

F. Insurance Under Two Or More Coverages

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

G. Liberalization

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

H. Other Insurance

1. If there is other insurance covering the same loss or damage, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance of Section **I** – Property.
2. Business Liability Coverage is excess over:
   a. Any other insurance that insures for direct physical loss or damage; or
   b. Any other primary insurance available to you covering liability for damages arising out of the premises or operations for which you have been added as an additional insured.
3. When this insurance is excess, we will have no duty under Business Liability Coverage to defend any claim or "suit" that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

I. Premiums

1. The first Named Insured shown in the Declarations:
   a. Is responsible for the payment of all premiums; and
   b. Will be the payee for any return premiums we pay.
2. The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

© Insurance Services Office, Inc., 2012

3. With our consent, you may continue this policy in force by paying a continuation premium for each successive one-year period. The premium must be:
   a. Paid to us prior to the anniversary date; and
   b. Determined in accordance with Paragraph **2.** above.

   Our forms then in effect will apply. If you do not pay the continuation premium, this policy will expire on the first anniversary date that we have not received the premium.
4. Undeclared exposures or change in your business operation, acquisition or use of locations may occur during the policy period that are not shown in the Declarations. If so, we may require an additional premium. That premium will be determined in accordance with our rates and rules then in effect.

J. Premium Audit

1. This policy is subject to audit if a premium designated as an advance premium is shown in the Declarations. We will compute the final premium due when we determine your actual exposures.
2. Premium shown in this policy as advance premium is a deposit premium only. At the close of each audit period, we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
3. The first Named Insured must keep records of the information we need for premium computation and send us copies at such times as we may request.

K. Transfer Of Rights Of Recovery Against Others To Us

1. Applicable to Businessowners Property Coverage:

   If any person or organization to or for whom we make payment under this policy has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:
   a. Prior to a loss to your Covered Property.
   b. After a loss to your Covered Property only if, at time of loss, that party is one of the following:
      (1) Someone insured by this insurance;
      (2) A business firm:
         (a) Owned or controlled by you; or
         (b) That owns or controls you; or
      (3) Your tenant.

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

   This will not restrict your insurance.
2. Applicable to Businessowners Liability Coverage:

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

L. Transfer Of Your Rights And Duties Under This Policy

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

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

© Insurance Services Office, Inc., 2012

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COLORADO CHANGES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM
INFORMATION SECURITY PROTECTION ENDORSEMENT

A. Section II – Liability is amended as follows:

The term "spouse" is replaced by the following:

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

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

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

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

a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or

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

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

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

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

(1) Including the actual reason, at least 10 days before the effective date of cancellation, if we cancel for nonpayment of premium; or

(2) At least 45 days before the effective date of cancellation if we cancel for any other reason.

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

(1) Nonpayment of premium;

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

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

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

C. Concealment, Misrepresentation Or Fraud

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

1. Concealment or misrepresentation of a material fact; or

2. Fraud;

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

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

Nonrenewal

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

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

© Insurance Services Office, Inc., 2014

5. The following paragraph is added:

Increase In Premium Or Decrease In Coverage

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

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

a. Nonpayment of premium;

b. A false statement knowingly made by the insured on the application for insurance; or

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

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

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

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

(2) We will pay for "defense expenses" as a result of a "claim" in the form of a "regulatory proceeding" first made against the insured during the "policy period" or during the applicable Extended Reporting Period, in response to a "wrongful act" or a series of "interrelated wrongful acts" covered under Paragraph **d.(1).**

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

b. The Supplemental Reporting Period will not be available if you fail to pay any amounts owed us.

e. You must give us a written request for the Supplemental Extended Reporting Period within 60 days after the end of the "policy period" or the effective date of cancellation, whichever comes first.

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

Your Right To Liability Claims Information

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

a. A list or other record of each "claim" or "loss", or of an occurrence, offense or situation that may result in a "claim" or a "loss", not previously reported to any other insurer, of which we were notified in accordance with the Duties In The Event Of Claim Or Loss Condition in Paragraph **M.** We will include the date and brief description of the "claim" or "loss", or of the occurrence, offense or situation that may result in a "claim" or a "loss", if that information was in the notice we received.

b. A summary by policy year, of payments made and amounts reserved, stated separately, under any applicable Aggregate Limit.

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

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

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

 © Insurance Services Office, Inc., 2014

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

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

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

"Loss" does not include:

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

(2) Punitive or exemplary damages;

(3) The multiplied portion of multiplied damages;

(4) Taxes;

(5) Royalties;

(6) The amount of any disgorged profits; or

(7) Matters that are uninsurable pursuant to law.

© Insurance Services Office, Inc., 2014

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALCULATION OF PREMIUM

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following is added:

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

© ISO Properties, Inc., 2001

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPOILAGE COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Premises Number	Building Number	Refrigeration Maintenance Agreement
		☐ Yes ☐ No
Description Of Perishable Stock:		

Causes Of Loss ("X" which one applies.)	Limit Of Insurance	Deductible
☐ Breakdown Or Contamination ☐ Power Outage	$	$

Premises Number	Building Number	Refrigeration Maintenance Agreement
		☐ Yes ☐ No
Description Of Perishable Stock:		

Causes Of Loss ("X" which one applies.)	Limit Of Insurance	Deductible
☐ Breakdown Or Contamination ☐ Power Outage	$	$

Premises Number	Building Number	Refrigeration Maintenance Agreement
		☐ Yes ☐ No
Description Of Perishable Stock:		

Causes Of Loss ("X" which one applies.)	Limit Of Insurance	Deductible
☐ Breakdown Or Contamination ☐ Power Outage	$	$

Section **I** – Property is extended to insure against direct physical loss of or damage to "perishable stock" indicated in the Schedule, caused by the Covered Cause(s) of Loss, as provided by this endorsement.

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

© Insurance Services Office, Inc., 2020

The following provisions (**A.** through **I.** inclusive) apply to the coverage provided by this endorsement:

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

1. Covered Property

Covered Property means "perishable stock" shown in the Schedule at the described premises, if the "perishable stock" is:

a. Owned by you and used in your business; or

b. Owned by others and in your care, custody or control except as otherwise provided in Loss Payment Property Loss Condition **E.5.d.(3)(b).**

B. The following is added to Paragraph **A.2. Property Not Covered** in **Section I – Property:**

k. Property located:

(1) On buildings;

(2) In the open; or

(3) In vehicles.

C. Paragraph **A.3. Covered Causes Of Loss** in **Section I – Property** is replaced by the following:

3. Covered Causes Of Loss

Subject to the exclusions described in Paragraph **E.** of this endorsement, Covered Causes of Loss means the following, as indicated in the Schedule:

a. Breakdown or Contamination, meaning:

(1) Change in temperature or humidity resulting from mechanical breakdown or mechanical failure of refrigerating, cooling or humidity control apparatus or equipment, only while such apparatus or equipment is at the described premises shown in the Schedule; or

(2) Contamination by a refrigerant, only while the refrigerating apparatus or equipment is at the described premises shown in the Schedule.

Mechanical breakdown and mechanical failure do not mean power interruption, regardless of how or where the interruption is caused and whether or not the interruption is complete or partial.

b. Power Outage, meaning change in temperature or humidity resulting from complete or partial interruption of electrical power, either on or off the described premises, due to conditions beyond your control.

D. Paragraph **A.6. Coverage Extensions** in **Section I – Property** does not apply.

E. Paragraph **B. Exclusions** in **Section I – Property** is replaced by the following:

B. Exclusions

1. Of the exclusions contained in Paragraph **B.1.** in **Section I – Property,** only the following apply to **Spoilage Coverage:**

b. Earth Movement;

c. Governmental Action;

d. Nuclear Hazard;

f. War And Military Action;

g. Water; and

the Cyber Incident Exclusion or the Cyber Incident Exclusion With Ensuing Cause(s) Of Loss Exceptions, whichever applies.

2. The following exclusions are added:

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

a. The disconnection of any refrigerating, cooling or humidity control system from the source of power.

b. The deactivation of electrical power caused by the manipulation of any switch or other device used to control the flow of electrical power or current.

c. The inability of an electrical utility company or other power source to provide sufficient power due to:

(1) Lack of fuel; or

(2) Governmental order.

d. The inability of a power source at the described premises to provide sufficient power due to lack of generating capacity to meet demand.

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

F. Paragraph **D. Deductibles** in **Section I – Property** is replaced by the following:

D. Deductibles

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Schedule of this endorsement. We will then pay the amount of loss or damage in excess of that Deductible, up to the applicable Limit of Insurance. No other deductible in this policy applies to the coverage provided by this endorsement.

© Insurance Services Office, Inc., 2020

G. Conditions

1. Under **Property Loss Conditions** in **Section I – Property,** Item **d.** of Condition **5. Loss Payment** is replaced by the following:

   d. We will determine the value of Covered Property as follows:

   (1) For "perishable stock" you have sold but not delivered, at the selling price less discounts and expenses you otherwise would have had;

   (2) For other "perishable stock", at actual cash value.

2. The following condition applies in addition to the **Property Loss Conditions** (as modified in **1.** above) and **Property General Conditions** in **Section I – Property** and **Section III – Common Policy Conditions:**

   Additional Condition – Refrigeration Maintenance Agreements

   If Breakdown or Contamination is designated as a Covered Cause of Loss and a refrigeration maintenance agreement is shown as applicable in the Schedule, the following condition applies:

   You must maintain a refrigeration maintenance or service agreement as described below. If you voluntarily terminate this agreement and do not notify us within 10 days, the insurance provided by this endorsement under the Breakdown or Contamination Covered Cause of Loss will be automatically suspended at the location involved.

   However, coverage provided by this endorsement is restored upon:

   a. Reinstatement of the applicable refrigeration maintenance or service agreement; or

   b. Procurement of a replacement refrigeration maintenance or service agreement.

   A refrigeration maintenance agreement means a written service contract, between you and the refrigeration service organization, which provides for regular periodic inspection of the refrigeration equipment at the insured location, and the servicing and repair of the equipment, including emergency response at the insured location.

H. Paragraph **G. Optional Coverages** in **Section I – Property** does not apply.

I. The following is added to Paragraph **H. Property Definitions** in **Section I – Property:**

"Perishable stock" means property:

a. Maintained under controlled temperature or humidity conditions for preservation; and

b. Susceptible to loss or damage if the controlled temperature or humidity conditions change.

© Insurance Services Office, Inc., 2020

POLICY NUMBER: CBP00000301
08/21/24

SUPPLEMENTAL FORM DECLARATION FOR BP 04 15 02 21

SPOILAGE COVERAGE

SCHEDULE

Premises Number	Building Number	Refrigeration Maintenance Agreement
1	1	☐ Yes ☐ No
Description Of Perishable Stock:		

Causes Of Loss ("X" which one applies.)	Limit Of Insurance	Deductible
☐ Breakdown Or Contamination ☐ Power Outage	$10,000.00	

Premises Number	Building Number	Refrigeration Maintenance Agreement
2	1	☐ Yes ☐ No
Description Of Perishable Stock:		

Causes Of Loss ("X" which one applies.)	Limit Of Insurance	Deductible
☐ Breakdown Or Contamination ☐ Power Outage	$10,000.00	

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ORDINANCE OR LAW COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

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

Section I – Property is amended as follows:

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

B. Application Of Coverage(s)

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

1. The ordinance or law:

a. Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and

b. Is in force at the time of loss.

But coverage under this endorsement applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this endorsement.

2. The building sustains direct physical damage:

a. That is covered under this policy and as a result of such damage, you are required to comply with the ordinance or law; or

b. That is covered under this policy and direct physical damage that is not covered under this policy, and as a result of the building damage in its entirety, you are required to comply with the ordinance or law.

c. But if the damage is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this endorsement even if the building has also sustained covered direct physical damage.

© Insurance Services Office, Inc., 2012

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

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

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

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

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

D. Coverage

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

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

2. **Coverage 2 – Demolition Cost Coverage**

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

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

3. **Coverage 3 – Increased Cost Of Construction Coverage**

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

   a. Repair or reconstruct damaged portions of that building; and/or

   b. Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

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

   However:

   a. This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.

   b. We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

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

 © Insurance Services Office, Inc., 2012

E. Loss Payment

1. All following loss payment Provisions **E.2.** through **E.5.** are subject to the apportionment procedure set forth in Section **B.3.** of this endorsement:
2. When there is a loss in value of an undamaged portion of a building to which Coverage **1** applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:
   - **a.** If the property is repaired or replaced on the same or another premises, we will not pay more than the lesser of:
     - **(1)** The amount you actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or
     - **(2)** The Limit Of Insurance shown in the Declarations as applicable to the covered building.
   - **b.** If the property is **not** repaired or replaced, we will not pay more than the lesser of:
     - **(1)** The actual cash value of the building at the time of loss; or
     - **(2)** The Limit Of Insurance shown in the Declarations as applicable to the covered building.
3. Unless Paragraph **E.5.** applies, loss payment under Coverage **2** – Demolition Cost Coverage will be determined as follows:

   We will not pay more than the lesser of the following:
   - **a.** The amount you actually spend to demolish and clear the site of the described premises; or
   - **b.** The applicable Limit Of Insurance shown for Coverage **2** in the Schedule above.
4. Unless Paragraph **E.5.** applies, loss payment under Coverage **3** – Increased Cost Of Construction Coverage will be determined as follows:
   - **a.** We will not pay under Coverage **3:**
     - **(1)** Until the property is actually repaired or replaced, at the same or another premises; and
     - **(2)** Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
   - **b.** If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage **3** is the lesser of:
     - **(1)** The increased cost of construction at the same premises; or
     - **(2)** The applicable Limit Of Insurance shown for Coverage **3** in the Schedule above.
   - **c.** If the ordinance or law requires relocation to another premises, the most we will pay under Coverage **3** is the lesser of:
     - **(1)** The increased cost of construction at the new premises; or
     - **(2)** The applicable Limit Of Insurance shown for Coverage **3** in the Schedule above.
5. If a Combined Limit Of Insurance is shown for Coverages **2** and **3** in the Schedule above, Paragraphs **E.2.** and **E.3.** of this endorsement do not apply with respect to the building property that is subject to the Combined Limit, and the following loss payment provisions apply instead:

   The most we will pay, for the total of all covered losses for Demolition Cost and Increased Cost Of Construction, is the Combined Limit Of Insurance shown for Coverages **2** and **3** in the Schedule above. Subject to this Combined Limit of Insurance, the following loss payment provisions apply:
   - **a.** For Demolition Cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.
   - **b.** With respect to the Increased Cost Of Construction:
     - **(1)** We will not pay for the increased cost of construction:
       - **(a)** Until the property is actually repaired or replaced, at the same or another premises; and
       - **(b)** Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

 © Insurance Services Office, Inc., 2012

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

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

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

G. Under this endorsement, we will not pay for loss due to any ordinance or law that:

1. You were required to comply with before the loss, even if the building was undamaged; and

2. You failed to comply with.

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

Assume:

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

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

$30,000 divided by $100,000 = .30

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

$60,000 x .30 = $18,000

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

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

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

Business Income And Extra Expense Optional Coverage

1. If a Covered Cause of Loss occurs to property at the premises described in the Declarations, coverage is extended to include the amount of actual and necessary loss you sustain during the increased period of suspension of your "operations" caused by or resulting from a requirement to comply with any ordinance or law that:

a. Regulates the construction or repair of any property;

b. Requires the tearing down of parts of any property not damaged by a Covered Cause of Loss; and

c. Is in force at the time of loss.

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

2. Paragraph **H.9. Period Of Restoration** Definition is replaced by the following:

9. "Period of restoration" means the period of time that:

a. Begins:

(1) 72 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises, unless a lesser number of hours is shown in the Schedule of this endorsement; or

(2) Immediately after the time of the direct physical loss or damage for Extra Expense Coverage caused by or resulting from any Covered Cause of Loss at the described premises; and

b. Ends on the earlier of:

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

 © Insurance Services Office, Inc., 2012

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

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

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

© Insurance Services Office, Inc., 2012

POLICY NUMBER: CBP00000301
08/21/24

SUPPLEMENTAL FORM DECLARATION FOR BP 04 46 07 13

ORDINANCE OR LAW COVERAGE

SCHEDULE

Premises Number	Building Number	Coverage 1 (Check if applies)	Coverage 2 Limit Of Insurance	Coverage 3 Limit Of Insurance	Coverage 2 And 3 Combined Limit Of Insurance*
1	1	X			$10,000
Business Income And Extra Expense Optional Coverage (Enter Yes or No): No					
Number Of Hours' Waiting Period For Period Of Restoration Applicable To Business Income And Extra Expense Optional Coverage: Not Applicable					
*Do **not** enter a Combined Limit of Insurance if individual Limits of Insurance are selected for Coverages **2** and **3,** or if one of these Coverages is not applicable.					

Premises Number	Building Number	Coverage 1 (Check if applies)	Coverage 2 Limit Of Insurance	Coverage 3 Limit Of Insurance	Coverage 2 And 3 Combined Limit Of Insurance*
2	1	X			$10,000
Business Income And Extra Expense Optional Coverage (Enter Yes or No): No					
Number Of Hours' Waiting Period For Period Of Restoration Applicable To Business Income And Extra Expense Optional Coverage: Not Applicable					
*Do **not** enter a Combined Limit of Insurance if individual Limits of Insurance are selected for Coverages **2** and **3,** or if one of these Coverages is not applicable.					

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

UTILITY SERVICES – DIRECT DAMAGE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Premises Number	Building Number	Utility Services Limit Of Insurance	Water Supply Property ("X" If Applies)	Communication Supply Property	Power Supply Property
				Overhead Transmission Lines Enter Either "Included" Or "Not Included" (If Applicable)	
		$			
Covered Property:					
		$			
Covered Property:					
		$			
Covered Property:					
		$			
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.					

The coverage provided by this endorsement is subject to the provisions of Section **I** – Property, including Paragraph **D.** Deductibles, except as provided below.

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

We will pay for loss of or damage to Covered Property described in the Schedule, caused by the interruption of service to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the property described in Paragraph **C.** of this endorsement if such property is indicated by an "X" in the Schedule.

B. Exception

Coverage under this endorsement for loss or damage to Covered Property does not apply to loss or damage to "electronic data", including destruction or corruption of "electronic data".

C. Utility Services

1. Water Supply Property, meaning the following types of property supplying water to the described premises:

a. Pumping stations; and

b. Water mains.

© Insurance Services Office, Inc., 2012

2. Communication Supply Property, meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:
   a. Communication transmission lines, including optic fiber transmission lines;
   b. Coaxial cables; and
   c. Microwave radio relays except satellites.

   It does not include overhead transmission lines unless indicated in the Schedule.
3. Power Supply Property, meaning the following types of property supplying electricity, steam or gas to the described premises:
   a. Utility generating plants;
   b. Switching stations;
   c. Substations;
   d. Transformers; and
   e. Transmission lines.

   It does not include overhead transmission lines unless indicated in the Schedule.

D. As used in this endorsement, the term transmission lines includes all lines which serve to transmit communication service or power, including lines which may be identified as distribution lines.

E. Paragraph **C. Limits Of Insurance** is replaced by the following:

   C. Limits Of Insurance

   If a Utility Services Limit Of Insurance is shown in the Schedule, such limit is part of, not in addition to, the Limit Of Insurance stated in the Declarations as applicable to the Covered Property.

   If no Limit of Insurance is shown for Utility Services, coverage under this endorsement is subject to the applicable Limit Of Insurance on the Covered Property as shown in the Declarations. But this Utility Services endorsement does not increase the applicable Limit of Insurance.

 © Insurance Services Office, Inc., 2012

POLICY NUMBER: CBP00000301
08/21/24

SUPPLEMENTAL FORM DECLARATION FOR BP 04 56 07 13

UTILITY SERVICES - DIRECT DAMAGE

SCHEDULE

Premises Number	Building Number	Utility Services Limit Of Insurance	Water Supply Property ("X" If Applies)	Communication Supply Property	Power Supply Property
				Overhead Transmission Lines Enter Either "Included" Or "Not Included" (If Applicable)	
1	1	$25,000			
Covered Property:					
2	1	$25,000			
Covered Property:					

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

UTILITY SERVICES – TIME ELEMENT

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Premises Number	Building Number	Utility Services Limit Of Insurance	Water Supply Property ("X" If Applies)	Waste-water Removal Property	Communication Supply Property	Power Supply Property
					Overhead Transmission Lines Enter Either "Included" Or "Not Included" (If Applicable)	
		$				
		$				
		$				
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.						

The coverage provided by this endorsement is subject to the provisions of Section **I** – Property, except as provided below.

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

We will pay for loss of Business Income or Extra Expense at the described premises caused by the interruption of service to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the property described in Paragraph **C.** of this endorsement if such property is indicated by an "X" in the Schedule.

B. Exception

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

C. Utility Services

1. Water Supply Property, meaning the following types of property supplying water to the described premises:
   - **a.** Pumping stations; and
   - **b.** Water mains.
2. Wastewater Removal Property, meaning a utility system for removing wastewater and sewage from the described premises, other than a system designed primarily for draining storm water. The utility property includes sewer mains, pumping stations and similar equipment for moving the effluent to a holding, treatment or disposal facility, and includes such facilities.

   Coverage under this endorsement does not apply to interruption in service caused by or resulting from a discharge of water or sewage due to heavy rainfall or flooding.

© Insurance Services Office, Inc., 2012

3. Communication Supply Property, meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:
   a. Communication transmission lines, including optic fiber transmission lines;
   b. Coaxial cables; and
   c. Microwave radio relays except satellites.

   It does not include overhead transmission lines unless indicated in the Schedule.
4. Power Supply Property, meaning the following types of property supplying electricity, steam or gas to the described premises:
   a. Utility generating plants;
   b. Switching stations;
   c. Substations;
   d. Transformers; and
   e. Transmission lines.

   It does not include overhead transmission lines unless indicated in the Schedule.

D. As used in this endorsement, the term transmission lines includes all lines which serve to transmit communication service or power, including lines which may be identified as distribution lines.

E. Paragraph **C. Limits Of Insurance** is replaced by the following:

   C. Limits Of Insurance

   The most we will pay for loss or damage in any one occurrence is the Limit Of Insurance shown in the Schedule as applicable to the Covered Property.

 © Insurance Services Office, Inc., 2012

POLICY NUMBER: CBP00000301
08/21/24

SUPPLEMENTAL FORM DECLARATION FOR BP 04 57 07 13

UTILITY SERVICES - TIME ELEMENT

SCHEDULE

Premises Number	Building Number	Utility Services Limit Of Insurance	Water Supply Property ("X" If Applies)	Waste-water Removal Property	Communication Supply Property	Power Supply Property
					Overhead Transmission Lines Enter Either "Included" Or "Not Included" (If Applicable)	
1	1	$25,000				
2	1	$25,000				

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ELECTRONIC COMMERCE (E-COMMERCE)

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

A. Description Of Business:
B. Location Of Business:
C. Annual Aggregate Limit Of Insurance: $25,000.00
D. Anti-Virus Waiver:
E. Section I Deductible: $2,500
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

© ISO Properties, Inc., 2004

Section I – Property is amended as follows:

A. Introduction

1. Under this endorsement, the business of e-commerce and e-commerce activity mean commerce conducted via the Internet or other computer-based interactive communications network. This includes business-to-business commerce conducted in that manner.
2. As used in this endorsement, loss or damage to "electronic data" means destruction or corruption of "electronic data".
3. As used in this endorsement:
   a. The term employee includes a leased or temporary employee; and
   b. The term contractor, which includes an employee or any agent of the contractor, means an entity that has a written agreement with you to inspect, design, install, test, maintain, repair or replace any part of your computer system including "electronic data".
4. In this endorsement, reference to your computers or your computer system means those which are owned by you or licensed or leased to you.

B. Section I – Electronic Data Coverage

1. The coverage provided under Section **I** of this endorsement is limited to "electronic data" which is owned by you or licensed or leased to you, originates and resides in computers located in the Coverage Territory, and is used in the e-commerce activity of your business described in the Schedule.

   Under Section **I** of this endorsement, "electronic data" does not include your "electronic data" that is licensed, leased or rented to others.
2. We will pay for the cost to replace or restore "electronic data" which has suffered loss or damage by a Covered Cause of Loss as described in Section **III** of this endorsement, subject to the valuation provisions in **B.3.** below.
3. With respect to the property coverage provided in this endorsement the following loss payment provisions apply:
   a. Loss or damage to "electronic data" will be valued at the cost of restoration or replacement, including the cost of data entry, reprogramming and computer consultation services. But we will not pay the cost to duplicate research that led to the development of your "electronic data" or any proprietary or confidential information or intellectual property in any form. To the extent that "electronic data" is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the "electronic data" was stored, with blank media of substantially identical type.
   b. If you recover, from a licenser or lessor, for loss or damage to "electronic data", our loss payment to you will be reduced to the extent of such recovery.

C. Section II – Time Element Coverage

1. **Coverage**

   We will pay for the actual loss of Business Income you sustain and/or Extra Expense you incur due to the necessary suspension (slowdown or cessation) of the e-commerce activity of your business described in the Schedule, for the applicable period of time specified in **C.2.** The suspension must be caused by:
   a. A loss covered under Section **I** of this endorsement; or
   b. Interruption in normal computer network service or function caused by a Covered Cause of Loss as described in Section **III** of this endorsement.

   Income or expense from outside the Coverage Territory, generated by or pertaining to the e-commerce activity of the business described in the Schedule, is not covered under this endorsement.

 © ISO Properties, Inc., 2004

2. **Period Of Coverage**
   a. If the suspension of e-commerce activity is caused by a loss covered under Section **I** of this endorsement, then the period of coverage begins 8 hours or one business day (which ever elapses first) after the time of such loss and ends on the earliest of:
      (1) The time when e-commerce activity is resumed;
      (2) The time when the "electronic data" is restored; or
      (3) 90 days after the date of the loss covered under Section **I** of this endorsement.
   b. If the suspension of e-commerce activity is caused solely by an interruption described in **C.1.b.** above, then the period of coverage begins 8 hours or one business day (which ever elapses first) after the interruption begins. Under this endorsement, the interruption in service is deemed to begin when service to your website is interrupted. The period of coverage ends on the earliest of:
      (1) The time when your e-commerce activity is resumed;
      (2) The time when service is restored to you; or
      (3) Two weeks after the interruption began.
   c. The time periods expressed in **2.a.** and **2.b.** above (including the 8 hour or one business day which ever elapses first) waiting period apply to the coverage under Section **II** of this endorsement and are not affected by any provision in any form or endorsement relating to or modifying business income coverage.
3. **Business Income**
   a. Business Income means the:
      (1) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses; and
      (2) Continuing normal operating expenses incurred, including payroll.
   b. The amount of Business Income loss will be determined based on consideration of the following, **b.(1)** through **b.(4).** However, the amount of loss will be reduced to the extent that the reduction in the volume of business from the affected e-commerce activity is offset by an increase in the volume of business from other channels of commerce.
      (1) The Net Income of the business of e-commerce before the loss or damage or interruption in service or function occurred;
      (2) The likely Net Income of the business of e-commerce if no loss or damage or interruption in service had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
      (3) The operating expenses, including payroll, necessary to resume e-commerce activity with the same quality of service that existed before the loss or damage or interruption in service or function; and
      (4) Other relevant sources of information, including your financial records and accounting procedures, bills, invoices and other vouchers, and deeds, liens and contracts.
4. **Extra Expense**
   a. Extra Expense means necessary expenses you incur:
      (1) During the period of coverage set forth in **C.2.** of this endorsement, that you would not have incurred if there had been no loss or damage or interruption in service or function, subject to **(2)** below; or
      (2) To avoid or minimize the suspension of e-commerce activity.

© ISO Properties, Inc., 2004

b. The amount of Extra Expense will be determined based on:

(1) Necessary expenses that exceed the normal operating expenses that would have been incurred in the course of e-commerce activity during the period of coverage if no loss or damage or interruption in service or function had occurred. We will deduct from the total of such expenses the salvage value that remains of any property bought for temporary use during the period of coverage, once e-commerce activity is resumed; and

(2) Necessary expenses that reduce the Business Income loss that otherwise would have been incurred during the period of coverage.

5. Resumption Of E-Commerce Activity

a. We will reduce the amount of your Business Income loss to the extent that you can resume e-commerce activity, in whole or in part, by using damaged or undamaged equipment or "electronic data" at the described premises or elsewhere.

b. We will reduce the amount of your Extra Expense loss to the extent that you can return e-commerce activity to normal and discontinue Extra Expense.

c. If you do not resume e-commerce activity, or do not do so as quickly as possible, we will pay based on the length of time it would have taken to resume such activity as quickly as possible.

D. Section III – Causes Of Loss

1. The provisions of this endorsement do not supersede or in any way affect the application of the Exclusion Of Certain Computer-Related Losses contained in the Businessowners Coverage Form. The exclusion addresses the inability of a computer system to correctly recognize, process, distinguish, interpret or accept one or more dates or times.

2. The Businessowners Coverage Form, by means of exclusions and limitations stated therein and all modifications stated in **D.2.** through **D.4.** of this endorsement, provides the Covered Causes of Loss applicable to Section **I** and Section **II** of this endorsement.

a. The Power Failure Exclusion does not apply with respect to power or communications supply services, provided that there is an interruption in utility service which is caused by a "specified cause of loss" as defined in the Businessowners Coverage Form.

b. The exclusion of artificially generated electrical current, including electrical arcing, does not apply.

c. The exclusion of mechanical breakdown does not apply with respect to the breakdown of your computers and their related equipment, but this exception is limited to the effect of such mechanical breakdown on "electronic data".

d. The following exclusions are added. We will not pay for loss or damage caused by or resulting from:

(1) A virus, malicious code or similar instruction introduced into or enacted on a computer system (including "electronic data") or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But this exclusion does not apply if your e-commerce activity is conducted via a computer system that is equipped with virus-scanning or anti-virus software, or if the Anti-Virus Waiver is indicated as applicable in the Schedule. When this exclusion does not apply, then coverage also extends to shut-down of the computer system if the shut-down is undertaken in response to the detection of a virus or other incident by virus-scanning software, to mitigate or avoid attack, infiltration or infection of the system;

(2) Unauthorized viewing, copying or use of "electronic data" (or any proprietary or confidential information or intellectual property in any form) by any person, even if such activity is characterized as theft;

(3) Errors or omissions in programming or processing "electronic data";

(4) Errors or deficiency in design, installation, maintenance, repair or modification of your computer system or any computer system or network to which your system is connected or on which your system depends (including "electronic data");

(5) Manipulation of your computer system, including "electronic data", by an employee, volunteer worker or contractor, for the purpose of diverting "electronic data" or causing fraudulent or illegal transfer of any property;

 © ISO Properties, Inc., 2004

(6) Interruption in normal computer function or network service or function due to insufficient capacity to process transactions or to an overload of activity on the system or network. But this exclusion does not apply if such incident is caused by a virus, malicious code or similar instruction introduced into or enacted on a computer system or network;

(7) Unexplained or indeterminable failure, malfunction or slowdown of a computer system, including "electronic data" and the inability to access or properly manipulate the "electronic data"; or

(8) Complete or substantial failure, disablement or shut-down of the entire Internet, regardless of the cause.

3. The Covered Causes of Loss include removal of "electronic data" from your system in an act of thievery by someone other than an employee, volunteer worker or contractor. Removal means that the "electronic data" is no longer in your computer system. Removal does not mean viewing, copying or use of "electronic data" (or any proprietary or confidential information or intellectual property in any form). Coverage for removal does not include transfer of funds, securities or similar property which is designated in the Coverage Form as Property Not Covered, even if eliminated from Property Not Covered by endorsement.

4. An endorsement(s) which adds or eliminates a Covered Cause of Loss from Businessowners Coverage Form also applies to coverage under this endorsement, unless such other endorsement contains a specific provision to the contrary or is made inapplicable to this endorsement via its Schedule or the Declarations.

E. Section IV – Other Provisions

1. **General**

   The coverage under this endorsement is limited as described, and does not extend to or modify any coverage provided under any other form or endorsement in this policy.

2. **Claim-Related Fees**

   We will not pay for costs, fees or other expenses you incur in establishing the amount of your claim.

3. **Insurance-To-Value**

   The Insurance-To-Value requirements do not apply to the coverage provided under this endorsement.

4. **Limit Of Insurance – Annual Aggregate**

   The applicable Limit of Insurance shown in the Schedule is the most we will pay under this endorsement, for the total of all losses covered under Sections **I** and **II** of this endorsement and sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust the applicable Limit of Insurance, then the balance of that Limit is available for subsequent loss sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

5. **Deductible**

   The Deductible shown in the Schedule applies to loss covered under Section **I** of this endorsement. We will not pay for loss in any one occurrence until the amount of loss exceeds the Deductible. We will then pay the amount of loss in excess of the Deductible, subject to the available limit of the Limit of Insurance.

6. **Coverage Territory**

   With respect to the coverage provided under this endorsement, the following is added to **F. Property General Conditions 4. Policy Period, Coverage Territory:**

   A computer virus or other incident that occurs on the Internet or other computer-based interactive communications network may originate anywhere in the world. However, even if an incident that originates outside the Coverage Territory results in coverage under this endorsement, the coverage is limited to the Coverage Territory (United States of America, its territories and possessions, and Puerto Rico and Canada) in accordance with the provisions of Paragraphs **B.1.** and **C.1.** of this endorsement.

© ISO Properties, Inc., 2004

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FINE ARTS COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

A. The following is added to Paragraph **A.5. Additional Coverages** under **Section I – Property:**

1. We will pay for direct loss of or damage to Fine Arts, whether owned by:
   - **a.** You; or
   - **b.** Others, and in your care, custody or control.
2. Fine arts includes, but is not limited to, antiques, paintings, etchings, drawings, tapestries, sculptures and fragile property such as porcelains, china and marble.
3. The most we will pay for loss in any one occurrence under this Additional Coverage is $25,000 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property. The amount payable under this Additional Coverage is additional insurance over the insurance available for Business Personal Property.
4. The value of fine arts will be the least of the following amounts:
   - **a.** The actual cash value of that property at the time of loss;
   - **b.** The cost of reasonably restoring that property to its condition immediately before loss; or
   - **c.** The cost of replacing that property with substantially identical property.
5. In the event of loss, the value of property will be determined as of the time of loss.

B. The following are added to Paragraph **E. Property Loss Conditions** under **Section I – Property:**

1. In case of loss to any part of a pair or set we will:
   - **a.** Repair or replace any part to restore the pair or set to its value before the loss; or
   - **b.** Pay the difference between the value of the pair or set before and after the loss.
2. You must arrange for fine arts to be packed and unpacked by competent packers.

© ISO Properties, Inc., 2005

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DEBRIS REMOVAL ADDITIONAL INSURANCE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Premises Number	Building Number	Debris Removal Amount
		$
		$
		$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

The **Debris Removal** Additional Coverage in Paragraph **A.5.a.** of **Section I – Property** is amended as follows:

The additional amount of $25,000 for debris removal expense is replaced by the higher amount shown in the Schedule of this endorsement.

© Insurance Services Office, Inc., 2012

POLICY NUMBER: CBP00000301
08/21/24

SUPPLEMENTAL FORM DECLARATION FOR BP 14 09 07 13

DEBRIS REMOVAL ADDITIONAL INSURANCE

SCHEDULE

Premises Number	Building Number	Debris Removal Amount
1	1	$25,000.00
2	1	$25,000.00

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BRANDS AND LABELS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

A. If branded or labeled merchandise that is Covered Property is damaged by a Covered Cause of Loss, we may take all or any part of the property at an agreed or appraised value. If so, you may:

1. Stamp the word "salvage" on the merchandise or its containers, if the stamp will not physically damage the merchandise; or

2. Remove the brands or labels, if doing so will not physically damage the merchandise. You must relabel the merchandise or its containers to comply with the law.

B. We will pay reasonable costs you incur to perform the activity described in **A.1.** or **A.2.** above. But the total we pay for these costs and the value of the damaged property will not exceed the applicable Limit of Insurance on such property.

© Insurance Services Office, Inc., 2009

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
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.

© Insurance Services Office, Inc., 2012

POLICY NUMBER: CBP00000301
08/21/24

SUPPLEMENTAL FORM DECLARATION FOR BP 14 78 07 13

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

SCHEDULE

Premises Number	Building Number	Description Of Rental Unit
1	1	
2	1	

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CANNABIS PROPERTY EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

Section I – Property is amended as follows:

A. The following is added to Paragraph **A.2. Property Not Covered:**

a. "Cannabis".

B. For the purpose of this endorsement, the following applies to Business Income and Extra Expense:

Coverage under this Policy does not apply to that part of Business Income loss or Extra Expense incurred, due to a suspension of your "operations", which is attributable to the design, cultivation, manufacture, storage, processing, packaging, handling, testing, distribution, sale, serving, furnishing, possession or disposal of "cannabis".

C. For the purpose of this endorsement, the following definition is added:

"Cannabis":

1. Means:

Any good or product that consists of or contains any amount of Tetrahydrocannabinol (THC) or any other cannabinoid, regardless of whether any such THC or cannabinoid is natural or synthetic.

2. Paragraph **C.1.** above includes, but is not limited to, any of the following containing such THC or cannabinoid:

a. Any plant of the genus Cannabis L., or any part thereof, such as seeds, stems, flowers, stalks and roots; or

b. Any compound, byproduct, extract, derivative, mixture or combination, such as:

(1) Resin, oil or wax;

(2) Hash or hemp; or

(3) Infused liquid or edible cannabis;

whether or not derived from any plant or part of any plant set forth in Paragraph **C.2.a.**

© Insurance Services Office, Inc., 2019

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONDOMINIUM ASSOCIATION COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

A. Paragraph **A.1.a. Building** in **Section I – Property** is replaced by the following:

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

(1) Completed additions;

(2) Fixtures, outside of individual units, including outdoor fixtures;

(3) Permanently installed:

(a) Machinery; and

(b) Equipment;

(4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:

(a) Fire extinguishing equipment;

(b) Outdoor furniture;

(c) Floor coverings; and

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

(5) If not covered by other insurance:

(a) Additions under construction, alterations and repairs to the building or structure;

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

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

(a) Fixtures, improvements and alterations that are a part of the building or structure; and

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

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

B. Paragraph **A.1.b. Business Personal Property** in **Section I – Property** is replaced by the following:

b. Business Personal Property located in or on the buildings or structures described in the Declarations or in the open (or in a vehicle) within 100 feet of the buildings or structures or within 100 feet of the premises described in the Declarations, whichever distance is greater, consisting of the following:

(1) Personal property owned by you or owned indivisibly by all unit-owners;

(2) Your interest in the labor, materials or services furnished or arranged by you on personal property of others;

(3) Leased personal property which you have a contractual responsibility to insure, unless otherwise provided for under personal property of others.

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

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

© Insurance Services Office, Inc., 2012

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

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

D. The following is added to the **Property Loss Conditions** in **Section I – Property:**

9. Unit-owner's Insurance

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

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

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

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

3. Waiver Of Rights Of Recovery

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

© Insurance Services Office, Inc., 2012

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EQUIPMENT BREAKDOWN ENHANCEMENT ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SECTION I – PROPERTY

A. Coverage

The following **Limitations** are deleted:

4. **Limitations**
   a. We will not pay for loss of or damage to:
      (1) Steam boilers, steam pipes, steam engines, or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustibles pass.
      (2) Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
5. **Additional Coverages**

   The following **Additional Coverages** are added as part of and not in addition to the limit per loss:

   s. **Pollutant Clean Up and Removal**

   We will pay for the Pollutant Clean Up and Removal for loss resulting from an "Equipment Breakdown". The most we will pay for the Pollutant Clean Up and Removal is $250,000 unless another limit is provided by the Deductible and Limits Exceptions Schedule to which this endorsement can be attached. In that case, the limit provided by the Deductible and Limits Exceptions Schedule will apply.

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

   t. **Expediting Expenses**

   We will pay for the expediting expense loss resulting from an "Equipment Breakdown" with respect to your damaged Covered Property. We will pay the reasonable extra cost to:

   (1) Make temporary repairs;
   (2) Expedite permanent repairs; and
   (3) Expedite permanent replacement

   Reasonable extra cost shall mean "the extra cost of temporary repair and of expediting the repair of such damaged equipment of the insured, including overtime and the extra cost of express or other rapid means of transportation."

   u. **Refrigerant Contamination**

   We will pay the loss from contamination by refrigerant used in refrigerating, cooling or humidity control equipment at the described premises as a result of an "Equipment Breakdown".

   The most we will pay for Refrigerant Contamination is $250,000 unless another limit is provided by the Deductible and Limits Exceptions Schedule to which this endorsement can be attached. In that case, the limit provided by the Deductible and Limits Exceptions Schedule will apply.

   v. **Spoilage**

   We will pay for loss of "perishable goods" due to spoilage resulting from lack of power, light, heat, steam or refrigeration caused by an "Equipment Breakdown" to property covered by this policy, that are:

   (1) Located on or within 1,000 feet of your described premises; and
   (2) Owned by you, the building owner at your described premises, or owned by a public utility.

   However, we will not pay for any loss, damage, cost or expense directly

caused by, contributed to by, resulting from or arising out of the following causes of loss: Fire, lightning, combustion explosion, windstorm or hail, weight of snow, ice or sleet, freezing, falling objects, smoke, aircraft or vehicles, riot or civil commotion, vandalism, sinkhole collapse, volcanic action, leakage from fire extinguishing equipment, water, water damage, earth movement or flood.

"Perishable Goods" means stock preserved and maintained under controlled conditions and susceptible to loss or damage if the controlled conditions change.

The most we will pay for Spoilage is $250,000 unless another limit is provided by the Deductible and Limits Exceptions Schedule to which this endorsement can be attached. In that case, the limit provided by the Deductible and Limits Exceptions Schedule will apply.

w. **CFC Refrigerants**

We will pay for the additional cost to repair or replace Covered Property because of the use or presence of a refrigerant containing CFC (chlorofluorocarbon) substances.

Additional costs mean those in excess of what would have been required to repair or replace covered property, had no CFC refrigerant been involved. We also pay for additional loss as described under the Spoilage or Loss of Income Coverages provided by this endorsement, caused by the presence of a refrigerant containing CFC substances.

We pay no more than the least of the following:

(1) The cost to repair the damaged property and replace any lost CFC refrigerant;

(2) The cost to repair the damaged property, retrofit the system to accept a non-CFC refrigerant, and charge the system with a non-CFC refrigerant; or

(3) The cost to replace the system with one using a non-CFC refrigerant.

x. **Computer Equipment**

We will pay for loss or damage to your "computer equipment" caused by an "Equipment Breakdown".

"Computer equipment" means Covered Property that is electronic computer or other data processing equipment, including peripherals used in conjunction with such equipment, and electronic media and records.

y. **Service Interruption**

Any insurance provided for Business Income or Extra Expense is extended to apply to your loss, damage or expense caused by an "Equipment Breakdown" to equipment that is owned by a utility, landlord or other supplier with whom you have a contract to supply you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks or data transmission. The equipment must meet the definition of "Equipment Breakdown" except that it is not Covered Property.

z. **Valuable Papers and Records**

We will pay for your reasonable and necessary cost to research, replace and restore the lost information on electronic media and records as a result of an "Equipment Breakdown".

B. Exclusions

The following **Exclusions** are deleted:

2.a. **Electrical Apparatus**

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

(1) Electrical or electronic wire, device, appliance, system or network; or

(2) Device, appliance, system or network utilizing cellular or satellite technology.

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

(1) Electrical current, including arcing;

(2) Electrical charge produced or conducted by a magnetic or electromagnetic field;

(3) Pulse of electromagnetic energy; or

(4) Electromagnetic waves or microwaves.

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

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

(1) An occurrence that took place within 100 feet of the described premises; or

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

2.d. Steam Apparatus

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

2.l. Other Types of Loss, (6)

Mechanical breakdown, including rupture or bursting caused by centrifugal force. This exclusion does not apply with respect to the breakdown of "computer(s);

F. Property General Conditions

The following Property General Conditions are added:

5. Suspension

Whenever Covered Property is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss to that Covered Property for the perils covered by this endorsement. Coverage can be suspended and possibly reinstated by delivering or mailing a written notice of suspension/coverage reinstatement to:

a. Your last known address; or
b. The address where the property is located.

If we suspend your insurance, you will get a pro rata refund of premium. But the suspension will be effective even if we have not yet made or offered a refund.

6. Jurisdictional Inspections

If any Covered Property under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.

7. Environmental, Safety and Efficiency Improvements

If Covered Property requires replacement due to an "Equipment Breakdown", we will pay your additional cost to replace with equipment that is better for the environment, safer or more energy efficient than the equipment being replaced.

However, we will not pay more than 125% of what the cost would have been to repair or replace with the like kind and quality. This Condition does not apply to any property to which Actual Cash Valuation applies.

8. Green Environmental and Efficiency Improvements

If Covered Property requires repair or replacement due to an "Equipment Breakdown", we will pay:

a. The lesser of the reasonable and necessary additional cost incurred by the Insured to repair or replace physically damaged Covered Property with equipment of like kind and quality which qualifies as "Green". "Like kind and quality" incudes similar size and capacity.
b. The additional reasonable and necessary fees incurred by the Insured for an accredited professional certification by a "Green Authority" to participate in the repair or replacement of physically damaged Covered Property as "Green".
c. The additional reasonable and necessary cost incurred by the Insured for certification of the repaired or replaced Covered Property as "Green".
d. The additional reasonable and necessary cost incurred by the Insured for "Green" in the removal, disposal or recycling of damaged Covered Property.
e. The business interruption (if covered within the Policy to which this **Equipment Breakdown Enhancement Endorsement** is attached) loss during the additional time required for repair or replacement of Covered Property, consistent with "Green", in the coverages above.

We will not pay more than 125%, to a maximum limit of $100,000, of what the cost would have been to repair or replace with equipment of like kind and quality inclusive of fees, costs, and any business interruption loss incurred as stated above.

Green Environmental and Efficiency Improvements does not cover any of the following:

a. Covered Property does not include stock, raw materials, finished goods, "production machinery", merchandise, electronic data processing equipment

not used in the functional support of the real property, process water, molds and dies, property in the open, property of others for which the Insured is legally liable, or personal property of others.

b. Any loss adjusted on any valuation basis other than a repair or replacement basis as per the Valuation section of this policy.

c. Any loss covered under any other section of this policy.

d. Any cost incurred due to any law or ordinance with which the insured was legally obligated to comply prior to the time of the "Equipment Breakdown".

G. Optional Coverages

With regard to coverage provided by this endorsement, Paragraph **G.1.c.(5)** of the **Outdoor Sign Optional Coverage** does not apply.

The provisions of this endorsement supersede the following **Optional Coverages:**

4. Equipment Breakdown Protection Coverage

H. Property Definitions

The following **Definitions** are added:

15. "Specified Causes of Loss" also includes "Equipment Breakdown".

"Equipment breakdown" as used herein means:

a. Physical loss or damage both originating within:

(1) Boilers, fired or unfired pressure vessels, vacuum vessels, and pressure piping, all normally subject to vacuum or internal pressure other than static pressure of contents, excluding:

(a) Waste disposal piping;

(b) Any piping forming part of a fire protective system;

(c) Furnaces; and

(d) Any water piping other than:

i. Boiler feed water piping between the feed pump and the boiler;

ii. Boiler condensate return piping; or

iii. Water piping forming part of a refrigerating or air conditioning system used for cooling, humidifying or space heating purposes.

(2) All mechanical, electrical, electronic or fiber optic equipment; and

b. Caused by, resulting from, or consisting of:

(1) Mechanical breakdown;

(2) Electrical or electronic breakdown; or

(3) Rupture, bursting, bulging, implosion, or steam explosion.

However, "Equipment Breakdown" will not mean:

a. Physical loss or damage caused by or resulting from any of the following; however, if loss or damage not otherwise excluded results, then we will pay for such resulting damage:

(1) Wear and tear;

(2) Rust or other corrosion, decay, deterioration, hidden or latent defect, mold, or any other quality in property that causes it to damage or destroy itself;

(3) Smog;

(4) Settling, cracking, shrinking, or expansion;

(5) Nesting or infestation, or discharge or release of waste products or secretions by birds, rodents or other animals;

(6) Any accident, loss, damage, cost, claim, or expense, whether preventative, remedial, or otherwise, directly or indirectly arising out of or relating to the recognition, interpretation, calculation, comparison, differentiation, sequencing, or processing of data by any computer system including any hardware, programs or software; or

(7) Scratching and marring.

b. Loss, damage, cost, or expense directly caused by, contributed to by, resulting from, or arising out of the following causes of loss:

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

16. "Green" means products, materials, methods and processes certified by a "Green Authority" that conserve natural resources, reduce energy or water consumption, avoid toxic or other polluting emissions, or otherwise minimize environmental impact.

17. "Green Authority" means an authority on "Green" buildings, products, materials, methods, or processes certified and accepted by Leadership in Energy and Environmental Design (LEED®, "Green" Building Initiative Green Globes®, Energy Star Rating System, or any other recognized "Green" rating system.
18. "Production machinery" means any machine which processes, forms, shapes, or transports raw materials, materials in process, waste materials, or finished products.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DETACHED BUILDINGS

This endorsement modifies insurance under the following:

BUSINESSOWNER COVERAGE FORM
MICRO-BUSINESSOWNER COVERAGE FORM

A. The following is added to Paragraph A.1.a.(6) **Covered Property of Section I – Property:**
   (c) Detached or appurtenant buildings owned by you that are located on the premises described in the Declarations. The most we will pay under this coverage in any one occurrence is the lesser of:
      (1) 10% of the Buildings Limit of Insurance shown in the Declarations; or
      (2) $50,000.

 Includes copyrighted material of Insurance Services Offices, inc. with its permission.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WATER BACK-UP AND SUMP OVERFLOW

This endorsement modifies insurance under the following:

BUSINESSOWNER COVERAGE FORM

SCHEDULE

Premises Number	Covered Property Limit of Insurance	Business Income and Extra Expense Limit of Insurance
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

A. We will pay for direct physical loss or damage to Covered Property, covered under Section I – Property caused by or resulting from:

1. water or waterborne material which backs up through or overflows or is otherwise discharged from a sewer or drain; or
2. water or waterborne material which overflows or is otherwise discharged from a sump, sump pump or related equipment, even in 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 a mechanical breakdown.

B. The coverage described in Paragraph **A.** of this endorsement does not apply to loss or damage resulting from an insured's failure to:

1. keep a sump or its related equipment in proper working condition; or
2. perform the routine maintenance or repair necessary to keep a sewer or drain free from obstructions.

C. The most we will pay for the coverage provided under this endorsement for all direct physical loss or damage to Covered Property is the Covered Property Limit of Insurance shown in the schedule above. This limit of insurance applies per unit at the described premises.

The applicable Covered Property Limit of Insurance is the most we will pay under this endorsement per occurrence.

D. The following provisions apply to **Section I – Property** and supersede any provisions to the contrary:

The most we will pay under:

1. paragraph **A.5.f.** Business Income Additional Coverage for all loss of Business Income you sustain due to the necessary suspension of your "operations" caused by direct physical loss or damage to Covered Property as described in Paragraph **A.** of this endorsement; and
2. paragraph **A.5.g.** Extra Expense Additional Coverage for all necessary Extra Expense you incur and that you would not have incurred if there had been no direct physical loss or damage to Covered Property as described in Paragraph **A.** of this endorsement;

is the Business Income and Extra Expense Limit of Insurance, shown in the schedule above. This limit of insurance applies per unit at the described premises.

The applicable Business Income and Extra Expense Limit of Insurance is the most we will pay under this endorsement per occurrence. .

E. With respect to the Coverage provided under this endorsement, the **Water** Exclusion in **Section I – Property** is replaced by the following exclusions:

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

 Includes copyrighted material of Insurance Services Offices, inc. with its permission.

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

2. mudslide or mudflow; or

3. water under the ground surface pressing on, or flowing or seeping through:

a. foundations, walls, floors or paved surfaces;

b. basements, whether paved or not; or

c. doors, windows or other openings; or

4. waterborne material carried or otherwise moved by any of the water referred to in Paragraph **1.** or **3.** or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraph **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 to 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 Paragraph **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.

POLICY NUMBER: CBP00000301
08/21/24

SUPPLEMENTAL FORM DECLARATION FOR BP.018 10 22

WATER BACK-UP AND SUMP OVERFLOW

SCHEDULE

Premises Number	Covered Property Limit of Insurance	Business Income and Extra Expense Limit of Insurance
1	$10,000	
2	$10,000	

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WINDSTORM OR HAIL DEDUCTIBLES

This endorsement modifies insurance under the following:

BUSINESSOWNER COVERAGE FORM

SCHEDULE

Premises Number	Windstorm or Hail Deductible Percentage or Dollar Amount
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

The following provisions apply to **Section I – Property:**
The Windstorm or Hail Deductible, as shown in the schedule and set forth in this endorsement, applies to covered loss or damage caused directly or indirectly by Windstorm or Hail. This Deductible applies to each occurrence of Windstorm or Hail.
With respect to Covered Property at a premises identified in the Schedule, no other deductible applies to Windstorm or Hail.
Nothing in this endorsement implies or affords coverage for any loss or damage that is excluded under the terms of the Water Exclusion or any other exclusion in this policy. If this policy is endorsed to cover Flood under the Flood Coverage Endorsement (or if you have a flood insurance policy), a separate Flood Deductible applies to loss or damage attributable to Flood, in accordance with the terms of that endorsement or policy.

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

1. Each building that sustains loss or damage.
2. The business personal property at each building at which there is loss or damage to business personal property.
3. Business personal property in the open.

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 that applies to the building or the business personal property (whichever is higher), up to the applicable Limit(s) of Insurance.
When property is covered under the Coverage Extension for Newly Acquired or Constructed Property: In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to a percentage of the value(s) or the dollar amount shown in the Schedule of the property at the time of loss. If a Windstorm or Hail Deductible Percentage applies, the applicable percentage for Newly Acquired or Constructed Property is the highest percentage shown in the Schedule for any described premises.

EXAMPLE #1 – APPLICATION OF PERCENTAGE DEDUCTIBLE
The amounts of loss to the damaged property are $60,000 (building) and $40,000 (business personal property in building).
The actual Limits of Insurance on the damaged property are $80,000 on the building and $64,000 on the business personal property.
The Deductible is 2%.
BUILDING & BUSINESS PERSONAL PROPERTY
Step (1): Deductible = $80,000 X 2% = $1,600
Step (2): Total Loss = $60,000 + $40,000 = $100,000
Step (3): $100,000 - $1,600 = $98,400
The most we will pay is $98,400 ($100,000 - $1,600). The portion of the total loss that is not covered due to the application of the Deductible is $1,600.

EXAMPLE #2 – APPLICATION OF DOLLAR DEDUCTIBLE

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

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

The Deductible is $1,000/$2,000.

BUILDING & BUSINESS PERSONAL PROPERTY

Step (1): Total Loss: $60,000 + $40,000 = $100,000

Step (2): $100,000 - $2,000 = $98,000

The most we will pay is $98,000 ($100,000 - $2,000). The portion of the total loss that is not covered due to the application of the Deductible is $2,000.

POLICY NUMBER: CBP00000301
08/21/24

SUPPLEMENTAL FORM DECLARATION FOR BP.019 10 22

WINDSTORM OR HAIL DEDUCTIBLES

SCHEDULE

PREMISES NUMBER	WINDSTORM OR HAIL DEDUCTIBLE PERCENTAGE OR DOLLAR AMOUNT
1	1%

PREMISES NUMBER	WINDSTORM OR HAIL DEDUCTIBLE PERCENTAGE OR DOLLAR AMOUNT
2	1%

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

XPAND ENDORSEMENT

This endorsement modifies insurance under the following:

BUSINESSOWNER COVERAGE FORM

An additional "premium" will apply.

All coverages applicable to this endorsement are subject to all provisions of the policy, unless specified below.

The Limits of Insurance stated in the BUSINESSOWNERS COVERAGE FORM applicable to the following coverages are replaced with the Limits of Insurance shown below. For your reference, the corresponding paragraph references and page numbers from the applicable coverage form are displayed below.

Coverage	Limit	BP 00 03 Page Number and Reference
SECTION I – PROPERTY		
Business Income / Extra Expense – Extended Period of Indemnity	18 Months	Page Number: 6 Reference: A.5.f.(1).(b)
Business Income / Extra Expense – Time Deductible	Actual Loss Sustained	Page Number: 33 Reference: H.9.a.(1)
Debris Removal	$25,000	Page Number: 4 Reference: A.5.a.(4)
Fire Extinguisher Systems Recharge Expense	$10,000	Page Number: 12 Reference: A.5.o.(3).
Increased Cost of Construction	$25,000	Page Number: 9 Reference: A.5.l.(6)
Money Orders and "Counterfeit Money"	$5,000	Page Number: 9 Reference: A.5.j.
Newly Acquired Business Personal Property	$250,000	Page Number: 15 Reference: A.6.a. (2)
Newly Acquired or Constructed Buildings	$500,000	Page Number: 15 Reference: A.6.a.(1)
Personal Effects	$10,000	Page Number: 16 Reference: A.6.d.
Personal Property Off-Premises	$25,000	Page Number: 15 Reference: A.6.b.
Pollutant Clean-Up and Removal	$25,000	Page Number: 8 Reference: A.5.h.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESS INCOME / EXTRA EXPENSE – NEWLY ACQUIRED PROPERTIES

This endorsement modifies insurance under the following:

BUSINESSOWNER COVERAGE FORM

All coverages applicable to this endorsement are subject to all provisions of the policy, unless specified below.

The following coverage is added to your policy as an Additional Coverage.

SCHEDULE

Business Income/Extra Expense – Newly Acquired Properties Limit of Insurance: $ 25,000
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

Your Business Income and Extra Expense Coverages are extended to apply to loss of or damage to buildings or business personal property you newly acquire.
The most we will pay under this extension, for the sum of Business Income loss and Extra Expense incurred, is the Limit of Insurance shown in the Schedule above for each location.

 Includes copyrighted material of Insurance Services Offices, inc. with its permission.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMPUTER / ELECTRONIC DATA COVERAGE – OFF PREMISES

This endorsement modifies insurance under the following:

BUSINESSOWNER COVERAGE FORM

All coverages applicable to this endorsement are subject to all provisions of the policy, unless specified below.

The following coverage is added to your policy as an Additional Coverage.

SCHEDULE

Computer /EDP Coverage – Off Premises Limit of Insurance: $5,000
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

We will pay up to the Limit of Insurance shown in the Schedule above, for direct physical loss or damage to your "computers" and "electronic data" resulting from a Covered Cause of Loss.
The coverage territory described in Paragraph **F.4.** does not apply to this coverage.

 Includes copyrighted material of Insurance Services Offices, inc. with its permission.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FREE STANDING FENCES OR WALLS

This endorsement modifies insurance under the following:

BUSINESSOWNER COVERAGE FORM

All coverages applicable to this endorsement are subject to all provisions of the policy, unless specified below.

The following coverage is added to your policy as an Additional Coverage.

SCHEDULE

Free Standing Fences or Walls Limit of Insurance: $ 5,000
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

We will pay up to the Limit of Insurance shown in the Schedule above, in any one occurrence per premises to extend coverage for Buildings to apply to:

1. fences not attached to Buildings; or
2. walls, including retaining walls to contain water

that are on or within 100 feet of any described premises described in the Declarations.

 Includes copyrighted material of Insurance Services Offices, inc. with its permission.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

INGRESS / EGRESS – BUSINESS INCOME / EXTRA EXPENSE – LOSS AT OTHER LOCATIONS

This endorsement modifies insurance under the following:

BUSINESSOWNER COVERAGE FORM

All coverages applicable to this endorsement are subject to all provisions of the policy, unless specified below.

The following coverage is added to your policy as an Additional Coverage.

SCHEDULE

Ingress / Egress – Business Income / Extra Expense – Loss At Other Locations Limit of Insurance: $25,000
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

We will pay up to the Limit of Insurance shown in the Schedule above, for the actual loss of Business Income you sustain and necessary Extra Expense you incur when ingress and/or egress to the premises described in the declarations is physically prevented as a result of direct physical loss or damage to property not at the described premises. Direct physical loss or damage must be caused by a Covered Cause of Loss.
This coverage begins 12 hours after the direct physical loss or damage occurs.

 Includes copyrighted material of Insurance Services Offices, inc. with its permission.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOCK REPLACEMENT

This endorsement modifies insurance under the following:

BUSINESSOWNER COVERAGE FORM

All coverages applicable to this endorsement are subject to all provisions of the policy, unless specified below.

The following coverage is added to your policy as an Additional Coverage.

SCHEDULE

Lock Replacement Limit of Insurance: $5,000
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

We will pay up to the Limit of Insurance shown in the Schedule above, in any one occurrence for the cost to repair or replace locks at the described premises due to theft or other loss to keys.
A per occurrence deductible of $100 applies to this coverage.

 Includes copyrighted material of Insurance Services Offices, inc. with its permission.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOST KEY – CONSEQUENTIAL LOSS

This endorsement modifies insurance under the following:

BUSINESSOWNER COVERAGE FORM

All coverages applicable to this endorsement are subject to all provisions of the policy, unless specified below.

The following coverage is added to your policy as an Additional Coverage.

SCHEDULE

Lost Key – Consequential Loss Limit of Insurance: $5,000
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

We will pay up to the Limit of Insurance shown in the Schedule above, for consequential loss to locks and keys if a master or grand master key is lost or damaged, including:

1. the actual cost of keys, and
2. adjustment of locks to accept new keys, or
3. new locks (including installation cost) if required.

Loss or damage must result from a Covered Cause of Loss, including mysterious disappearance.

 Includes copyrighted material of Insurance Services Offices, inc. with its permission.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ORDINANCE OR LAW – EQUIPMENT

This endorsement modifies insurance under the following:

BUSINESSOWNER COVERAGE FORM

All coverages applicable to this endorsement are subject to all provisions of the policy, unless specified below.

The following coverage is added to your policy as an Additional Coverage.

As required by law, we will pay to repair or replace equipment included under Covered Property that incurs a Covered Cause of Loss.

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

1. The cost to reclaim the refrigerant as required by law.
2. The cost to retrofit the equipment to use a non-CFC refrigerant as required by the Clean Air Act of 1990, and any amendments thereto or any other similar laws; and
3. The increased cost to recharge the system with a non-CFC refrigerant.

The terms of this coverage apply separately to each piece of covered equipment.

We will not pay for the costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungi", wet or dry rot, or bacteria.

Loss to equipment will be determined as follows:

1. If the equipment is repaired or replaced on the same or another premises, we will not pay more than the lesser of:
   a. The amount you actually spend to repair the equipment, but not for more than the amount it would cost to replace the equipment with like kind or quality; or
   b. The Limit of Insurance shown on the Declarations as applicable to the covered Building or Business Personal Property.
2. If the equipment is not repaired or replaced, we will not pay more than the lesser of:
   a. The actual cash value of the equipment at the time of loss; or
   b. The Limit of Insurance shown in the Declarations as applicable to the Building or Business personal Property.
3. We will not pay for loss due to any ordinance or law that:
   a. You were required to comply with before the loss, even if the equipment was undamaged; and
   b. You failed to comply with.

 Includes copyrighted material of Insurance Services Offices, inc. with its permission.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

REWARD PAYMENT

This endorsement modifies insurance under the following:

BUSINESSOWNER COVERAGE FORM

All coverages applicable to this endorsement are subject to all provisions of the policy, unless specified below.

The following coverage is added to your policy as an Additional Coverage.

SCHEDULE

Reward Payment Limit of Insurance: $5,000
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

We will pay up to the Limit of Insurance shown in the Schedule above, to an eligible person for information leading to the arrest and conviction of any person or persons committing a crime resulting in loss or damage to Covered Property from a Covered Cause of Loss. We will also pay up to the Limit of Insurance shown in the Schedule above, to an eligible person for the return of stolen Covered Property when the loss is caused by theft. However, we will not pay more than the lesser of the following:

1. Actual cash value of the Covered Property at the time of loss or damage, but not more than the amount required to repair or replace it.
2. The amount determined by the loss settlement procedure applicable to the Covered Property under the Loss Payment Condition.

The following conditions apply to this coverage:

1. An eligible person means that person designated by a law enforcement agency as being the first to voluntarily provide the information leading to the arrest and conviction or return of the stolen Covered Property, and who is not:
   a. You or any family member;
   b. Your employee or any of his or her family members;
   c. An employee of a law enforcement agency;
   d. An employee of a business engaged in property protection;
   e. Any person who had custody of the Covered Property at the time the theft was committed; or
   f. Any person involved in the crime.
2. No reward will be reimbursed unless and until the person(s) committing the crime is (are) convicted or the Covered Property is returned.

The lesser of the amount of the reward or the limit of insurance shown in the schedule above, is the most we will reimburse for loss under this Additional Coverage in any one occurrence.

 Includes copyrighted material of Insurance Services Offices, inc. with its permission.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SALESPERSON SAMPLES

This endorsement modifies insurance under the following:

BUSINESSOWNER COVERAGE FORM

All coverages applicable to this endorsement are subject to all provisions of the policy, unless specified below.

The following coverage is added to your policy as an Additional Coverage.

SCHEDULE

Salesperson Samples Limit of Insurance: $ 10,000
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

We will pay up to the Limit of Insurance shown in the Schedule above, for loss of or damage to merchandise or stock samples (including their containers) resulting from a Covered Cause of Loss that:

1. you own; or
2. are the property of others for which you are legally liable; but

Only while such property is:

1. in the care, custody or control of your authorized sales representatives;
2. in your custody while acting as a salesperson; or
3. in transit to or from your premises and your authorized sales representatives.

This coverage does not apply to:

1. property loaned, leased or rented to others;
2. property held for sale;
3. property while at a premises owned, leased or operated by you or your authorized sales representatives.
4. accounts, bills, currency, deeds, money, notes, securities and evidences of debt;
5. jewelry, costume jewelry, precious or semi-precious stones, gold, silver, platinum or other precious metals or alloys;
6. furs or garments trimmed with fur; or
7. contraband, or property in the course of illegal transportation or trade.

 Includes copyrighted material of Insurance Services Offices, inc. with its permission.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TENANT BUILDING COVERAGE – REQUIRED BY LEASE

This endorsement modifies insurance under the following:

BUSINESSOWNER COVERAGE FORM

All coverages applicable to this endorsement are subject to all provisions of the policy, unless specified below.

The following coverage is added to your policy as an Additional Coverage.

SCHEDULE

Tenant Building Coverage – Required By Lease Limit of Insurance: $ 10,000
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

We will pay up to the Limit of Insurance shown in the Schedule above at each premises described in the Declarations for direct physical loss or damage resulting from a Covered Cause of Loss other than theft or attempted theft to that part of a building occupied by you if:

1. you are a tenant;
2. you are contractually obligated to repair or replace that part of the building occupied by you as a tenant; and
3. a Limit of Insurance for Business Personal Property is shown in the Declarations.

This coverage does not apply to:

1. building glass; or
2. tenant's improvements and betterments as described in Paragraph A.1.b.(3) of the Businessowners Coverage Form.

 Includes copyrighted material of Insurance Services Offices, inc. with its permission.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

UNAUTHORIZED BUSINESS CARD USE

This endorsement modifies insurance under the following:

BUSINESSOWNER COVERAGE FORM

All coverages applicable to this endorsement are subject to all provisions of the policy, unless specified below.

The following coverage is added to your policy as an Additional Coverage

SCHEDULE

Unauthorized Business Card Use Limit of Insurance: $5,000
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

We will pay up to the Limit of Insurance shown in the Schedule above, for loss of money or other charges you incur as a direct result of unauthorized use of credit or debit cards issued in your business name.

 Includes copyrighted material of Insurance Services Offices, inc. with its permission.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TENANT MOVE-BACK EXPENSES

This endorsement modifies insurance under the following:

BUSINESSOWNER COVERAGE FORM

All coverages applicable to this endorsement are subject to all provisions of the policy, unless specified below.
The following coverage is added to your policy as an Additional Coverage.

SCHEDULE

Tenant Move-Back Expenses Limit of Insurance: $15,000
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

1. We will pay up to the Limit of Insurance shown in the Schedule above, in any one occurrence at each described premises for expenses that you incur to move your tenants back to the described premises from a temporary location in the event that your tenants must temporarily vacate a Building at the premises described in the Declarations. The vacancy must result from a direct physical loss or damage to your Covered Property caused by or resulting from a Covered Cause of Loss making the described premises uninhabitable.
2. We will only pay for the following expenses:
   a. Packing, transporting and unpacking of tenants' property; and
   b. The net cost to reestablish the tenants' utility and telephone services, after any refunds due the tenants.
3. We will only pay for expenses listed in Paragraphs **2.a.** and **2.b.** above that you incur within 60 days of the date that the damaged building has been repaired or rebuilt.

 Includes copyrighted material of Insurance Services Offices, inc. with its permission.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

HEATING OR AIR CONDITIONING LOSS REIMBURSEMENT

This endorsement modifies insurance under the following:

BUSINESSOWNER COVERAGE FORM

All coverages applicable to this endorsement are subject to all provisions of the policy, unless specified below.
The following coverage is added to your policy as an Additional Coverage.

SCHEDULE

Heating or Air Conditioning Loss Reimbursement Limit of Insurance:	
$ 10,000	**Per Occurrence**
$ 10,000	**Annual Aggregate**
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

1. We will reimburse you for payments you make voluntarily or because of a demand for a per diem remuneration of rent from a tenant as a result of the complete loss of heat or air conditioning to a tenant's leased unit or apartment due to mechanical breakdown or electrical failure of the heating or air conditioning system at the described premises.
   The amount of such reimbursement is limited as described in Paragraph **5.** below. No other obligation or liability to pay sums or perform acts or services is covered.
2. This coverage applies only if:
   a. The mechanical breakdown or electrical failure of the heating or air conditioning system at the described premises occurred during the policy period; and
   b. You have received a notarized notification of a demand for a per diem remuneration of rent from a tenant within 90 days after the mechanical breakdown or electrical failure of the heating or air conditioning system at the described premises; or
   c. You reasonably determine that a voluntary payment to the tenant is necessary to prevent "bodily injury" or "property damage".
3. We shall have no duty or obligation to defend the insured or perform acts or services.
4. This coverage does not apply to:
   a. Expenses incurred by you to repair or replace the heating or air conditioning system at the described premises.
   b. "Bodily injury", "property damage" and "personal and advertising injury".
5. The most we will reimburse you for the sum of all voluntary payments and demands for per diem reimbursement by tenants under this coverage is the Limit of Insurance shown in the Schedule above, as the result of any one mechanical breakdown or electrical failure of the heating or air conditioning system at a described premises. The most we will pay in any annual policy period is the Annual Aggregate Limit of Insurance shown in the Schedule above.
6. The following condition replaces the **Duties In The Event of Occurrence, Offense, Claim Or Suit** Condition under Paragraph **E. Liability And Medical Expenses General Conditions** of **Section II – Liability** for the Heating Or Air Conditioning Loss Reimbursement Coverage:
   Duties In The Event Of A Heating Or Air Conditioning System Failure
   a. You must notify us as soon as possible of a demand for remuneration from a tenant or of a payment you make voluntarily. The notice should include:
      (1) A notarized letter from the tenant of the demand for remuneration;
      (2) A written description by you of how, when and where the mechanical breakdown or electrical failure of the heating or air conditioning system occurred;
      (3) The name and address of the affected tenant; and
      (4) A cancelled check or money order written to the tenant.

 Includes copyrighted material of Insurance Services Offices, inc. with its permission.

b. At our request, provide complete information as to:
   (1) The cause of the mechanical breakdown or electrical failure of the heating or air conditioning system; and
   (2) The actions you took to have the heating or air conditioning system repaired or replaced by a competent technician as soon as possible.

c. Cooperate with us in the review of the reimbursement.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOCKOUT OR SALE, REMOVAL AND DISPOSAL LIABILITY

This endorsement modifies insurance under the following:

BUSINESSOWNER COVERAGE FORM

All coverages applicable to this endorsement are subject to all provisions of the policy, unless specified below.
The following coverage is added to your policy as an Additional Coverage.

SCHEDULE

Lockout or Sale, Removal and Disposal Liability Limit of Insurance: $ 5,000
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

1. We will pay up to the Limit of Insurance shown in the Schedule above, in any one policy period for the sums that the insured becomes legally obligated to pay as damages because of acts or omissions arising out of a "lock-out", or the sale, removal or disposal of "tenants' property" in the course of "sale and disposal operations". We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for acts or omissions to which this insurance does not apply. We may, at our discretion, investigate the circumstances of any act or omission and settle any claim or "suit" that may result. But:
   a. The amount we will pay for damages is limited to the amount shown in the Schedule above.
   b. Our right and duty to defend ends when we have used up the applicable Limit of Insurance in the payment of judgments or settlements under this Lock-out Or Sale, Removal and Disposal Liability Coverage.

      No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under that Supplementary Payments provision.
2. This coverage applies only to an act or omission which takes place in the "coverage territory" and during the policy period.
3. This coverage does not apply to:
   a. Liability for damages which the insured is obligated to pay by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.
   b. Liability arising out of dishonest or criminal acts by you, your "employees" or any other person to whom you may entrust such property.
4. The Supplementary Payments provision applicable to the Bodily Injury, Property Damage and Personal and Advertising Injury Liability Coverages also applies to this Lock-out or Sale, Removal And Disposal Liability Coverage.
5. The following condition replaces the **Duties In The Event Of Occurrence, Offense, Claim Or Suit** condition under Paragraph **E. Liability And Medical Expenses General Conditions** of **Section II – Liability** for the Lock-out Or Sale, Removal And Disposal Liability Coverage:

   Duties In The Event Of A Claim Or Suit As A Result Of A Lock-out Or Sale, Removal Or Disposal Of Tenants' Property
   a. You must see to it that we are notified as soon as possible of a "lock-out", or the sale, removal or disposal of "tenants' property" which may result in a claim. To the extent possible, notice should include how, when and where the "lock-out" or sale, removal or disposal of "tenants' property" took place.
   b. If a claim is made or "suit" is brought against any insured as a result of a "lock-out" or sale, removal or disposal of "tenants' property", you must:

 Includes copyrighted material of Insurance Services Offices, inc. with its permission.

(1) Immediately record the specifics of the claim or "suit" and the date received; and

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

c. You and any other involved insured must:

(1) Immediately send us copies of any demands, notices, summonses, or legal papers received in connection with the claim or "suit";

(2) Authorize us to obtain records and other information;

(3) Cooperate with us in our investigation or settlement of the claim or defense against the "suit"; and

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

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

6. The following definitions apply to this coverage:

a. "Lock-out" means denying a tenant access to the "tenants' property" or the occupancy of an apartment the tenant is renting, leasing or otherwise occupying.

b. "Sale and disposal operations" means all activities you conduct to reclaim an apartment or storage space when a tenant's rent is delinquent or unpaid.

c. "Tenants' property" means "money", "securities" and other tangible property having intrinsic value that belongs to your tenants.

 Includes copyrighted material of Insurance Services Offices, inc. with its permission.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TENANTS' PROPERTY LEGAL LIABILITY

This endorsement modifies insurance under the following:

BUSINESSOWNER COVERAGE FORM

All coverages applicable to this endorsement are subject to all provisions of the policy, unless specified below.

The following coverage is added to your policy as an Additional Coverage.

SCHEDULE

Tenants' Property Legal Liability Limit of Insurance: $10,000
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

1. We will pay up to the Limit of Insurance shown in the Schedule above, in any on occurrence (for each premises described in the Declarations) for the sums that the insured becomes legally obligated to pay as damages because of "property damage" to which this insurance applies to a "tenant's property" (or the property of others for which the tenant is legally liable) only while the property is in your care, custody or control inside your leased unit, apartment or storage at the premises described in the Declarations. We will have the right and duty to defend the insured against any "suit" seeking those damages. However we will have no duty to defend the insured against any "suit" seeking damages for "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:
   a. The amount we will pay for damages is limited to the Limit of Insurance shown in the Schedule as described above.
   b. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds $250. We will then pay the amount of loss or damage in excess of $250 up to the Limit of Insurance shown in the Schedule; and
   c. Our right and duty to defend ends when we have used up the applicable Limit of Insurance in the payment of judgments or settlements under the Tenants' Property Legal Liability Coverage.
   No other obligations or liability to pay sums or perform acts or services is covered unless explicitly provided for under that Supplementary Payments provision.
2. This coverage applies to "property damage" only if:
   a. The "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and
   b. The "property damage" occurs during the policy period.
3. This coverage does not apply to:
   a. "Property damage" to any land motor vehicle, trailer or semitrailer stored by a tenant at the described premises.
   b. "Property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.
   c. Liability arising out of intentional "property damage" or dishonest or criminal acts by you, your "employees" or any other person to whom you may entrust such property.
   d. Liability arising out of your "sale and disposal operations".
   e. Any loss covered under **Section I – Property.**
4. The Supplementary Payments provision applicable to the Bodily Injury, Property Damage and Personal and Advertising Injury Liability Coverages also applies to this Tenants' Property Legal Liability Coverage.

 Includes copyrighted material of Insurance Services Offices, inc. with its permission.

5. The **Duties In The Event Of Occurrence, Offense, Claim, Or Suit** Condition under the Paragraph **E. Liability And Medical Expenses General Conditions** of **Section II – Liability** applies to Tenants' Property Legal Liability.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

HIRED AUTO AND NON-OWNED AUTO LIABILITY

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Coverage	Additional Premium
A. Hired Auto Liability	$See Schedule
B. Non-owned Auto Liability	$See Schedule
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Insurance is provided only for those coverages for which a specific premium charge is shown in the Declarations or in the Schedule.

1. Hired Auto Liability

The insurance provided under Paragraph **A.1. Business Liability** in **Section II – Liability** applies to "bodily injury" or "property damage" arising out of the maintenance or use of a "hired auto" by you or your "employees" in the course of your business.

2. Non-owned Auto Liability

The insurance provided under Paragraph **A.1. Business Liability** in **Section II – Liability** applies to "bodily injury" or "property damage" arising out of the use of any "non-owned auto" in your business by any person.

B. For insurance provided by this endorsement only:

1. The exclusions under Paragraph **B.1. Applicable To Business Liability Coverage** in **Section II – Liability,** other than Exclusions **a., b., d., f.** and **i.** and the **Nuclear Energy Liability Exclusion,** are deleted and replaced by the following:

a. "Bodily injury" to:

(1) An "employee" of the insured arising out of and in the course of:

(a) Employment by the insured; or

(b) Performing duties related to the conduct of the insured's business; or

(2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph **(1)** above.

This exclusion applies:

(1) Whether the insured may be liable as an employer or in any other capacity; and

(2) To any obligation to share damages with or repay someone else who must pay damages because of injury.

This exclusion does not apply to:

(1) Liability assumed by the insured under an "insured contract"; or

(2) "Bodily injury" arising out of and in the course of domestic employment by the insured unless benefits for such injury are in whole or in part either payable or required to be provided under any workers' compensation law.

b. "Property damage" to:

(1) Property owned or being transported by, or rented or loaned to the insured; or

(2) Property in the care, custody or control of the insured.

© Insurance Services Office, Inc., 2009

2. Paragraph **C. Who Is An Insured** in **Section II – Liability** is replaced by the following:

   1. Each of the following is an insured under this endorsement to the extent set forth below:

      a. You;

      b. Any other person using a "hired auto" with your permission;

      c. For a "non-owned auto":

         (1) Any partner or "executive officer" of yours; or

         (2) Any "employee" of yours;

         but only while such "non-owned auto" is being used in your business; and

      d. Any other person or organization, but only for their liability because of acts or omissions of an insured under **a.**, **b.** or **c.** above.

   2. None of the following is an insured:

      a. Any person engaged in the business of his or her employer for "bodily injury" to any co-"employee" of such person injured in the course of employment, or to the spouse, child, parent, brother or sister of that co-"employee" as a consequence of such "bodily injury", or for any obligation to share damages with or repay someone else who must pay damages because of the injury;

      b. Any partner or "executive officer" for any "auto" owned by such partner or officer or a member of his or her household;

      c. Any person while employed in or otherwise engaged in duties in connection with an "auto business", other than an "auto business" you operate;

      d. The owner or lessee (of whom you are a sublessee) of a "hired auto" or the owner of a "non-owned auto" or any agent or "employee" of any such owner or lessee; or

      e. Any person or organization for the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations.

C. For the purposes of this endorsement only, Paragraph **H. Other Insurance** in **Section III – Common Policy Conditions** is replaced by the following:

This insurance is excess over any primary insurance covering the "hired auto" or "non-owned auto".

D. The following additional definitions apply:

1. "Auto business" means the business or occupation of selling, repairing, servicing, storing or parking "autos".

2. "Hired auto" means any "auto" you lease, hire, rent or borrow. This does not include any "auto" you lease, hire, rent or borrow from any of your "employees", your partners or your "executive officers" or members of their households.

3. "Non-owned auto" means any "auto" you do not own, lease, hire, rent or borrow which is used in connection with your business. This includes "autos" owned by your "employees", your partners or your "executive officers", or members of their households, but only while used in your business or your personal affairs.

© Insurance Services Office, Inc., 2009

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYMENT-RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

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

This insurance does not apply to "bodily injury" or "personal and advertising injury" to:

(1) A person arising out of any:

(a) Refusal to employ that person;

(b) Termination of that person's employment; or

(c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or

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

This exclusion applies:

(1) Whether the injury-causing event described in Paragraph **(a), (b)** or **(c)** above occurs before employment, during employment or after employment of that person;

(2) Whether the insured may be liable as an employer or in any other capacity; and

(3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

© Insurance Services Office, Inc., 2009

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.

© ISO Properties, Inc., 2001

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – SCHEDULED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location(s) Of Covered Operations
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. Any person(s) or organization(s) shown in the Schedule is also an additional insured, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

a. Your acts or omissions; or

b. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

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 "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or

2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

© Insurance Services Office, Inc., 2012

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.

© Insurance Services Office, Inc., 2012

POLICY NUMBER: CBP00000301
08/21/24

SUPPLEMENTAL FORM DECLARATION FOR BP 04 50 07 13

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – SCHEDULED PERSON OR ORGANIZATION

SCHEDULE

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TOTAL POLLUTION EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

Exclusion **B.1.f. Pollution** in **Section II – Liability** is replaced by the following:

This insurance does not apply to:

f. Pollution

(1) "Bodily injury" or "property damage" which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

(2) Any loss, cost or expense arising out of any:

(a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or

(b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

© ISO Properties, Inc., 2001

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

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

SCHEDULE

SCHEDULE – PART I
Terrorism Premium (Certified Acts) $ See Schedule **Additional information, if any, concerning the terrorism premium:**
SCHEDULE – PART II
Federal share of terrorism losses **80** **%** (Refer to Paragraph **B.** in this endorsement.)
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Disclosure Of Premium

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

B. Disclosure Of Federal Participation In Payment Of Terrorism Losses

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

© Insurance Services Office, Inc., 2020

C. Cap On Insurer Participation In Payment Of Terrorism Losses

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

 © Insurance Services Office, Inc., 2020

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – SILICA OR SILICA-RELATED DUST

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:**

B. Exclusions

This insurance does not apply to:

SILICA OR SILICA-RELATED DUST

1. "Bodily injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, or ingestion of, "silica" or "silica-related dust".
2. "Property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
3. "Personal and advertising injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
4. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.

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

1. "Silica" means silicon dioxide, (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.
2. "Silica-related dust" means a mixture or combination of silica and other dust or particles.

© ISO Properties, Inc., 2005

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

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

A. CAP ON CERTIFIED TERRORISM LOSSES

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

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

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

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

© Insurance Services Office, Inc., 2015

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMPUTER FRAUD AND FUNDS TRANSFER FRAUD

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

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

Section I – Property is amended as follows:

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

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

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

Computer Fraud And Funds Transfer Fraud

(1) The Computer Fraud And Funds Transfer Fraud Coverage limit shown in the Schedule of this endorsement is the most we will pay for loss of and damage to "money", "securities" and "other property" following and directly related to the use of any computer to fraudulently cause a transfer of that property from inside the described premises, bank or savings institution:

(a) To a person (other than a messenger) outside those premises; or

(b) To a place outside those premises.

(2) The Computer Fraud And Funds Transfer Fraud Coverage limit shown in the Schedule of this endorsement is the most we will pay for loss of "money" and "securities" resulting directly from a "fraudulent instruction" directing a financial institution to transfer, pay or deliver "money" and "securities" from your "transfer account".

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

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

2. The following exclusion is added:

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

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

(4) Or damage to "money" and "securities" following and directly related to the use of any computer to fraudulently cause a transfer of that property from inside the described premises, bank or savings institution:

(a) To a person (other than a messenger) outside those premises; or

(b) To a place outside those premises.

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

15. "Employee"

a. "Employee" means:

(1) Any natural person:

(a) While in your service or for 30 days after termination of service;

© Insurance Services Office, Inc., 2012

(b) Who you compensate directly by salary, wages or commissions; and

(c) Who you have the right to direct and control while performing services for you;

(2) Any natural person who is furnished temporarily to you:

(a) To substitute for a permanent "employee", as defined in Paragraph **(1),** who is on leave; or

(b) To meet seasonal or short-term work load conditions;

while that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the premises;

(3) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in Paragraph **(2)** above;

(4) Any natural person who is:

(a) A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any "employee benefit plan(s)" insured under this policy; and

(b) Your director or trustee while that person is handling "funds" or "other property" of any "employee benefit plan(s)" insured under this policy;

(5) Any natural person who is a former "employee", director, partner, "member", "manager", representative or trustee retained as a consultant while performing services for you; or

(6) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside the premises.

b. "Employee" does not mean:

(1) Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or

(2) Any "manager", director or trustee except while performing acts coming within the scope of the usual duties of an "employee".

16. "Fraudulent instruction" means:

a. An electronic, telegraphic, cable, teletype, telefacsimile or telephone instruction which purports to have been transmitted by you, but which was in fact fraudulently transmitted by someone else without your knowledge or consent;

b. A written instruction (other than those described in Paragraph **A.5.k.**) issued by you, which was forged or altered by someone other than you without your knowledge or consent or which purports to have been issued by you, but was in fact fraudulently issued without your knowledge or consent; or

c. An electronic, telegraphic, cable, teletype, telefacsimile, telephone or written instruction initially received by you which purports to have been transmitted by an "employee" but which was in fact fraudulently transmitted by someone else without your or the "employee's" knowledge or consent.

17. "Other property" means any tangible property other than "money" and "securities" that has intrinsic value but does not include any property excluded under this policy.

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

a. By means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly through an electronic funds transfer system; or

b. By means of written instructions (other than those described in Paragraph **A.5.k.**) establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds transfer system.

© Insurance Services Office, Inc., 2012

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FUNGI OR BACTERIA EXCLUSION (LIABILITY)

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following provisions are added to **Section II – Liability:**

A. The following exclusion is added to Paragraph **B.1., Exclusions – Applicable To Business Liability Coverage:**

t. Fungi Or Bacteria

(1) "Bodily injury", "property damage" or "personal and advertising injury" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.

(2) Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for bodily consumption.

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

1. "Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or by-products produced or released by fungi.

© ISO Properties, Inc., 2004

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – YEAR 2000 COMPUTER-RELATED AND OTHER ELECTRONIC PROBLEMS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

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

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

a. Any actual or alleged failure, malfunction, or inadequacy of:

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

(a) Computer hardware, including microprocessors or other Electronic Data Processing Equipment as may be described elsewhere in the policy;

(b) Computer application software or other Electronic Media and Records as may be described elsewhere in the policy;

(c) Computer operating systems and related software;

(d) Computer networks;

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

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

(2) Any other products and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph **1.a.(1)** of this endorsement

due to the inability to correctly recognize, process, distinguish, interpret or accept the year 2000 and beyond.

b. Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph **1.a.** of this endorsement.

© ISO Properties, Inc., 2001

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COLORADO CHANGES – CONDOMINIUMS, CO-OPS, ASSOCIATIONS – DIRECTORS AND OFFICERS LIABILITY COVERAGE

This endorsement modifies insurance provided under the following:

CONDOMINIUMS, CO-OPS, ASSOCIATIONS – DIRECTORS AND OFFICERS LIABILITY ENDORSEMENT

For the purposes of the coverage provided by Condominiums, Co-ops, Associations – Directors And Officers Liability Endorsement **BP 17 24,** the following condition is added and supersedes any provision to the contrary:

Your Right To Wrongful Act Or Claim Information

We will provide the first Named Insured shown in the Declarations the following information relating to this and any preceding Condominiums, Co-ops, Associations – Directors And Officers Liability Coverage Endorsement we have issued to you during the previous three years:

a. A list or other record of each "wrongful act" not previously reported to any other insurer, of which we were notified in accordance with Paragraph **1.** of the Duties In The Event Of A Claim Or A Wrongful Act That May Result In A Claim condition (Paragraph **E.**). We will include the date and brief description of the "wrongful act" if that information was in the notice we received.

b. A summary by policy year, of payments made and amounts reserved, stated separately, under any applicable Aggregate Limit.

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

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

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

© Insurance Services Office, Inc., 2009

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMUNICABLE DISEASE EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

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

Communicable Disease

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the actual or alleged transmission of a communicable disease.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the:

a. Supervising, hiring, employing, training or monitoring of others that may be infected with and spread a communicable disease;

b. Testing for a communicable disease;

c. Failure to prevent the spread of the disease; or

d. Failure to report the disease to authorities.

© Insurance Services Office, Inc., 2012

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION AND DATA-RELATED LIABILITY – LIMITED BODILY INJURY EXCEPTION NOT INCLUDED

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.

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.

© Insurance Services Office, Inc., 2013

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.

© Insurance Services Office, Inc., 2013

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – UNMANNED AIRCRAFT

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

☐	**Bodily Injury And Property Damage:** Paragraph **A.** in this endorsement does not apply if an "X" is shown in the box.
☐	**Personal And Advertising Injury:** Paragraph **B.** in this endorsement does not apply if an "X" is shown in the box.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

Section II – Liability is amended as follows:

A. Exclusion **B.1.g.** is replaced by the following:

This insurance does not apply to:

g. Aircraft, Auto Or Watercraft

(1) Unmanned Aircraft

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

This Paragraph **g.(1)** applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft".

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

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

This Paragraph **g.(2)** applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft (other than "unmanned aircraft"), "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

© Insurance Services Office, Inc., 2016

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

(a) A watercraft while ashore on premises you own or rent;

(b) A watercraft you do not own that is:

(i) Less than 51 feet long; and

(ii) Not being used to carry persons or property for a charge;

(c) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;

(d) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

(e) "Bodily injury" or "property damage" arising out of:

(i) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged; or

(ii) The operation of any of the following machinery or equipment:

i. Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

ii. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

B. The following is added to Exclusion **B.1.p. Personal And Advertising Injury:**

This insurance does not apply to:

p. Personal And Advertising Injury

"Personal and advertising injury":

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

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the offense which caused the "personal and advertising injury" involved the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft".

This exclusion does not apply to:

(1) The use of another's advertising idea in your "advertisement"; or

(2) Infringing upon another's copyright, trade dress or slogan in your "advertisement".

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

"Unmanned aircraft" means an aircraft that is not:

1. Designed;

2. Manufactured; or

3. Modified after manufacture;

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

© Insurance Services Office, Inc., 2016

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CANNABIS LIABILITY EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM
ELECTRONIC DATA LIABILITY – BROAD COVERAGE ENDORSEMENT

A. The following exclusion is added to **Section II – Liability:**

This insurance does not apply to:

1. "Bodily injury", "property damage" or "personal and advertising injury" arising out of:

a. The design, cultivation, manufacture, storage, processing, packaging, handling, testing, distribution, sale, serving, furnishing, possession or disposal of "cannabis"; or

b. The actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, contact with, exposure to, existence of, or presence of "cannabis"; or

2. "Property damage" to "cannabis".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved that which is described in Paragraph **A.1.** or **A.2.** above.

However, Paragraph **A.1.b.** does not apply to "bodily injury" or "property damage" arising out of the actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, or contact with, "cannabis" by:

(1) An insured; or

(2) Any other person for whom you are legally responsible;

but only if the "bodily injury" or "property damage" does not arise out of your selling, serving or furnishing of "cannabis" to any person described above.

B. The exclusion in Paragraph **A.** does not apply to "personal and advertising injury" arising out of the following offenses:

1. False arrest, detention or imprisonment; or

2. The wrongful eviction from, wrongful entry into, or invasion of the right or private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor.

C. The following changes apply only to Electronic Data Liability – Broad Coverage Endorsement **BP 05 96** if it is attached to this Policy:

The following exclusion is added to **Section II – Liability:**

This insurance does not apply to:

"Loss of electronic data":

1. Arising out of:

a. The design, cultivation, manufacture, storage, processing, packaging, handling, testing, distribution, sale, serving, furnishing, possession or disposal of "cannabis"; or

b. The actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, contact with, exposure to, existence of, or presence of "cannabis"; or

2. With respect to any "electronic data" that is used in the design, manufacture, distribution, sale, serving, furnishing, use or possession of "cannabis".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "electronic data incident" which caused the "loss of electronic data" involved that which is described in Paragraph **C.1.** or **C.2.** above.

© Insurance Services Office, Inc., 2019

However, Paragraph **C.1.b.** does not apply to "loss of electronic data" arising out of the actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, or contact with, "cannabis" by:

(1) An insured; or

(2) Any other person for whom you are legally responsible;

but only if the "loss of electronic data" does not arise out of your selling, serving or furnishing of "cannabis" to any person described above.

D. For the purpose of this endorsement, the following definition is added:

"Cannabis":

1. Means:

Any good or product that consists of or contains any amount of Tetrahydrocannabinol (THC) or any other cannabinoid, regardless of whether any such THC or cannabinoid is natural or synthetic.

2. Paragraph **D.1.** above includes, but is not limited to, any of the following containing such THC or cannabinoid:

a. Any plant of the genus Cannabis L., or any part thereof, such as seeds, stems, flowers, stalks and roots; or

b. Any compound, byproduct, extract, derivative, mixture or combination, such as:

(1) Resin, oil or wax;

(2) Hash or hemp; or

(3) Infused liquid or edible cannabis;

whether or not derived from any plant or part of any plant set forth in Paragraph **D.2.a.**

© Insurance Services Office, Inc., 2019

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CYBER INCIDENT EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

Section I – Property is amended as follows:

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

We will not pay for loss or damage caused directly or indirectly by the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

Cyber Incident

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

B. Exceptions And Limitations

1. **Fire Or Explosion**

   If a cyber incident as described in Paragraphs **A.1.** through **A.3.** of this exclusion results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

2. **Additional Coverage**

   The exclusion in Paragraph **A.** does not apply to the extent that coverage is provided in the:

   a. Additional Coverage – Electronic Data; or

   b. Additional Coverage – Interruption Of Computer Operations.

3. **Computer Fraud And Funds Transfer Fraud Endorsement**

   The exclusion in Paragraph **A.** does not apply to the Computer Fraud And Funds Transfer Fraud endorsement when attached to your policy.

4. **Electronic Commerce Endorsement**

   The exclusion in Paragraph **A.** does not apply to the Electronic Commerce (E-Commerce) endorsement when attached to your policy.

5. **Information Security Protection Endorsement**

   The exclusion in Paragraph **A.** does not apply to the Information Security Protection Endorsement when attached to your policy.

C. Vandalism

The following is added to Vandalism:

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

© Insurance Services Office, Inc., 2020

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONDOMINIUMS, CO-OPS, ASSOCIATIONS – DIRECTORS AND OFFICERS LIABILITY ENDORSEMENT

THIS ENDORSEMENT PROVIDES CLAIMS-MADE COVERAGE
PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Named Association: Brookwillow Village Condominium I Association	
Directors And Officers Liability Annual Aggregate Limit Of Insurance:	$1,000,000
Deductible:	$1,000
Pending Or Prior Litigation Date: 10/10/23	**Retroactive Date:** 10/10/23
☐ **Extended Reporting Period**	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

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

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

1. Insuring Agreement – Management Liability

a. We will pay on behalf of an "insured person" any "loss" which the "insured person" becomes legally obligated to pay as a result of a "claim" first made against that "insured person" during the policy period or during the Extended Reporting Period, if purchased, as described in Paragraph **G.**, except to the extent that the "association" has indemnified the "insured person" for such "loss".

However, this insurance applies only to a "claim" arising out of a "wrongful act" committed by the "insured person" which occurs on or after the Retroactive Date, if any, shown in the Schedule, and before the end of the policy period.

b. If a "claim" against an "insured person" includes a "claim" against the "insured person's" spouse (whether such status is derived by reason of statutory or common law, or any other law of any country) solely by reason of:

(1) Such spousal status; or

(2) Such spouse's ownership interest in property or assets that are sought as recovery for the "wrongful act" committed or allegedly committed by the "insured person";

all "loss" which such spouse becomes legally obligated to pay by reason of such "claim" will be treated for the purposes of this endorsement as "loss" which the "insured person" becomes legally obligated to pay as a result of the "claim" made against such "insured person". Such "loss" to the spouse will be covered under this endorsement only if and to the extent that such "loss" would be covered if incurred by the "insured person".

© Insurance Services Office, Inc., 2009

However, this Paragraph **b.** does not apply to a "claim" arising out of any "wrongful act" committed or allegedly committed by the "insured person's" spouse.

c. This insurance also applies to "claims" arising out of the "wrongful acts" of an "insured person" made against:

(1) The estate, heirs or legal representatives of a deceased "insured person"; and

(2) The legal representative of that "insured person" in the event of incompetency, insolvency or bankruptcy.

However, this Paragraph **c.** only applies to "claims" if and to the extent that, in the absence of such death, incompetency, insolvency or bankruptcy of the "insured person", such "claims" would have been covered by this insurance according to all applicable terms, conditions and exclusions.

2. Insuring Agreement – Association Reimbursement

We will pay on behalf of the "association" any "loss" for which the "association" has indemnified an "insured person", as permitted or required by law, and which the "insured person" becomes legally obligated to pay as a result of a "claim" first made against that "insured person" (or an "insured person's" spouse or any other party granted the rights of an "insured person" under Paragraph **1.**) during the policy period or during the Extended Reporting Period, if purchased, as described in Paragraph **G.**

However, this insurance applies only to a "claim" arising out of a "wrongful act" committed by the "insured person" which occurs on or after the Retroactive Date, if any, shown in the Schedule, and before the end of the policy period.

3. Insuring Agreement – Association Liability

We will pay on behalf of the "association" any "loss" which the "association" becomes legally obligated to pay as a result of a "claim" first made against the "association" during the policy period or during the Extended Reporting Period, if purchased, as described in Paragraph **G.**

However, this insurance applies only to a "claim" arising out of a "wrongful act" committed by the "association" which occurs on or after the Retroactive Date, if any, shown in the Schedule, and before the end of the policy period.

4. Defense And Settlement

We will have the right and duty to defend any "claim" made against the insured under Paragraph **A.** of this endorsement. However, we will have no duty to defend the insured against any "claim" because of a "wrongful act" to which this insurance does not apply. We may, at our discretion, investigate any incident that may result in a "loss". We may, with your written consent, settle any "claim".

All "claims" arising out of the same "wrongful act" or "interrelated wrongful acts" committed by one or more "insured persons" shall be considered a single "claim". Such single "claim" shall be deemed to be first made on the date the initial "claim" arising out of such "wrongful act" or "interrelated wrongful acts" was first made pursuant to Paragraph **E.** or notice of such "wrongful act" or "interrelated wrongful acts" was first reported pursuant to Paragraph **E.**

B. For the purposes of the coverage provided by this endorsement, Paragraph **B. Exclusions,** Subparagraph **1. Applicable To Business Liability Coverage** is replaced by the following:

This insurance does not apply to any "loss" resulting from any "claim":

a. Arising out of any dishonest, malicious, fraudulent or deliberately criminal act or any willful violation of any statute or regulation.

b. For "bodily injury".

c. For mental or emotional distress, except when allegations of mental or emotional distress are made in a "claim" arising from a "wrongful employment practices act".

d. For "property damage".

e. Arising out of the gaining of any profit, remuneration or advantage to which any insured was not legally entitled.

f. Arising out of a "wrongful act" or "interrelated wrongful act" that has occurred before the Retroactive Date, if any, shown in the Schedule.

g. Arising out of the same facts, "wrongful acts" or "interrelated wrongful acts", alleged or contained in any "claim" which has been reported, or in any circumstances of which notice has been given:

(1) During a prior policy period of this policy; or

(2) Under any insurance policy of which this policy is a replacement.

© Insurance Services Office, Inc., 2009

h. Arising out of any demand, "suit" or other proceeding against any insured which was pending on or existed prior to the applicable Pending Or Prior Litigation Date shown in the Schedule, or arising out of the same or substantially the same facts, circumstances or allegations which are the subject of, or the basis for, such demand, "suit" or other proceeding.

i. Arising out of any actual or alleged failure or omission on the part of any insured to effect or maintain insurance.

j. Arising out of any "wrongful act" committed or allegedly committed by any "insured person" serving in any position or capacity in any organization or association other than the "association" even if the "association" directed or requested that "insured person" to serve in such other position or capacity.

k. Brought by or on behalf of the "association" or any "insured person", in any capacity, except:

(1) A "claim" that is a derivative action brought on behalf of the "association" by one or more unit-owners who are not "insured persons" and who bring the "claim" without the solicitation, assistance or participation of any "insured person" or the "association"; or

(2) A "claim" arising out of a "wrongful employment practices act".

l. For an actual or alleged violation of the Employee Retirement Income Security Act of 1974 and its amendments, or similar provisions of any federal, state, local or statutory law or common law.

m. For liability under or breach of any oral, written or implied contract or agreement, or for liability of others assumed by the "association" under any such contract or agreement, except if:

(1) The "association" would have been liable in the absence of such contract or agreement; or

(2) Allegations of liability or breach of such contract or agreement are made in a "claim" arising out of a "wrongful employment practices act";

n. Arising out of "personal and advertising injury".

o. Arising out of:

(1) The actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time;

(2) Any request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

(3) A "claim" made or "suit" brought by or on behalf of any governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants";

including without limitation any "claim" by or on behalf of the "association".

p. Arising out of "wrongful acts" in the selection or direct or indirect supervision of any contractor or subcontractor liable or alleged to be liable for any defect in construction at any premises insured under this policy.

A "wrongful act" committed by any "insured person" shall not be imputed to any other "insured person" for purposes of applying the exclusions set forth in this Paragraph **B.**

C. For the purposes of the coverage provided by this endorsement, Paragraph **C. Who Is An Insured** is replaced by the following:

1. The "association" is an insured.

2. "Insured persons" are insureds.

D. For the purposes of the coverage provided by this endorsement, Paragraph **D. Liability And Medical Expenses Limits Of Insurance** is replaced by the following:

1. Annual Aggregate Limit Of Insurance

The most we will pay for the sum of all "loss" under Paragraphs **A.1.**, **A.2.** and **A.3.** is the aggregate Limit of Insurance shown in the Schedule. This limit applies regardless of the number of:

a. Insureds;

b. "Claims" made or "suits" brought; or

c. Persons, organizations or government agencies making "claims" or bringing "suits".

If the aggregate Limit of Insurance is exhausted by the payment of "loss", we will have no further obligations or liability of any kind under this endorsement.

"Claims expenses" are part of the "loss" and are payable within the Limit of Insurance shown in the Schedule, thereby reducing that Limit.

 © Insurance Services Office, Inc., 2009

2. **Deductible**

   Subject to Paragraph **D.1.** of this endorsement, we will pay only that amount of "loss" which is in excess of the Deductible shown in the Schedule. The Deductible will be borne by the insureds, uninsured and at their own risk. A single deductible will apply to all "loss" resulting from all "claims" alleging the same "wrongful acts" or "interrelated wrongful acts".

   If the "association" is permitted or required by law to indemnify an "insured person" for "loss", but fails or refuses, other than for reason of "financial insolvency", then our payment for such "loss" will not be subject to any deductible and the "association" shall be responsible for, and shall hold us harmless from, and shall reimburse us for such "loss" up to the deductible shown in the Schedule.

E. For the purposes of the coverage provided by this endorsement, the **Duties In The Event Of Occurrence, Offense, Claim Or Suit** condition is replaced by the following:

Duties In The Event Of A Claim Or A Wrongful Act That May Result In A Claim

1. You must see to it that we are notified as soon as practicable of a "wrongful act" which may result in a "claim". To the extent possible, notice should include:
   - **a.** How, when and where the "wrongful act" took place;
   - **b.** The names and addresses of any person involved in the specific "wrongful act", including names and addresses of the potential claimants;
   - **c.** Particulars as to the reasons for anticipating a "claim" which may result from such specific "wrongful act";
   - **d.** The nature of the alleged or potential damages arising from such specific "wrongful act"; and
   - **e.** The circumstances by which the insureds first became aware of the specific "wrongful act".
2. If a "claim" is received by any insured, you must:
   - **a.** Immediately record the specifics of the "claim" and the date received; and
   - **b.** Notify us as soon as practicable.

   You must see to it that we receive written notice of the "claim" as soon as practicable.
3. You and any other involved insured must:
   - **a.** Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim";
   - **b.** Authorize us to obtain records and other information;
   - **c.** Cooperate with us in the investigation or settlement of the "claim"; and
   - **d.** Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of "wrongful acts" to which this insurance may also apply.
4. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation or incur any expense without our written consent.

F. For the purposes of the coverage provided by this endorsement, the following is added to Paragraph **E. Liability And Medical Expenses General Conditions:**

Consent To Settle

If we recommend a settlement to the insured which is acceptable to the claimant, but to which the insured does not consent, the most we will pay as damages in the event of any later settlement or judgment is the amount for which the "claim" could have been settled, to which the insured did not give consent, plus "claims expenses" incurred as of the date such settlement was proposed in writing by us to the insured.

G. Extended Reporting Period

For the purposes of the coverage provided by this endorsement, the following Extended Reporting Period provisions are added:

1. You will have the right to purchase an Extended Reporting Period from us if:
   - **a.** This endorsement is cancelled or not renewed for any reason; or
   - **b.** We renew or replace this endorsement with insurance that:
     - **(1)** Has a Retroactive Date later than the date shown in the Schedule of this endorsement; or
     - **(2)** Does not apply to "wrongful acts" on a claims-made basis.
2. An Extended Reporting Period, as specified in Paragraph **G.1.** of this endorsement, lasts three years and is available only for an additional premium.

© Insurance Services Office, Inc., 2009

3. The Extended Reporting Period starts with the end of the policy period. It does not extend the policy period or change the scope of the coverage provided. It applies only to "claims" to which the following applies:
   a. The "claim" is first made during the Extended Reporting Period;
   b. The "wrongful act" occurs before the end of the policy period; and
   c. The "wrongful act" did not commence before the Retroactive Date.
4. You must give us a written request for the Extended Reporting Period within 30 days after the end of the policy period or the effective date of cancellation, whichever comes first.
5. The Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due and any premium or deductible you owe us for coverage provided under this endorsement. Once in effect, the Extended Reporting Period may not be cancelled.
6. We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:
   a. The exposures insured;
   b. Previous types and amounts of insurance;
   c. Limit of Insurance available under this endorsement for future payment of damages; and
   d. Other related factors.

   The additional premium may not exceed 100% of the annual premium for this endorsement. The premium for the Extended Reporting Period will be deemed fully earned as of the date it is purchased.
7. There is no separate or additional Limit of Insurance for the Extended Reporting Period. The Limit of Insurance available during the Extended Reporting Period, if purchased, shall be the remaining amount, if any, of the aggregate Limit of Insurance available at the time this policy was cancelled or nonrenewed.

H. For the purposes of the coverage provided by this endorsement, the following is added to Paragraph **F. Liability And Medical Expenses Definitions** of **Section II □ Liability:**

1. "Association" means the entity named in the Schedule as the named association.
2. "Claim" means:
   a. A written demand for monetary damages against any insured;
   b. A civil proceeding against any insured commenced by the service of a complaint or similar pleading;
   c. A criminal proceeding against any "insured person" commenced by a return of an indictment; or
   d. A formal administrative or regulatory proceeding against any insured commenced by the filing of a notice of charges, formal investigative order or similar document;

   for a "wrongful act", including any appeal therefrom.
3. "Claims expenses" means that part of a "loss" consisting of reasonable and necessary fees (including attorneys' and experts' fees), expenses incurred in the defense or appeal of a "claim", and the premium for appeal, attachment or similar bonds (without any obligation on our part to provide such bonds), excluding the wages, salaries, benefits or expenses of any "insured person".
4. "Financial insolvency" means the status of the "association" resulting from:
   a. The appointment of any receiver, conservator, liquidator, trustee, rehabilitator or similar official to control, supervise, manage or liquidate the "association"; or
   b. The "association" becoming a debtor in possession.
5. "Insured person" means any former, present or future director, officer, trustee, employee or volunteer of the "association".
6. "Interrelated wrongful act" means all causally connected "wrongful acts".
7. "Loss" means "claims expenses", compensatory damages, settlement amounts, legal fees and costs awarded pursuant to judgments. "Loss" does not include civil or criminal fines or penalties imposed by law, punitive or exemplary damages, the multiplied portion of multiplied damages, taxes or matters that are uninsurable pursuant to applicable law.

 © Insurance Services Office, Inc., 2009

8. "Wrongful act" includes a "wrongful employment practices act" and means:
   a. With respect to the "insured person", any actual or alleged error, misstatement, misleading statement, neglect or breach of duty, omission or act by the "insured person" in their insured position or capacity for the "association"; or any matter claimed against them solely by reason of their serving in such insured position or capacity. This does not apply to a position or capacity in any entity other than the "association", even if the "association" directed or requested the "insured person" to serve in such other position or capacity.
   b. With respect to the "association", any actual or alleged error, misstatement, misleading statement, neglect or breach of duty, omission or act by the "association".
9. "Wrongful employment practices act" means any actual or alleged:
   a. Wrongful dismissal, discharge or termination of employment;
   b. Breach of any implied employment contract;
   c. Employment-related misrepresentation;
   d. Violation of any federal, state or local statute, regulation, ordinance or common law concerning employment or discrimination in employment;
   e. Sexual harassment (as that term is defined by the Federal Equal Employment Opportunity Commission) or other illegal workplace harassment;
   f. Wrongful failure to employ or promote;
   g. Wrongful reference, discipline or deprivation of a career opportunity;
   h. Failure to adopt adequate workplace or employment policies and procedures; or
   i. Illegal retaliatory treatment.

I. For the purposes of the coverage provided by this endorsement, the definition of "suit" in Paragraph **F. Liability And Medical Expenses Definitions** is replaced by the following:

   "Suit" means a civil proceeding in which damages because of a "wrongful act" to which this insurance applies are alleged. "Suit" includes:
   a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
   b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

 © Insurance Services Office, Inc., 2009

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – LEAD LIABILITY

This endorsement modifies insurance under the following:

BUSINESSOWNER COVERAGE FORM

The following exclusion is added to **Exclusions Applicable to Section II – Liability:**

No coverage is provided under this policy for:

1. actual or alleged "bodily injury" resulting directly or indirectly from the ingestion, inhalation or absorption of lead in any form;
2. actual or alleged "property damage" resulting directly or indirectly from any form of lead;
3. any loss, cost or expense arising out of any request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of lead; or
4. any loss, cost or expense arising out of any claim or "suit" by or on behalf of any governmental authority for damages resulting from testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing or in any way responding to or assessing the effects of lead.

 Includes copyrighted material of Insurance Services Offices, inc. with its permission.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT TO EXCLUSION – EXPECTED OR INTENDED INJURY

This endorsement modifies insurance under the following:

BUSINESSOWNER COVERAGE FORM
MICRO-BUSINESSOWNER COVERAGE FORM

Paragraph B.1.a. in Section II – Liability is replaced with:

a. "Bodily injury" or "property damage" expected or intended from the standpoint of the insured, including if the resulting "bodily injury" or "property damage":
   (1) is different with regard to kind, quality or degree than expected or intended; or
   (2) is incurred by a different person, entity, real property or business personal property than expected or intended.

   However, this exclusion does not apply to "bodily injury" resulting from the use of reasonable force by any insured to protect persons or property.

 Includes copyrighted material of Insurance Services Offices, inc. with its permission.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – VIOLATION OF TRADE OR CONSUMER PROTECTOIN LAWS

This endorsement modifies insurance under the following:

BUSINESSOWNER COVERAGE FORM
MICRO-BUSINESSOWNER COVERAGE FORM

The following exclusion is added to **Exclusions Applicable to Section II – Liability:**

Violation of Trade or Consumer Protection Laws
"Bodily injury" or "property damage" resulting from any violation or alleged violation of any securities, anti-trust, restraint of trade, unfair or deceptive practices, unfair competition or other consumer protection law, including an award for actual or compensatory damages, treble damages or any other multiplier of actual or compensatory damages, fines, penalties and attorney's fees arising out of a violation or alleged violation of the Unfair Trade Practices and Consumer Protection Act.

 Includes copyrighted material of Insurance Services Offices, inc. with its permission.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CLAIM DATA EXPENSE

This endorsement modifies insurance under the following:

BUSINESSOWNER COVERAGE FORM

All coverages applicable to this endorsement are subject to all provisions of the policy, unless specified below.

The following coverage is added to your policy as an Additional Coverage

SCHEDULE

Claim Data Expense Limit of Insurance: $10,000
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

Following a covered loss, we will pay up to the Limit of Insurance shown in the Schedule above, for reasonable expenses incurred by you at our request to assist with the investigation of a claim or "suit". This includes, but is not limited to, documentation to prove the extent of the loss and the cost of preparing statements.

 Includes copyrighted material of Insurance Services Offices, inc. with its permission.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FRANCHISE AGREEMENT – INCREASED COST OF CONSTRUCTION

This endorsement modifies insurance under the following:

BUSINESSOWNER COVERAGE FORM

All coverages applicable to this endorsement are subject to all provisions of the policy, unless specified below.

The following coverage is added to your policy as an Additional Coverage.

SCHEDULE

Franchise Agreement – Increased Cost of Construction Limit of Insurance: $25,000
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

We will pay up to the Limit of Insurance shown in the Schedule above, in any one occurrence for the increased cost to rebuild, repair, or replace Covered Property (building or business personal property) to comply with minimum requirements of a "franchise agreement" in the event of direct physical loss or damage to such Covered Property. This coverage only applies if:

1. building is insured for replacement cost;
2. building or business personal property are rebuilt, repaired or replaced; and
3. the rebuilt, repaired or replaced building or business personal property are intended for similar occupancy/use as the original Covered Property that incurred the direct physical loss or damage.

This coverage does not apply to:

1. Losses covered under any other section of this policy.
2. Required upgrades or improvements under any other existing ordinance or law for which you were legally obligated to comply with before the time of the covered direct physical loss or damage to Covered Property.
3. Coverage provided does not replace and is not in addition to any other applicable Ordinance or Law coverage.

The following definition applies:

1. "Franchise agreement" means a legally binding written agreement that clearly outlines the franchisor's terms and conditions applicable to the franchisee as well as the obligations of the franchisor and franchisee.

 Includes copyrighted material of Insurance Services Offices, inc. with its permission.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ASBESTOS EXCLUSION

This endorsement modifies insurance under the following:

BUSINESSOWNER COVERAGE FORM
MICRO-BUSINESSOWNER COVERAGE FORM

The following exclusion is added to **Exclusions Applicable to Section II - Liability:**

1. "Bodily injury", "property damage" or "personal and advertising injury", arising out of the actual, alleged or threatened or suspected exposure at any time to "asbestos" or "asbestos related dust".
2. Any loss, cost or expense arising out of any request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to or assess the effects of "asbestos" or "asbestos related dust".
3. Any loss, cost or expense arising out of any claim or suit by or on behalf of any governmental authority for damages resulting from testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing or in any way responding to or assessing the effects of "asbestos" or "asbestos related dust".

For the purposes of this endorsement the following definitions are added:

1. "Asbestos" means naturally occurring hydrated fibrous mineral silicates that possess a unique crystalline structure and are incombustible in air, including chrysotile, amosite, crocidolite, tremolite, anthophylite and any material which contains "asbestos".
2. "Asbestos related dust" means a mixture or combination of "asbestos" and other dust or particles.

All other terms and conditions of the policy apply.

 Includes copyrighted material of Insurance Services Offices, inc. with its permission.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PUNITIVE DAMAGES

This endorsement modifies insurance under the following:

BUSINESSOWNER COVERAGE FORM
MICRO-BUSINESSOWNER COVERAGE FORM

The following exclusion is added to **Exclusions Applicable to Section II - Liability:**

This insurance does not apply to any fines, penalties, punitive, exemplary, treble damage or multiplied damages imposed on any insured.

All other terms and conditions of the policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESSOWNER MAXIMUM AGGREGATE LIMITS

This endorsement modifies insurance under the following:

MICRO-BUSINESSOWNER COVERAGE FORM

A. The following provision applies to **Section II – Liability**

a. You and we agree that if a separate Businessowner policy is issued by us, or any company affiliated with us, applies to an "occurrence" to which this Businessowners policy applies, the "maximum aggregate limits" of insurance available to "you" under each of these Businessowner policies shall not exceed the highest per "occurrence" limit of liability under any one of these Businessowner policies.

B. For the purposes of this endorsement, the following has been added to **Section II – Liability F. Definitions**

a. The term "maximum aggregate limits" means the highest amount of liability coverage that is available for an "occurrence" to which the Businessowner policy applies.

 Includes copyrighted material of Insurance Services Offices, inc. with its permission.

DATA RESPONSE, CYBER LIABILITY AND DATA PROTECTION COVERAGE FORM ENDORSEMENT

THIS ENDORSEMENT APPLIES TO YOUR POLICY ONLY IF SHOWN IN THE DECLARATIONS.

INSURING AGREEMENTS I.A. THROUGH I.D. AND I.G. THROUGH I.I. OF THIS COVERAGE FORM ENDORSEMENT PROVIDE COVERAGE ON AN INCIDENT DISCOVERED AND REPORTED BASIS. INSURING AGREEMENTS I.E. INFORMATION SECURITY LIABILITY AND I.F. WEBSITE MEDIA LIABILITY OF THIS COVERAGE FORM ENDORSEMENT PROVIDE COVERAGE ON A CLAIMS MADE AND REPORTED BASIS.

AMOUNTS INCURRED AS CLAIMS EXPENSES, WHICH INCLUDE DEFENSE COSTS, WILL REDUCE AND MAY EXHAUST THE LIMIT OF LIABILITY AND ARE SUBJECT TO THE DEDUCTIBLE. THE COMPANY WILL NOT BE LIABLE FOR ANY CLAIMS EXPENSES OR FOR ANY CLAIM OR LOSS AFTER THE LIMIT OF LIABILITY HAS BEEN EXHAUSTED.

THIS INSURANCE CONSISTS OF THIS DATA RESPONSE, CYBER LIABILITY AND DATA PROTECTION COVERAGE FORM ENDORSEMENT, ITS DECLARATIONS PAGE, THE CANCELLATION AND NON-RENEWAL PROVISIONS OF THE POLICY TO WHICH THIS COVERAGE FORM ENDORSEMENT IS ATTACHED, AND ANY ENDORSEMENTS ATTACHED TO AND MADE A PART OF THIS COVERAGE FORM ENDORSEMENT. READ THIS ENTIRE INSURANCE CAREFULLY TO DETERMINE THE EXTENT OF COVERAGE.

If there are any differences or conflicts between the provisions of this Coverage Form Endorsement and the provisions of the policy to which this Coverage Form Endorsement is attached, the provisions of this Coverage Form Endorsement will apply,

Throughout this insurance the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this insurance. The words "we", "us" and "our" refer collectively to the company providing this insurance and its designated agents. The word "insured" means any person or organization qualifying as such under Clause **III. Who Is An Insured.**

All words and phrases that appear in quotation marks have special meaning applicable to this insurance. Refer to Clause **V. DEFINITIONS.**

In return for the payment of premium, we agree with you:

I. INSURING AGREEMENTS

A. Data Response Services

To pay the costs of the "Data Response Services" described in **I.A.1.** through **I.A.6.** below, incurred by us or incurred by you with our prior written consent because of an "Incident" that first takes place on or after the "Retroactive Date" and before the end of the "Policy Period", is first discovered by an insured during the "Policy Period" or Optional Extended Reporting Period, if applicable, and is reported in writing to us during the "Policy Period", within 30 days thereafter, or during the Optional Extended Reporting Period, if applicable, as provided for in Clause **IX. NOTICE OF "INCIDENT", "CLAIM", OR CIRCUMSTANCE THAT MIGHT LEAD TO A "CLAIM"** of this Coverage Form Endorsement. However, such costs will not include any of your internal salary or overhead expenses.

"Data Response Services" means:

1. Services of a computer security expert to determine the existence and cause of any electronic data breach resulting in an actual or reasonably suspected theft, loss or "Unauthorized Disclosure" of "Personally Identifiable Non-Public Information" which may

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

require you to comply with a "Breach Notice Law" and to determine the extent to which such information was accessed by an unauthorized person or persons;

2. Services of an attorney to determine the applicability of and actions necessary by you to comply with "Breach Notice Laws" due to an actual or reasonably suspected theft, loss or "Unauthorized Disclosure" of "Personally Identifiable Non-Public Information";

3. Provision of notification to:

   a. Individuals who you are required to notify in accordance with applicable "Breach Notice Laws"; and

   b. At our discretion, individuals affected by an "Incident" in which their "Personally Identifiable Non-Public Information" has been subject to theft, loss, or "Unauthorized Disclosure" in a manner which compromises the security or privacy of such individual by posing a significant risk of financial, reputational or other harm to the individual;

4. "Call Center Services" to "Notified Individuals";

5. Offer of a "Consumer Protection Product" to "Notified Individuals" residing in the United States whose "Personally Identifiable Non-Public Information" was compromised or reasonably believed to be compromised as a result of theft, loss or "Unauthorized Disclosure". To be covered, such offer must be provided in a mailed notification communication provided pursuant to paragraph **I.A.3.** above; and

6. "Public Relations and Crisis Management Expenses" provided such expenses are incurred no later than twelve (12) months following the reporting of the "Incident" to us.

B. Privacy Liability

To pay on behalf of the insured, "Damages" and "Claims Expenses", in excess of the "Deductible", which the insured becomes legally obligated to pay because of any "Claim" for "Privacy Liability" caused by an "Incident" that first takes place on or after the "Retroactive Date" and before the end of the "Policy Period", is first discovered by the insured during the "Policy Period" or Optional Extended Reporting Period, if applicable, and is reported in writing to us during the "Policy Period", within 30 days thereafter, or during the Optional Extended Reporting Period, if applicable, as provided for in Clause **IX. NOTICE OF "INCIDENT", "CLAIM", OR CIRCUMSTANCE THAT MIGHT LEAD TO A "CLAIM"** of this Coverage Form Endorsement.

However, this Insuring Agreement **I.B. Privacy Liability** only applies if the applicable conditions set forth in the **Additional Conditions** sub-section below are met.

C. Regulatory Defense and Penalties

To pay on behalf of the insured, "Claims Expenses" and "Penalties", in excess of the "Deductible", which the insured becomes legally obligated to pay because of any "Claim" in the form of a "Regulatory Proceeding" resulting from a violation of a "Privacy Law" and caused by an "Incident" that first takes place on or after the "Retroactive Date" and before the end of the "Policy Period", is first discovered by the insured during the "Policy Period" or Optional Extended Reporting Period, if applicable, and is reported in writing to us during the "Policy Period", within 30 days thereafter, or during the Optional Extended Reporting Period, if applicable, as provided for in Clause **IX. NOTICE OF "INCIDENT", "CLAIM", OR CIRCUMSTANCE THAT MIGHT LEAD TO A "CLAIM"** of this Coverage Form Endorsement.

However, this Insuring Agreement **I.C. Regulatory Defense and Penalties** only applies if the applicable conditions set forth in the **Additional Conditions** sub-section below are met.

D. PCI Fines, Expenses and Costs

To pay on behalf of the insured, "PCI Fines, Expenses and Costs" and "Claim Expenses", in excess of the "Deductible", which the insured becomes legally obligated to pay because of any "Claim" caused by an "Incident" that first takes place on or after the "Retroactive Date" and before the end of the "Policy Period", is first discovered by the insured during the "Policy Period" or Optional Extended Reporting Period, if applicable, and is reported in writing to us during the "Policy Period", within 30 days thereafter, or during the Optional Extended Reporting Period, if applicable, as

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

provided for in Clause **IX. NOTICE OF "INCIDENT", "CLAIM", OR CIRCUMSTANCE THAT MIGHT LEAD TO A "CLAIM"** of this Coverage Form Endorsement.

However, this Insuring Agreement **I.D. PCI Fines, Expenses and Costs** only applies if the applicable conditions set forth in the **Additional Conditions** sub-section below are met.

E. Information Security Liability

To pay on behalf of the insured, "Damages" and "Claims Expenses", in excess of the "Deductible", which the insured becomes legally obligated to pay because of any "Claim" first made against the insured during the "Policy Period" or Optional Extended Reporting Period, if applicable, reported in writing to us during the "Policy Period", within 30 days thereafter, or during the Optional Extended Reporting Period, if applicable, as provided for in Clause **IX. NOTICE OF "INCIDENT", "CLAIM", OR CIRCUMSTANCE THAT MIGHT LEAD TO A "CLAIM"** of this Coverage Form Endorsement, for an "Incident" that directly results from a failure of "Computer Security", provided that such "Incident" first takes place on or after the "Retroactive Date" and before the end of the "Policy Period".

However, this Insuring Agreement **I.E. Information Security Liability** only applies if the applicable conditions set forth in the **Additional Conditions** sub-section below are met.

F. Website Media Liability

To pay on behalf of the insured "Damages" and "Claim Expenses", in excess of the "Deductible", which the insured becomes legally obligated to pay because of any "Claim" first made against the insured during the "Policy Period" or Optional Extended Reporting Period, if applicable, reported in writing to us during the "Policy Period", within 30 days thereafter, or during the Optional Extended Reporting Period, if applicable, as provided for in Clause **IX. NOTICE OF "INCIDENT", "CLAIM", OR CIRCUMSTANCE THAT MIGHT LEAD TO A "CLAIM"** of this Coverage Form Endorsement, for an "Incident" committed in the course of your display of "Media Material" on your web site or on social media web pages created and maintained by or on behalf of you, provided that such "Incident" first takes place on or after the "Retroactive Date" and before the end of the "Policy Period".

However, this Insuring Agreement **I.F. Website Media Liability** only applies if the applicable conditions set forth in the **Additional Conditions** sub-section below are met.

G. Data Protection Loss

To pay "Data Protection Loss", in excess of the "Deductible", that is a direct result of alteration, corruption, destruction, deletion or damage to a "Data Asset" or inability to access a "Data Asset" caused by an "Incident" that directly results from a failure of "Computer Security", provided such "Incident" first takes place on or after the "Retroactive Date" and before the end of the "Policy Period", is first discovered by the insured during the "Policy Period" or Optional Extended Reporting Period, if applicable, and is reported in writing to us during the "Policy Period", within 30 days thereafter, or during the Optional Extended Reporting Period, if applicable, as provided for in Clause **IX. NOTICE OF "INCIDENT", "CLAIM", OR CIRCUMSTANCE THAT MIGHT LEAD TO A "CLAIM"** of this Coverage Form Endorsement.

H. Business Interruption Loss

To pay "Business Interruption Loss", in excess of the "Deductible", that is a direct result of the actual and necessary interruption or suspension of "Computer Systems" caused by an "Incident" that directly results from a failure of "Computer Security", provided such "Incident" first takes place on or after the "Retroactive Date" and before the end of the "Policy Period", is first discovered by an insured during the "Policy Period" or Optional Extended Reporting Period, if applicable, and is reported in writing to us during the "Policy Period", within 30 days thereafter, or during the Optional Extended Reporting Period, if applicable, as provided for in Clause **IX. NOTICE OF "INCIDENT", "CLAIM", OR CIRCUMSTANCE THAT MIGHT LEAD TO A "CLAIM"** of this Coverage Form Endorsement.

I. Extortion Expense

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

To pay "Extortion Expense", in excess of the "Deductible", that is a direct result of an "Incident" that first takes place on or after the "Retroactive Date" and before the end of the "Policy Period", is first discovered by an insured during the "Policy Period" or Optional Extended Reporting Period, if applicable, and is reported in writing to us during the "Policy Period", within 30 days thereafter, or during the Optional Extended Reporting Period, if applicable, as provided for in Clause **IX. NOTICE OF "INCIDENT", "CLAIM", OR CIRCUMSTANCE THAT MIGHT LEAD TO A "CLAIM"** of this Coverage Form Endorsement.

Additional Conditions

Insuring Agreements **I.B. Privacy Liability**, **I.C. Regulatory Defense and Penalties**, and **I.D. PCI Fines, Expenses and Costs** only apply if:

i. You have initiated the "Data Response Services" in accordance with Insuring Agreement **I.A. Data Response Services** above;

ii. The insured reports the "Claim" to us in writing as soon as practicable, as provided for in Clause **IX. NOTICE OF "INCIDENT", "CLAIM", OR CIRCUMSTANCE THAT MIGHT LEAD TO A "CLAIM"** of this Coverage Form Endorsement; and

iii. The insured's responsibility to pay damages is determined in a suit on the merits, or in a "Regulatory Proceeding", in the United States (including its territories and possessions) or Puerto Rico, or in a settlement we agree to.

Insuring Agreements **I.E. Information Security Liability** and **I.F Website Media Liability** only apply if the Insured's responsibility to pay "Damages" is determined in a suit on the merits, in the United States (including its territories and possessions) or Puerto Rico, or in a settlement we agree to.

II. DEFENSE AND SETTLEMENT OF "CLAIMS"

A. We will have the right and duty to defend, subject to all the provisions, terms and conditions of this Coverage Form Endorsement:

1. Any "Claim" against the insured seeking "Damages" which are payable under the terms of this Coverage Form Endorsement;
2. Under Insuring Agreement **I.C. Regulatory Defense and Penalties**, any "Claim" in the form of a "Regulatory Proceeding"; and
3. Under Insuring Agreement **I.D. PCI Fines, Expenses and Costs**, any "Claim" for "PCI Fines, Expenses and Costs".

However, we will have no duty to defend the insured against any "Claim" to which this Coverage Form Endorsement does not apply.

B. Selection of defense counsel shall be made by us. However, if you give us a specific written request at the time a "Claim" is first made, you may ask us to consider the approval of a defense attorney of your choice. We will then consider the request if we deem it appropriate to engage counsel for such "Claim". We will have sole discretion as to whether such requests are granted.

C. The Limit of Liability will be reduced and may be completely exhausted by payment of "Claims Expenses", and "Claims Expenses" will be applied against the "Deductible" payable by you.

III. WHO IS AN INSURED

A. For purposes of this Coverage Form Endorsement, if you are designated in the Declarations as:

1. An individual, you and your spouse are insureds, but only with respect to the conduct of a business in which you are the sole owner.
2. A partnership or joint venture, you are an insured. Your members, partners and their spouses are also insureds, but only with respect to the conduct of your business.
3. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your "Managers" are also insureds, but only with respect to their duties as your "Managers".

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

4. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your executive officers and directors are also insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
5. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as your trustees.

B. Your employees, including temporary and leased workers, are also insureds, but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.

C. Any person who previously qualified as an insured under **III.A.**, or **III.B.** above prior to the termination of the required relationship with you, but only with respect to the performance of his or her duties as such on your behalf, or the conduct of your business;

D. 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 to the extent that such organization qualifies as a Named Insured under the policy to which this Coverage Form Endorsement is attached. However, coverage under this provision does not apply to **Incidents** taking place 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.

IV. EXCLUSIONS

The coverage under this Coverage Form Endorsement does not apply to any "Claim" or "Loss":

A. For, arising out of or resulting from "Bodily Injury" or "Property Damage";

B. For, arising out of or resulting from any employment practices, including but not limited to any actual or alleged refusal to employ any person, termination of employment, demotion, reassignment, discipline, discrimination or harassment, whether such "Claim" is brought by an employee, former employee, applicant for employment, or relative or domestic partner of such person;

C. For, arising out of or resulting from any contractual liability or obligation, or arising out of or resulting from breach of contract or agreement either oral or written; provided this exclusion will not apply to:

1. The extent the insured would have been liable in the absence of such contract or agreement, nor to the coverage provided under Insuring Agreement **I.D. PCI Fines, Expenses and Costs**;
2. With respect to Insuring Agreement **I.B. Privacy Liability**, any obligation of the insured to maintain the confidentiality or security of "Personally Identifiable Non-Public Information"; or
3. With respect to Insuring Agreement **I.F. Website Media Liability,** the misappropriation of ideas under implied contract.

D. For, arising out of or resulting from any actual or alleged antitrust violation, restraint of trade, unfair competition, or false or deceptive or misleading advertising or violation of the Sherman Antitrust Act, the Clayton Act, or the Robinson-Patman Act, as amended;

E. For, arising out of or resulting from:

1. The actual or alleged unlawful collection, acquisition or retention of "Personally Identifiable Non-Public Information" or other personal information by you, on your behalf, or with your consent or cooperation; or the failure to comply with a legal requirement to provide individuals with the ability to assent to or withhold assent (e.g. opt-in or opt-out) from the collection, disclosure or use of "Personally Identifiable Non-Public Information"; or
2. The distribution of unsolicited email, direct mail, or facsimiles, wire tapping, audio or video recording, or telemarketing, if such distribution, wire tapping or recording is done by you or on your behalf;

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

F. For, arising out of or resulting from any "Incident" occurring prior to the effective date of this Coverage Form Endorsement:

1. If any member of the "Control Group" on or before the effective date of this Coverage Form Endorsement knew or could have reasonably foreseen that such "Incident" might be expected to be the basis of a "Claim" or "Loss"; or

2. If any insured has given notice of an "Incident" or notice of a circumstance which might lead to a "Claim", to the insurer of any other policy in force prior to the effective date of this Coverage Form Endorsement;

G. For, arising out of or resulting from any "Incident" that occurred prior to the "Retroactive Date";

H. For, arising out of or resulting from any actual or alleged violation of:

1. The Organized Crime Control Act of 1970 (commonly known as Racketeer Influenced and Corrupt Organizations Act or RICO), as amended;

2. Any securities law, regulation or legislation;

3. The Fair Labor Standards Act of 1938, the National Labor Relations Act, the Worker Adjustment and Retraining Act of 1988, the Certified Omnibus Budget Reconciliation Act of 1985, the Occupational Safety and Health Act of 1970, each as amended;

or any law or legislation similar to the above;

I. For, arising out of or resulting from any criminal, dishonest, fraudulent, or malicious act, error or omission, any intentional "Incident", or any intentional or knowing violation of the law, if committed by any present or former member of the "Control Group", or by others if any present or former member of the "Control Group" colluded or participated in any such conduct or activity;

J. For, arising out of or resulting from any actual or alleged:

1. Infringement of patent or patent rights or misuse or abuse of patent;

2. Infringement of copyright, except as provided by Insuring Agreement **I.F. Website Media Liability**;

3. Disclosure, misuse or misappropriation of any "Personally Identifiable Non-Public Information" or other confidential information that came into the possession of any person or entity prior to the date the person or entity became your employee, officer, director, "Manager", principal, partner or subsidiary; or

4. Under Insuring Agreement **I.E. Information Security Liability**, theft of or "Unauthorized Disclosure" of your "Data Asset";

K. Arising out of or resulting from:

1. The actual or alleged obligation to make licensing fee or royalty payments;

2. Any costs or expenses incurred or to be incurred by the insured or others for the reprinting, reposting, recall, removal or disposal of any "Media Material" or any other information, content or media, including any media or products containing such "Media Material", information, content or media.;

3. Any "Claim" brought by or on behalf of any intellectual property licensing bodies or organizations;

4. The actual or alleged inaccurate, inadequate or incomplete description of the price of goods, products or services, cost guarantees, cost representations, or contract price estimates; the authenticity of any goods, products or services; or the failure of any goods or services to conform with any represented quality or performance;

5. Any actual gambling, contest, lottery, promotional game or other game of chance; or

6. Any "Claim" made by or on behalf of any independent contractor, joint venture or venture partner arising out of or resulting from disputes over ownership of rights in "Medial Material" or services provided by such independent contractor, joint venture or venture partner;

L. For, arising out of or resulting from a "Claim" by or on behalf of one or more insureds under this insurance against any other insured or insureds under this insurance, or by your parent or affiliated organizations; provided this exclusion will not apply to an otherwise covered "Claim" under Insuring Agreement **I.B. Privacy Liability** made by your current or former employee;

M. For, arising out of or resulting from:

1. Any "Claim" made by any business enterprise in which any insured has greater than a fifteen percent (15%) ownership interest; or
2. The insured's activities as a trustee, partner, member, "Manager", officer, director or employee of any employee trust, charitable organization, corporation, company or business other than you;

N. For, arising out of or resulting from any of the following: (1) trading losses, trading liabilities or change in value of accounts; any loss, transfer or theft of monies, securities or tangible property of others in your care, custody or control; (2) the monetary value of any transactions or electronic fund transfers by or on behalf of the insured which is lost, diminished, or damaged during transfer from, into or between accounts; or (3) the value of coupons, price discounts, prizes, awards, or any other valuable consideration given in excess of the total contracted or expected amount;

O. For, arising out of or resulting from the distribution, exhibition, performance, publication, display or broadcasting of content or material in broadcasts, publications, or advertising ,except as provided in Insuring Agreement **I.F. Website Media Liability**;

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

Q. For, arising out of or resulting from:

1. Asbestos, or any materials containing asbestos in whatever form or quantity;
2. The actual, alleged or threatened discharge, dispersal, release or escape of Pollutants; or any governmental, judicial or regulatory directive or request that the insured or anyone acting under the direction or control of the insured test for, monitor, clean up, remove, contain, treat, detoxify or neutralize Pollutants. Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant including gas, acids, alkalis, chemicals, heat, smoke, vapor, soot, fumes or waste. Waste includes but is not limited to materials to be recycled, reconditioned or reclaimed;
3. Radioactive contamination, nuclear radiation, nuclear reaction or the detonation of any nuclear device;

R. For, arising out of or resulting from any "Incident" occurring after you file for or are placed in any bankruptcy, receivership, liquidation or reorganization proceeding;

S. Except as provided in Insuring Agreement **I.G. Data Protection Loss**, for any costs to correct any defect or deficiency in "Computer Systems" or to correct or restore data in "Computer Systems". This includes, but is not limited to, costs related to data security, data storage or physical security and procedures;

T. Arising out of or resulting from any seizure, nationalization, confiscation, or destruction of "Computer Systems" or "Data Assets" by order of any governmental or public authority;

U. For "Data Protection Loss" and "Business Interruption Loss" arising out of or resulting from:

1. Any failure or malfunction of electrical or telecommunications infrastructure or services, including the internet, provided that this exclusion shall not apply to any otherwise covered "Claim" or "Loss" arising out of failure of "Computer Security" that was solely caused by a failure of malfunction of telecommunications infrastructure or services under the insured's direct operational control;

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

2. Arising out of or resulting from fire, flood, earthquake, volcanic eruption, explosion, lightning, wind, hail, tidal wave, landslide, act of God or other physical event;

3. Arising out of or resulting from satellite failure;

V. For "Extortion Expense" arising out of or resulting from any threat to physically harm or kidnap a person;

W. For "Extortion Expense" arising out of or resulting from any threat to harm, take or transfer property other than any "Data Asset", even if such threat is made in conjunction with a threat to a "Data Asset", or by carrying out such threat a "Data Asset" may be damaged, corrupted, altered, taken, disseminated or transferred.

V. DEFINITIONS

A. "Bodily Injury" means physical injury, sickness, disease or death of any person, including any mental anguish or emotional distress resulting therefrom.

B. "Breach Notice Law" means any United States federal, state, or territorial statute or regulation that requires notice to persons whose "Personally Identifiable Non-Public Information" was accessed or reasonably may have been accessed by an unauthorized person.

C. "Business Interruption Loss" means the total of the following incurred by you during the "Period of Restoration":

1. Net income (net profit or loss before income taxes) that would have been earned or incurred;

2. Continuing normal operating expenses incurred, including payroll;

3. Additional reasonable and necessary expenses that would not have been incurred had there been no interruption or suspension of "Computer Systems";

4. Reasonable and necessary expenses to investigate the source or cause of failure of "Computer Systems" to prevent an "Incident"; and

5. "Public Relations and Crisis Management Expenses" provided such expenses are incurred no later than twelve (12) months following the reporting of the "Incident" to us.

D. "Call Center Services" means coverage for a call center to answer calls during standard business hours for a period of 90 days (or longer if required by applicable law or regulation) following the issuance of the notification services described in Insuring Agreement **I.A. Data Response Services,** paragraph **3.** Such notification communication will include a toll free telephone number that connects to the call center during standard business hours. Call center employees will answer questions about the "Incident" from "Notified Individuals" and will provide information required by a Health Insurance Portability and Accountability Act ("HIPAA")/Health Information Technology for Economic and Clinical Health Act ("HITECH") media notice or by other applicable law or regulation.

E. "Claim" means:

1. A written demand received by any insured for money or services, including the service of a suit or institution of arbitration proceedings;

2. With respect to coverage provided under Insuring Agreement **I.C. Regulatory Defenses and Penalties** only, institution of a "Regulatory Proceeding" against any insured; and

3. A written request or agreement to toll or waive a statute of limitations relating to a potential demand for money or services.

Multiple "Claims" arising from the same "Incident" will be considered a single "Claim", irrespective of the number of claimants or insureds involved in the "Claim". All such "Claims" will be deemed to have been made at the time of the first such "Claim".

F. "Claims Expenses" means:

1. Reasonable and necessary fees charged by an attorney designated by us;

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

2. All other legal costs and expenses resulting from the investigation, adjustment, defense and appeal of a "Claim", suit, or proceeding arising in connection therewith, or circumstance which might lead to a "Claim", if incurred by us, or by the insured with our prior written consent; and

3. The premium cost for appeal bonds for covered judgments or bonds to release property used to secure a legal obligation, if required in any "Claim" against an insured; provided we will have no obligation to appeal or to obtain bonds.

"Claims Expenses" do not include any salary, overhead, or other charges by the insured for any time spent in cooperating in the defense and investigation of any "Claim", "Incident", or circumstance that might lead to a "Claim" notified under this Coverage Form Endorsement, or costs to comply with any regulatory orders, settlements or judgments.

G. "Computer Security" means software, computer or network hardware devices, as well as your written information security policies and procedures, the function or purpose of which is to prevent "Unauthorized Access or Use", a "Denial of Service Attack" against "Computer Systems", infection of "Computer Systems" by "Malicious Code" or transmission of "Malicious Code" from "Computer Systems". "Computer Security" includes anti-virus and intrusion detection software, firewalls and electronic systems that provide access control to "Computer Systems" through the use of passwords, biometric or similar identification of authorized users.

H. "Computer Systems" means computers and associated input and output devices, data storage devices, networking equipment, and back up facilities:

1. Operated by, and either owned by or leased to, you; or

2. Operated by a third party service provider and used for the purpose of providing hosted computer application services to you or for processing, maintaining, hosting or storing your electronic data, pursuant to written contract with you for such services.

I. "Consumer Protection Product" means a credit monitoring, identity theft prevention or identity theft resolution product that may provide, as appropriate given the nature of the "Incident", credit and/or internet monitoring and the following services to "Notified Individuals" who subscribe to the "Consumer Protection Product":

1. Access to their credit report from one of the three credit bureaus at the time of enrollment;

2. ID theft insurance for certain expenses resulting from identity theft;

3. Notification of a critical change to their credit that may indicate fraud (such as an address change, new credit inquiry, new account opening, posting of negative credit information such as late payments, and public record posting);

4. Fraud detection alerts that may include account takeover, medical identity theft and other forms or fraud; and

5. Fraud resolution services if they become victims of identity theft as a result of the "Incident" for which notification services described in Insuring Agreement **I.A. Data Response Services,** paragraph **3.** are provided.

Each "Notified Individual" will have a period of up to 60 days from the mailing of the notification to enroll, and the "Consumer Protection Product" will be available for 12 months, or, longer period, if required by applicable law, following the individual's enrollment. To be eligible, the individual must be an adult U.S. citizen, must verify their identity, have a credit file on record, complete the enrollment process, and must agree to the terms of service of the "Consumer Protection Product".

If the "Consumer Protection Product" becomes commercially unavailable, it will be substituted with a similar commercial product that provides individual credit monitoring for potential identity theft.

J. "Control Group" means the following individuals: (1) you if you are an individual; (2) your partners if you are a partnership or joint venture; (3) your "Managers" if you are a limited liability company; (4) your executive officers and directors if you are an organization other than a partnership, joint

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

venture or limited liability company; (5) your trustees if you are a trust; (6) any individual in a substantially similar position as those referenced above, or with substantially similar responsibilities as those referenced above, irrespective of the exact title of such individual; and (7) any individual who previously held any of the above referenced positions.

K. "Damages" means a monetary judgment, award or settlement; provided that the term "Damages" will not include or mean:

1. Restitution, disgorgement of unjust enrichment or profits, including future profits, by an insured, or the costs of complying with orders granting injunctive or equitable relief;
2. Any damages which are a multiple of compensatory damages, fines, taxes or loss of tax benefits, sanctions or penalties;
3. Punitive or exemplary damages, unless insurable by law;
4. Discounts, coupons, prizes, awards or other incentives offered to the insured's customers or clients;
5. Liquidated damages;
6. Any amounts for which the insured is not liable, or for which there is no legal recourse against the insured; or
7. Fines, costs or other amounts which an insured is responsible to pay under a "Merchant Services Agreement".

L. "Data Asset" means any software or electronic data that exists in "Computer Systems" or "Third Party Computer Systems" and that is subject to regular back up procedures, including computer programs, applications, account information, customer information, private or personal information, marketing information, financial information and any other information maintained by you or a third party in its ordinary course of business.

M. "Data Protection Loss" means

1. With respect to any "Data Asset" that is altered, corrupted, destroyed, deleted or damaged, the actual reasonable and necessary costs and expenses incurred by the insured to restore a "Data Asset" from back-ups or from originals or to gather, assemble and recollect such "Data Asset" from other sources to the level or condition in which it existed immediately prior to its alteration, corruption, destruction, deletion or damage; or
2. With respect to any "Data Asset" that the insured is unable to access, the lessor of the actual, reasonable and necessary costs and expenses incurred by the insured to:
   a. Regain access to such "Data Asset"; or
   b. Restore such "Data Asset" from back-ups or originals or gather, assemble and recollect such "Data Asset" from other sources, to the level or condition in which it existed immediately prior to the insured's inability to access it;

Provided that if such "Data Asset" cannot reasonable be accessed, restored, gathered, assembled or recollected, then "Data Protection Loss" means the actual, reasonable and necessary costs and expenses incurred by the insured to reach this determination.

Provided further that "Data Protection Loss" shall not exceed, and shall not mean, any amount in excess of the amount by which the net profit before income taxes of the insured would have decreased had the insured failed to restore, gather, assemble or recollect as set forth in sub-paragraphs. **M.1.** and **M.2.** above.

"Data Protection Loss" shall not mean:

1. Costs or expenses incurred by the insured to identify or remediate software program errors or vulnerabilities or update, replace, restore, gather, assemble, reproduce, recollect or enhance a "Data Asset" or "Computer Systems" to a level beyond that which existed prior to the alteration, corruption, destruction deletion or damage of such "Data Asset";

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

2. Costs or expenses to research or develop any "Data Asset", including but not limited to trade secrets or other proprietary information;

3. The monetary value of profits, royalties, or lost market share related to a "Data Asset", including but not limited to trade secrets or other proprietary information or any other amount pertaining to the value of the "Data Asset";

4. "Loss" arising out of any liability to any third party for whatever reason; or

5. "Claims Expenses".

N. "Data Response Services" means the services described in paragraphs **1.** through **6.** of Insuring Agreement **I.A. Data Response Services.**

O. "Deductible" means the deductible set forth in the section of the Declarations applicable to this Coverage Form Endorsement.

P. "Denial of Service Attack" means an attack intended by the perpetrator to overwhelm the capacity of a "Computer System" or "Third Party Computer System" by sending an excessive volume of electronic data to such "Computer System" or "Third Party Computer System" in order to prevent authorized access to such "Computer System" or "Third Party Computer System".

Q. "Extortion Expense" means the total of the following incurred by you, with our prior written consent:

1. Reasonable and necessary expenses to investigate a threat described in Definition **R.5.**

2. Reasonable and necessary expenses to negotiate with the person or organization responsible for the threat described in Definition **R.5.**;

3. Any payments, including Bitcoin payments or other cryptocurrency, to the person or organization responsible for the threat described in Definition **R.5.** for the purpose of eliminating such threat; and

4. "Public Relations and Crisis Management Expenses" provided such expenses are incurred no later than twelve (12) months following the reporting of the "Incident" to us.

R. "Incident" means:

1. With respect to Insuring Agreements **I.A.** through **I.D.**, actual or reasonably suspected theft, loss or "Unauthorized Disclosure" of "Personally Identifiable Non-Public Information" that is in the care, custody or control of you, or a third party for whose theft, loss or "Unauthorized Disclosure" of "Personally Identifiable Non-Public Information" you are legally liable. (A third party will include a Business Associate as defined by the Health Insurance Portability and Accountability Act ("HIPAA").)

2. With respect to Insuring Agreement **I.E. Information Security Liability**:

   a. The alteration, corruption, destruction, deletion, or damage to a "Data Asset" stored on "Third Party Computer Systems";

   b. The transmission of "Maliciou s Code" from "Computer Systems" to "Third Party Computer Systems"; or

   c. The participation by your "Computer System" in a "Denial of Service Attack" directed against a "Third Party Computer System";

   whether any of the foregoing is a specifically targeted attack or a generally distributed attack.

3. With respect to Insuring Agreement **I.F. Website Media Liability** any of the following acts committed in the course of your display of "Media Material":

   a. Defamation, libel, slander, or trade libel;

   b. A violation of a person's right of privacy;

   c. Invasion or interference with an individual's right of publicity;

   d. Plagiarism, piracy, misappropriation of idea under implied contract; or

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

e. Infringement of copyright; domain name, trademark, trade name, trade dress, logo, title, or slogan, service mark, or service name.

4. With respect to Insuring Agreement **I.G. Data Protection Loss** and **I.H. Business Interruption Loss**:

   a. Actual or reasonably suspected "Unauthorized Access or Use" of "Computer Systems";

   b. Actual or reasonably suspected infection of "Computer Systems" by "Malicious Code"; or

   c. Actual or reasonably suspected "Denial of Service Attack" directed against "Computer Systems";

   whether any of the foregoing is a specifically targeted attack or a generally distributed attack.

5. With respect to Insuring Agreement **I.I. Extortion Expenses**, a monetary demand made against you based on a threat of:

   a. "Unauthorized Access or Use" of "Computer Systems";

   b. Infection of "Computer Systems" by "Malicious Code"; or

   c. A "Denial of Service Attack" directed against "Computer Systems";

   whether any of the foregoing is a specifically targeted attack or a generally distributed attack.

Multiple "Incidents" arising from the same or a series of related or repeated acts, errors, or omissions, or from any continuing acts, errors, omissions, will be considered a single "Incident", irrespective of the number of claimants or insureds involved in the "Claim" or "Loss". All such "Incidents" will be deemed to have taken place at the time of the first such "Incident" and deemed to have been discovered at the time the first such "Incident" is discovered.

S. "Loss" means, collectively, "Data Response Services" costs, "Damages", "Penalties", "PCI Fines, Expenses and Costs", "Claims Expenses", "Data Protection Loss", "Business Interruption Loss", and "Extortion Expense".

T. "Malicious Code" means any virus, Trojan Horse, worm or any other similar software program, code or script intentionally designed to insert itself into computer memory or onto a computer disk and spread itself from one computer to another.

U. "Manager" means a manager of a limited liability company.

V. "Merchant Services Agreement" means any agreement between you and a financial institution, credit/debit card company, credit/debit card processor or independent service operator enabling an insured to accept credit card, debit card, prepaid card, or other payment cards for payments or donations.

W. "Media Material" means any information in electronic form including words, sounds, numbers, images, or graphics and shall include advertising, video, streaming content, web-casting, online forum, bulletin board and chat room content, but does not mean computer software or the actual goods, products or services described, illustrated or displayed in such information

X. "Notified Individual" means an individual person to whom notice is given or attempted to be given, as described in Insuring Agreement **I.A. Data Response Services,** paragraph **3.**

Y. "PCI Fines, Expenses and Costs" means the direct monetary fines, penalties, reimbursements, or assessments owed by you under the terms of a "Merchant Services Agreement", but only where such fines, penalties, reimbursements, or assessments are insurable under law and result both from your actual or alleged noncompliance with published PCI Data Security Standards and from an "Incident". However, "PCI Fines, Expenses and Costs" will not include or mean any charge backs, interchange fees, discount fees or prospective service fees.

Z. "Penalties" means:

1. Any civil fine or money penalty payable to a governmental entity that was imposed in a "Regulatory Proceeding" by the Federal Trade Commission, Federal Communications Commission, or any other United States federal, state, local or territorial governmental entity; and

2. Amounts which the insured is legally obligated to deposit in a fund as equitable relief for the payment of consumer claims due to an adverse judgment or settlement of a "Regulatory Proceeding" (including such amounts required to be paid into a Consumer Redress Fund); but will not include payments to charitable organizations or disposition of such funds other than for payment of consumer claims for losses caused by an "Incident";

but will not mean (a) costs to remediate or improve "Computer Systems", (b) costs to establish, implement, maintain, improve or remediate security or privacy practices, procedures, programs or policies, (c) audit, assessment, compliance or reporting costs, or (d) costs to protect the confidentiality, integrity and/or security of "Personally Identifiable Non-Public Information" from theft, loss or disclosure, even if it is in response to a "Regulatory Proceeding" or investigation.

AA. "Period of Restoration" means the period of time that begins at the time that the actual and necessary interruption or suspension of "Computer Systems" begins and ends at the earliest of:

1. The time that the actual and necessary interruption or suspension of "Computer Systems" ends;
2. The time that the actual and necessary interruption or suspension of "Computer Systems" would have ended had the insured acted with due diligence and dispatch; or
3. 60 days after the "Period of Restoration" begins.

BB. "Personally Identifiable Non-Public Information" means:

1. Information concerning the individual that constitutes "nonpublic personal information" as defined in the Gramm-Leach Bliley Act of 1999 ("GLBA"), as amended, and regulations issued pursuant to GLBA;
2. Medical or heath care information concerning the individual, including "protected health information" as defined in the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), as amended, and regulations issued pursuant to HIPAA;
3. Information concerning the individual that is defined as private personal information under a "Breach Notice Law"; or
4. The individual's driver's license or state identification number; social security number; unpublished telephone number; and credit, debit or other financial account numbers if in combination with associated security codes, access codes, passwords or pins;

if such information allows an individual to be uniquely and reliably identified or contacted or allows access to the individual's financial account or medical record information. However, "Personally Identifiable Non-Public Information" does not include publicly available information that is lawfully made available to the general public from government records.

CC. "Policy Period" means the period commencing on the date shown in the section of the Declarations applicable to this Coverage Form Endorsement as the Coverage Form Endorsement effective date and ending on the earlier of the cancellation date or the date shown in the section of the Declarations applicable to this Coverage Form Endorsement as the Coverage Form Endorsement expiration date.

DD. "Privacy Law" means any United States federal, state or territorial statute or regulation requiring you to protect the confidentiality and/or security of "Personally Identifiable Non-Public Information".

EE. "Privacy Liability" includes a violation of a "Privacy Law" or a "Breach Notice Law". "Privacy Liability" will also include failure to comply with that part of a privacy policy that specifically:

1. Prohibits or restricts your disclosure, sharing or selling of a person's "Personally Identifiable Non-Public Information";
2. Requires you to provide access to "Personally Identifiable Non-Public Information" or to correct incomplete or inaccurate "Personally Identifiable Non-Public Information" after a request is made by a person; or

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

3. Mandates procedures and requirements to prevent the loss of "Personally Identifiable Non-Public Information";

provided you must, at the time of the "Incident", have in force a privacy policy that addresses those subsections above that are relevant to the "Claim".

FF. "Property Damage" means physical injury to or destruction of any tangible property, including the loss of use thereof.

GG. "Public Relations and Crisis Management Expenses" means costs agreed in advance by us which are directly related to mitigating harm to your reputation as a result of an "Incident" or to mitigating potential "Loss" covered by Insuring Agreement **I.A. Data Response Services**, **I.H. Business Interruption Loss**, or **I.I. Extortion Expense.**

HH. "Regulatory Proceeding" means a request for information, civil investigative demand, or civil proceeding commenced by service of a complaint or similar proceeding brought by or on behalf of the Federal Trade Commission, Federal Communications Commission, or any United States federal, state, local or territorial governmental entity.

II. "Retroactive Date" means the date specified in the section of the Declarations applicable to this Coverage Form Endorsement.

JJ. "Third Party Computer Systems" means any computer systems that are not owned, operated or controlled by an "Insured"; but does not include computer systems of a third party on which an insured performs services. Computer systems include associated input and output devices, data storage devices, networking equipment, and back up facilities.

KK. "Unauthorized Access or Use" means the gaining of access to or use of "Computer Systems" by an unauthorized person or persons or the use of "Computer Systems" in an unauthorized manner.

LL. "Unauthorized Disclosure" means the disclosure of or access to information in a manner that is not authorized by you.

VI. LIMITS OF LIABILITY

A. The Coverage Form Aggregate Limit of Liability set forth in the section of the Declarations applicable to this Coverage Form Endorsement is our combined total limit of liability for all "Loss" payable under this Coverage Form Endorsement. The "Coverage Form Aggregate Limit of Liability" is in addition to the overall Limits of Insurance provided under the policy to which this Coverage Form Endorsement is attached.

B. Subject to **VI.A.** above, the "PCI Fines, Expenses and Costs" Sublimit stated in Declarations applicable to this Coverage Form Endorsement is our total limit of liability for all "PCI Fines, Expenses and Costs" and "Claims Expenses" payable under this Coverage Form Endorsement.

C. Subject to **VI.A.** above, the Website Media Liability Sublimit stated in Declarations applicable to this Coverage Form Endorsement is our total limit of liability for all "Damages" and "Claim Expenses" arising out of the Website Media Liability Coverage payable under this Coverage Form Endorsement

D. Subject to **VI.A.** above, the "Data Protection Loss" Sublimit stated in Declarations applicable to this Coverage Form Endorsement is our total limit of liability for all "Data Protection Loss" payable under this Coverage Form Endorsement,

E. Subject to **VI.A.** above, the "Business Interruption Loss" Sublimit stated in Declarations applicable to this Coverage Form Endorsement is our total limit of liability for all "Business Interruption Loss" payable under this Coverage Form Endorsement.

F. Subject to **VI.A.** above, the "Extortion Expense" Sublimit stated in Declarations applicable to this Coverage Form Endorsement is our total limit of liability for all "Extortion Expense" payable under this Coverage Form Endorsement.

G. We will not be obligated to pay any "Loss", or to undertake or continue defense of any suit or proceeding, after the applicable Sublimit of Insurance or the Coverage Form Aggregate Limit of

Liability set forth in the section of the Declarations applicable to this Coverage Form Endorsement has been exhausted by payment of "Loss", or after deposit of the remaining applicable Sublimit of Insurance or Coverage Form Aggregate Limit of Liability in a court of competent jurisdiction. Upon such payment, we will have the right to withdraw from the further defense of any "Claim" under this Coverage Form Endorsement by tendering control of said defense to the "Insured".

H. Neither the inclusion of more than one insured under this Coverage Form Endorsement, nor the making of "Claims" by more than one person or entity, will increase the limits of liability payable under this Coverage Form Endorsement.

VII. DEDUCTIBLE

A. The "Deductible" set forth in the section of the Declarations applicable to this Coverage Form Endorsement applies separately to each "Incident", except that no "Deductible" will apply to Insuring Agreement **I.A. Data Response Services**. The "Deductible" will be satisfied by monetary payments by you for "Loss".

B.. However, with respect to an "Incident" involving Insuring Agreement **I.H. Business Interruption Loss**, the "Deductible" is equal to the greater of:

1. The amount set forth in the section of the Declarations applicable to this Coverage Form Endorsement ; or
2. The amount of "Business Interruption Loss" incurred during the first 12 hours of the "Period of Restoration".

C. We will be liable only for the amounts in excess of the "Deductible" subject to Clause **VI. Limits of Liability** of this Coverage Form Endorsement. You will be responsible for all payments within the "Deductible".

D. With respect to Insuring Agreements **I.B. Privacy Liability, I.C. Regulatory Defense and Penalties, I.D. PCI Fines, Expenses and Costs, I.E. Information Security Liability, and I.F. Website Media Liability,** we may pay any part or all of the "Deductible" to effect settlement of any "Claim" and, upon notification of the action taken, you shall promptly reimburse us for such part of the "Deductible" as had been paid by us.

E. With respect to Insuring Agreements **I.G. Data Protection Loss, I.H. Business Interruption Loss** and **I.I. Extortion Expense,** if the adjusted amount of the "Loss" is less than or equal to the "Deductible", we will not pay for that "Loss". If the adjusted amount of the "Loss" exceeds the "Deductible", we will then subtract the "Deductible" from the adjusted amount of "Loss" and will pay the resulting amount or the Limits of Liability, whichever is less.

F. The terms of this insurance, including Clause **II. Defense and Settlement of Claims,** Clause **IX. Notice of "Incident", "Claim" or Circumstances that Might lead to a "Claim",** and Clause **X. Assistance and Cooperation**, apply irrespective of the application of the "Deductible".

VIII. OPTIONAL EXTENDED REPORTING PERIOD

A. In the event of the termination of this Coverage Form Endorsement for any reason except the non-payment of premium, you will have the right, in exchange for payment of an additional premium, to have issued an endorsement providing an Optional Extended Reporting Period of up to 12 months for:

1. "Incidents" first discovered by any insured and reported to us during the Optional Extended Reporting Period, with respect to all Insuring Agreements other than **I.E. Information Security Liability** and **I.F. Website Media Liability** provided that the "Incident" occurred on or after the "Retroactive Date" and before the end of the "Policy Period", subject to the conditions set forth herein.
2. "Claims" first made against any insured and reported to us during the Optional Extended Reporting Period, with respect to Insuring Agreements **I.E. Information Security Liability** and **I. F. Website Media Liability,** and arising out of any "Incident" occurring on or after the "Retroactive Date" and before the end of the "Policy Period", subject to the conditions set forth herein.

In order for you to invoke the Optional Extended Reporting Period option, the payment of the additional premium for the Optional Extended Reporting Period must be paid to us within 60 days of the termination of this insurance. If notice of election of the Optional Extended Reporting Period and full premium payment is not given to us within such 30 day period, there will be no right to purchase the Optional Extended Reporting Period.

B. The Limits of Liability for the Optional Extended Reporting Period will be part of, and not in addition to, the Limits of Liability for the "Policy Period", and the exercise of the Optional Extended Reporting Period will not in any way increase the Limits of Liability as set forth in the section of the Declarations applicable to this Coverage Form Endorsement of the Declarations.

C. The additional premium for a 12 month Optional Extended Reporting Period will be 100 percent (100%) of the premium charged for the last "Policy Period". Once that premium is paid, the Optional Extended Reporting Period may not be cancelled, and the entire premium will be fully earned.

IX. NOTICE OF "INCIDENT", "CLAIM", OR CIRCUMSTANCE THAT MIGHT LEAD TO A "CLAIM"

A. With respect to all Insuring Agreements other than **I.E. Information Security Liability** and **I. F. Website Media Liability**, the insured will forward as soon as practicable to us written notice of the "Incident", including the specific details of the "Incident" and the date discovered. In no event will such notice to us be later than the end of the "Policy Period" or 30 days thereafter or as otherwise provided for in Clause **VIII. Optional Extended Reporting Period** of this Coverage Form Endorsement. If an insured first discovers an "Incident" through a "Claim" under **Insuring Agreements I.B. Privacy Liability**, **I.C. Regulatory Defense and Penalties** or **I.D. PCI Fines, Expenses and Costs**, written notice of such "Claim" to us in accordance with **IX.B.** below will be deemed written notice of such "Incident" to us.

B. With respect to Insuring Agreements **I.B.** through **I.F.**, if any "Claim" is made against the insured, the insured will forward as soon as practicable to us written notice of such "Claim" together with every demand, notice, summons or other process received by the insured or the insured's representative.

With respect to Insuring Agreements **I.E. Information Security Liability** and **I.F. Website Media Liability** in no event will such notice to us be later than the end of the "Policy Period", 30 days thereafter, or as otherwise provided for in Clause **VIII. Optional Extended Reporting Period** of this Coverage Form Endorsement.

C. With respect to Insuring Agreements **I.E Information Security Liability** and **I.F. Website Media Liability** if during the "Policy Period", the insured first becomes aware of any circumstance that could reasonably be the basis for a "Claim", the insured may give written notice to us as soon as practicable during the "Policy Period" or 30 days thereafter. Such a notice must include:

1. The specific details of the "Incident" that could reasonably be the basis for a "Claim";
2. The loss which may result or has resulted from the circumstance; and
3. The facts by which the insured first became aware of the "Incident".

Any subsequent "Claim" made against the insured arising out of such circumstance which is the subject of the written notice will be deemed to have been made at the earlier of the time written notice complying with the above requirements was first given to us or the last day of the policy period.

D. An "Incident", "Claim" or circumstance under paragraph **IX. A. B.** or **C.** above will be considered to be reported to us when written notice thereof is first received by us.

X. ASSISTANCE AND COOPERATION

A. We will have the right to make any investigation we deem necessary, and the insured will cooperate with us in all investigations. The insured will execute or cause to be executed all papers and render all assistance as we request. The insured agrees not to take any action which in any way increases our exposure under this Coverage Form Endorsement.

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

B. Upon our request, the insured will assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the insured because of "Incidents" with respect to which insurance is afforded under this Coverage Form Endorsement; and the insured will attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses.

C. In connection with the "Data Response Services" covered under Insuring Agreement **I.A. Data Response Services**, the insured must assist and cooperate with us and any third parties assisting with the provision of "Data Response Services". Such assistance and cooperation will include, without limitation, responding to requests and inquiries in a timely manner and entering into contracts required for the provision of "Data Response Services".

D. In connection with the "Extortion Expense" covered under Insuring Agreement **I.I. Extortion Expense**, you will notify local police or other responsible law enforcement authorities of an "Incident" or will allow us to provide such notification. Further, all insureds will use their best efforts to ensure that knowledge of the existence of the "Extortion Expense" coverage is kept confidential.

E. The insured will not admit liability, make any payment, assume any obligations, incur any expense, enter into any settlement, stipulate to any judgment or award or dispose of any "Claim" without our written consent. Compliance with a "Breach Notice Law" will not be considered as an admission of liability for purposes of this Clause **X.E.**

XI. CONDITIONS

A. Bankruptcy

Subject to Clause **IV., EXCLUSIONS, R.**, bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Form Endorsement.

B. Changes

This Coverage Form Endorsement, the Policy's Declarations, and the cancellation and non-renewal provisions of the policy to which this Coverage Form Endorsement is attached contain all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this insurance with our consent. This insurance's terms can be amended or waived only by endorsement issued by us and made a part of this Coverage Form Endorsement.

C. Examination Of Your Books And Records

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

D. Legal Action Against Us

No person or organization has a right under this Coverage Form Endorsement:

1. To join us as a party or otherwise bring us into a suit asking for loss from an insured; or
2. To sue us on this Coverage Form Endorsement unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for loss that are not payable under the terms of this Coverage Form 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, the insured and the claimant or the claimant's legal representative.

E. Mergers Or Consolidations

If during the "Policy Period" you consolidate or merge with or are acquired by another entity, or sell all or substantially all of your assets to any other entity, then this Coverage Form Endorsement will remain in full force and effect, but only with respect to an "Incident" that occurs prior to the date of the consolidation, merger, acquisition or sale.

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

F. Other Insurance

If other valid and collectible insurance is available to the insured for "Loss" covered under this insurance, our obligations are as set forth in the paragraphs below:

1. For all coverages except Insuring Agreement **I.F. Website Media Liability**, this insurance is primary insurance. Our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance as follows: If all of the other primary insurance permits contribution by equal shares, we will follow this method also. Under this method, each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first. If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

2. For Insuring Agreement **I.F. Website Media Liability**, this insurance is excess over any other valid and collectible insurance available, including any deductible, whether such insurance is stated to be primary, pro rata, contributory, excess, contingent or otherwise, unless such insurance specifically applies as excess insurance over the insurance provided under this endorsement.

G. Premiums

The first Named Insured shown in the Declarations:

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

H. Representations

By accepting this Coverage Form Endorsement, you agree:

1. The statements in the Declarations are accurate and complete;
2. Those statements are based upon representations you made to us; and
3. We have issued this Coverage Form Endorsement in reliance upon your representations.

I. Separation Of Insureds

Except with respect to the Limits of Liability, and any rights or duties specifically assigned in this Coverage Form Endorsement to the first Named Insured, this insurance applies:

1. As if each Named Insured were the only Named Insured; and
2. Separately to each insured against whom claim is made or suit is brought.

J. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Form Endorsement, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring suit or transfer those rights to us and help us enforce them.

K. Transfer Of Your Rights And Duties Under This Coverage Form Endorsement

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

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SANCTIONS LIMITATION AND EXCLUSION

This endorsement modifies insurance provided under the following:

DATA RESPONSE, CYBER LIABILITY AND DATA PROTECTION COVERAGE FORM ENDORSEMENT

The following provision is added:

SANCTIONS LIMITATION AND EXCLUSION

Notwithstanding any other terms under the policy, we shall not provide coverage nor will we make any payments or provide any benefit to any insured, beneficiary or third party who may have rights under this policy to the extent that such cover, payment or benefit would violate any applicable trade or economic sanctions law or regulation applicable to the insurer.

 Includes copyrighted material of Insurance Services Offices, inc. with its permission.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SANCTIONS LIMITATION AND EXCLUSION

This endorsement modifies insurance provided under the following:

DATA RESPONSE, CYBER LIABILITY AND DATA PROTECTION COVERAGE FORM ENDORSEMENT

The following provision is added:

SANCTIONS LIMITATION AND EXCLUSION

Notwithstanding any other terms under the policy, we shall not provide coverage nor will we make any payments or provide any benefit to any insured, beneficiary or third party who may have rights under this policy to the extent that such cover, payment or benefit would violate any applicable trade or economic sanctions law or regulation applicable to the insurer.

 Includes copyrighted material of Insurance Services Offices, inc. with its permission.

EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM ENDORSEMENT

THIS ENDORSEMENT APPLIES TO YOUR POLICY ONLY IF SHOWN IN THE DECLARATIONS.

THIS INSURANCE PROVIDES CLAIMS MADE AND REPORTED COVERAGE. DEFENSE EXPENSE IS PAYABLE WITHIN, AND NOT IN ADDITION TO, THE LIMITS OF INSURANCE AND IS SUBJECT TO THE DEDUCTIBLE. PAYMENT OF DEFENSE EXPENSE WILL REDUCE THE LIMIT OF INSURANCE AND THE DEDUCTIBLE.

THIS COVERAGE CONSISTS OF THIS EMPLOYMENT PRACTICES LIABILITY COVERAGE PART ENDORSEMENT, THE POLICY'S DECLARATIONS PAGE, THE CANCELLATION AND NON-RENEWAL PROVISIONS OF THE POLICY TO WHICH THIS COVERAGE PART ENDORSEMENT IS ATTACHED, AND ANY ENDORSEMENTS ATTACHED TO AND MADE A PART OF THIS COVERAGE PART ENDORSEMENT. PLEASE READ THIS ENTIRE COVERAGE CAREFULLY TO DETERMINE RIGHTS, DUTIES, COVERAGE AND COVERAGE RESTRICTIONS.

Throughout this Coverage, the words "you" and "your" refer to the Named Insured shown in the Declarations and any other person or organization qualifying as a Named Insured under this Coverage. The words "we", "us" and "our" refer to the Company providing this insurance. The word "insured" means any person or organization qualifying as such under **SECTION II – WHO IS AN INSURED**.

All words and phrases that appear in quotation marks have special meaning. Refer to **SECTION VII – DEFINITIONS**.

SECTION I – COVERAGE

In consideration of the payment of premium and subject to the limits of insurance, deductible, conditions, exclusions, definitions, and other terms of this Coverage, we agree with you as follows:

1. Insuring Agreement

a. We will pay on behalf of the insured "damages" in excess of the Deductible arising out of any "claim" for "wrongful employment practices" to which this insurance applies.

We have no obligation under this insurance to make payments or perform acts or services except as provided for in this paragraph and in paragraph **2.** below.

b. This insurance applies to a "claim" for "wrongful employment practices" only if:

(1) The "wrongful employment practices" take place in the "coverage territory";

(2) Such "wrongful employment practices" first occurred:

(a) On or after the Retroactive Date, if any, shown in the section of the Declarations applicable to this Coverage Form Endorsement; and

(b) Before the end of the policy period; and

(3) The "claim" is both:

(a) First made against any insured, in accordance with paragraph **c.** below, during the policy period or any applicable Extended Reporting Period we provide under **SECTION VI – EXTENDED REPORTING PERIODS**; and

(b) Reported to us either **(i)** during the policy period or within thirty (30) days thereafter; or **(ii)** with respect to any "claim" first made during any applicable Extended Reporting Period we provide under **SECTION VI – EXTENDED REPORTING PERIODS**, during such Extended Reporting Period.

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

c. A "claim" will be deemed to have been made at the earlier of the following times:

(1) When notice of such "claim" is received and recorded by you or by us, whichever comes first; or

(2) When we make settlement in accordance with paragraph **2.b.(2)** below.

d. All "claims" by one or more claimants based on or arising out of:

(1) One "wrongful employment practice"; or

(2) An "interrelated" series of "wrongful employment practices";

by one or more insureds shall be deemed to be one "claim" and to have been made at the time the first of those "claims" is made against any insured.

e. Each payment we make for "damages" or "defense expense" reduces the amount of insurance available, as provided under **SECTION III – LIMITS OF INSURANCE.**

2. Defense of "Claims", Administrative Hearings & Settlement Authority

Subject to the limits of insurance, deductible, conditions, exclusions, definitions, and other terms of this Coverage:

a. We have the right and duty to defend "claims" against the insured to which this insurance applies and to pay for related "defense expense."

However, we have no duty to:

(1) Defend "claims" against the insured; or

(2) Pay for related "defense expense",

when this insurance does not apply.

b. We may, at our sole discretion:

(1) Investigate any "wrongful employment practice"; and

(2) Settle any "claim" which may result, provided:

(a) We have the insured's written consent to settle; and

(b) The settlement is within the applicable limit of insurance available.

c. Our liability will be limited as described below if:

(1) The insured refuses to consent to any settlement we recommend; and

(2) Such recommended settlement is acceptable to the claimant.

After such refusal, our liability under this Coverage for such "claim" shall not exceed the amount we would have paid for "damages" and "defense expense" if the insured had consented to our settlement recommendation. The insured shall thereafter be responsible for the negotiation and defense of that "claim" at the insured's own cost and without our involvement.

d. Our right and duty to defend such "claims" ends when we have exhausted the limit of insurance available, as provided under **SECTION III – LIMITS OF INSURANCE**. This applies both to "claims" pending at that time and any that may be made.

e. Selection of defense counsel shall be made by us. However, if you give us a specific written request at the time a "claim" is first made, you may ask us to consider the approval of a defense attorney of your choice. We will consider the request if we deem it appropriate to engage counsel for such "claim". We will have sole discretion as to whether such requests are granted.

We will notify you in writing when the applicable limit of insurance has been exhausted by the payment of judgments, settlements or "defense expense". We will also initiate and cooperate in the transfer of defense of any "claim" to an appropriate insured for whom the duty to defend has ended by reason of paragraph **2.d.** above.

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

f. Upon notice to us and with our prior approval, the first Named Insured is authorized to act on behalf of all insureds with respect to the payment of "damages" in settlement of any Administrative Hearing or other non-judicial proceeding before the Federal Equal Employment Opportunity Commission, or any similar federal, state or local body or commission. This authorization is limited to the sum of:

(1) "Damages" covered by this Coverage; and

(2) "Defense expenses", as defined in paragraph **5.d.** in **SECTION VII – DEFINITIONS;**

in a total amount not to exceed two times the amount of the deductible stated in the section of the Declarations applicable to this Coverage Form Endorsement.

g. No insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent, other than those specific payments authorized under paragraph **2.f.** above.

3. Exclusions

This insurance does not apply to "claims" based on, arising out of, or in any way involving:

a. **(1)** "Wrongful employment practices" which were the subject of any demand, "suit" or other proceeding which was initiated against any insured; or

(2) Facts and circumstances which would cause a reasonable person to believe a "claim" would be made and which were known to any insured;

prior to the effective date of the earlier of:

(i) The first Coverage of this type that we issued to you of which this Coverage was an uninterrupted renewal of this type of coverage; or

(ii) This Coverage.

b. Any obligation to pay "damages" by reason of the assumption of liability in any contract or agreement; including, but not limited to, loss of any benefit conferred or loss of any obligation imposed under an express contract of employment.

However, this exclusion does not apply to liability for "damages" that the insured would have in the absence of the contract or agreement.

c. Liability arising under any workers compensation, disability benefits or unemployment compensation law, or any similar federal, state or local law.

d. Liability arising under the Employees' Retirement Income Security Act of 1974, Public Law 93-406, (ERISA) including any amendment thereto, or any similar federal, state, or local law. This includes:

(1) Fiduciary liability;

(2) Liability arising out of the administration of any employee benefit plan; and

(3) Any other liability under any such laws.

e. Liability arising under the Fair Labor Standards Act, or any federal, state, local or common law wage or hour law including, but not limited to laws governing minimum wages, hours worked, overtime compensation and including any recordkeeping and reporting related thereto. This also includes any laws, rules or regulations promulgated under any amendment to the Fair Labor Standards Act and any similar federal, state or local law.

This exclusion includes actions or "claims" brought by or on behalf of individuals or agencies seeking wages, fines, penalties, taxes, disgorgement, reimbursement of business expenses or other affirmative relief or compensation.

This exclusion does not apply to "claims" based on the Equal Pay Act.

f. Liability arising under the National Labor Relations Act; the Worker Adjustment and Retraining Notification Act (Public Law 100-379); the Consolidated Omnibus Budget Reconciliation Act of 1985; or the Occupational Safety and Health Act. This includes any rules or regulations promulgated under any of the foregoing and amendments thereto, and any similar federal, state or local law.

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

However, exclusions **c.** through **f.** shall not apply to any "claim" based upon, arising from or in consequence of any actual or alleged retaliatory treatment of the claimant by the insured on account of the claimant's exercise of rights pursuant to any such law.

g. Oral or written publication of material if such material:

(1) Was published by or at the direction of the insured with knowledge of the material's falsity; or

(2) Was first published before the Retroactive Date, if any, shown in the section of the Declarations applicable to this Coverage Form Endorsement.

h. Dishonest, criminal or fraudulent acts of the insured; however, this exclusion does not apply unless a final adjudication establishes that dishonest, criminal or fraudulent acts were committed by the insured. The enforcement of this exclusion against any insured shall not be imputed to any other insured.

i. The willful failure by the insured or with the insured's consent to comply with any administrative order directed to the insured relating to "wrongful employment practices".

Willful, as used in this exclusion **i.**, means acting with intentional or reckless disregard for such employment related laws, orders or regulations.

The enforcement of this exclusion against any insured shall not be imputed to any other insured.

j. "Bodily injury".

k. "Wrongful employment practices" which occur when or after any other business entity acquires an ownership interest in you, which is greater than fifty percent.

l. Costs of complying with physical modifications to your premises or any changes to your usual business operations as mandated by the Americans with Disabilities Act of 1990 including any amendment thereto, or any similar federal, state or local law.

This exclusion also applies to any "claim" based upon, arising from or in consequence of any actual or alleged retaliatory treatment of the claimant by the insured on account of the claimant's exercise of rights pursuant to the cost of complying with physical modifications to your premises or any changes to your usual business operations as mandated by the Americans with Disabilities Act of 1990 including any amendment thereto, or any similar federal, state or local law.

m. Lockout, strike, picket line, related worker replacements or other similar actions resulting from labor disputes or labor negotiations.

This exclusion also applies to any "claim" based upon, arising from or in consequence of any actual or alleged retaliatory treatment of the claimant by the insured on account of the claimant's exercise of rights pursuant to labor disputes or labor negotiations.

n. With respect to confidential or personal information, including financial, health, employment or any other type of nonpublic information in any form:

(1) Access to or disclosure of such information; or

(2) Collection, acquisition, maintenance, or retention of confidential or personal information, including the failure to comply with a legal requirement to correct or delete such information, or provide individuals with the ability to consent to the collection, acquisition, maintenance, or retention of such information.

However, exclusion **n.** shall not apply to allegations of "wrongful employment practices" as described in sub-paragraphs **a.** through **i.** of the definition of "wrongful employment practices".

SECTION II – WHO IS AN INSURED

1. For purposes of this insurance, if you are designated in the Declarations as:

a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.

b. A partnership or joint venture, you are an insured. Your current or former members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.

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

c. A limited liability company, you are an insured. Your current or former members are also insureds, but only with respect to the conduct of your business. Your current or former managers are insureds, but only with respect to their duties as your managers.

d. An organization other than a partnership or joint venture, you are an insured. Your current or former directors are insureds, but only with respect to their duties as your directors.

2. Your current or former "employees" and "volunteers" are insureds, but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.

3. Any heirs, executors, administrators, assignees or legal representatives of any individual insured in paragraphs **1.** and **2.** above, in the event of the death, bankruptcy or incapacity of such insured, shall be insureds but only to the extent this insurance would have been available to such insured but for their death, bankruptcy or incapacity.

4. "Subsidiaries" of the Named Insured owned prior to the inception of the policy period are insureds, but only if there is no other similar insurance available to that "subsidiary" or organization.

5. Newly acquired or formed "subsidiaries" or organizations (other than a partnership, joint venture or limited liability company) over which you maintain ownership or majority interest are insureds if there is no other similar insurance available to that organization, but only when the newly acquired "subsidiary" or organization meets the following requirements:

   a. You must provide us notice of such acquisition or formation within thirty (30) days of the effective date of your acquisition or formation;

   b. Coverage under this provision is afforded until the ninetieth (90th) day after you acquire or form the "subsidiary" or organization or the end of the policy period, whichever is earlier;

   c. Coverage does not apply to any "wrongful employment practices" that occurred before you acquired or formed the "subsidiary" or organization; and

   d. You must pay us any additional premium due as a condition precedent to the enforceability of this additional extension of coverage.

   This paragraph does not apply to any organization after it is shown in the Declarations.

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

SECTION III – LIMITS OF INSURANCE

1. The limit of insurance stated as Aggregate Limit on the section of the Declarations applicable to this Coverage Form Endorsement is the most we will pay for the sum of:

   a. "Damages" for all "claims" arising out of any actual or alleged "wrongful employment practices" covered by this insurance; and

   b. "Defense expenses" for all "claims" to which this insurance applies.

   Each payment we make for such "damages" or "defense expenses" reduces the Aggregate Limit by the amount of the payment.

   This reduced limit will then be the amount of insurance available for further "damages" and "defense expenses" under this Coverage.

2. Subject to paragraph **1.** above, the limit of insurance stated as the Each "Claim" Limit on the section of the Declarations applicable to this Coverage Form Endorsement is the most we will pay in excess of the deductible, as further described in **SECTION IV – DEDUCTIBLE**, for the sum of:

   a. "Damages" for injury arising from "wrongful employment practices"; and:

   b. "Defense expenses";

   arising out of any "claim" to which this insurance applies.

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

3. In addition to the payments for "damages" and "defense expenses" in paragraphs **1.** and **2.** above, we will pay all interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the amount available for the judgment under the provisions of paragraphs **1.** and **2.** above. These amounts are not included in the limits of insurance.

The limits of insurance of this Coverage apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the section of the Declarations applicable to this Coverage Form Endorsement, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the limits of insurance.

SECTION IV – DEDUCTIBLE

1. A deductible applies to all "damages" for injury arising from "wrongful employment practices" and any "defense expense" however caused for any one "claim".
2. Our obligation to pay "damages" and "defense expense" on behalf of any insured applies only to the sum of the amount of "damages" and "defense expense" for any one "claim" which are in excess of the deductible amount stated on the section of the Declarations applicable to this Coverage Form Endorsement.
3. Your obligation is to pay the deductible applicable to each "claim" made against this insurance. That deductible applies to the sum of all "damages" because of injury arising from "wrongful employment practices" paid for any one "claim" and applicable "defense expense" associated therewith. If there should be no "damages" paid for a "claim", you are still obligated to pay the applicable deductible for any "defense expense" incurred by us in connection with that "claim".
4. The terms of this insurance apply irrespective of the application of the deductible, including those with respect to:
   a. Our right and duty to defend any "claims" to which this insurance applies; and
   b. Your and any involved insured's duties in the event of a "claim".
5. We may pay any part or all of the deductible to effect settlement of any "claim" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible as we may have paid for "damages" or "defense expense".
6. The application of the deductible does not reduce the applicable limits of insurance.

SECTION V – CONDITIONS

1. **Bankruptcy**

   The bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this insurance.

2. **Changes**

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

3. **Duties in the Event of " Wrongful Employment Practices" or "Claims"**

   a. You must see to it that we are notified as soon as practicable of any specific "wrongful employment practices" which you believe may result in an actual "claim". Your belief must be reasonably certain as the result of specific allegations made by a potential claimant or such potential claimant's representative, or as the result of specifically identifiable injury sustained by a potential claimant. Notices of "wrongful employment practices" should include the following detailed information:

      (1) How, when and where such "wrongful employment practices" took place;

      (2) The names and addresses of any potential claimants and witnesses; and

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

(3) The nature of any injury arising out of such "wrongful employment practices".

Notice of such "wrongful employment practices" is not notice of a "claim", but preserves any insured's rights to future coverage for subsequent "claims" arising out of such "wrongful employment practices" as described in the Basic Extended Reporting Period of **SECTION VI – EXTENDED REPORTING PERIODS**.

b. If a "claim" is received by any insured:

(1) You must immediately record the specifics of the "claim" and the date received;

(2) You and any other involved insured must see to it that we receive written notice of the "claim", as soon as practicable, but in any event we must receive notice either:

(a) During the policy period or within thirty (30) days thereafter; or

(b) With respect to any "claim" first made during any applicable Extended Reporting Period we provide under **SECTION VI – EXTENDED REPORTING PERIODS**, during such Extended Reporting Period.

As a condition precedent for coverage under this insurance, notice of a "claim" must include the detailed information required in paragraphs **4.a.(1), (2)** and **(3)** above; and

(3) You and any other involved insured must:

(a) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim";

(b) Authorize us to obtain records and other information;

(c) Cooperate with us in the investigation, settlement or defense of the "claim"; and

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

4. Examination of Your Books and Records

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

5. Inspections and Surveys

We have the right but are not obligated to:

a. Make inspections and surveys at any time;

b. Give you reports on the employment conditions we find; and

c. Recommend procedures, guidelines and changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not undertake to perform the duty of any person or organization to provide for the health or safety of, or lawful practices towards your workers or the public. We do not warrant that conditions:

(i) Are safe or healthful; or

(ii) Comply with laws, regulations, codes or standards as they relate to the purpose of this or any other insurance.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization, which makes insurance inspections, surveys, reports or recommendations on our behalf.

6. Legal Action Against Us

No person or organization has a right under this Coverage:

a. To join us as a party or otherwise bring us into a "claim" seeking "damages" from any insured; or

b. To sue us on this Coverage unless all of its terms have been fully complied with.

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

Any person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial, but we will not be liable for "damages" that are not payable under the terms of this Coverage or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

7. Other Insurance

If other valid and collectible insurance is available to the insured for "damages" or "defense expense" we cover under this Coverage, our obligations are limited as follows:

a. As this insurance is primary insurance, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in paragraph **b.** below.

b. If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this method, each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first. If any of the other insurance does not permit contribution by equal shares, we will contribute by limits.

Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

8. Allocation of Defense Costs

When insureds who are afforded coverage for a "claim" incur an amount consisting of both "damages" that are covered by this insurance and also damages that are not covered by this insurance, then the insureds and us agree to use our best efforts to agree upon a fair and reasonable allocation between "defense expenses" for such covered matters and defense expenses for such uncovered matters.

9. Payment of Premiums and Deductibles Amounts

a. We will compute all premiums for this insurance in accordance with our rules and rates; and

b. The first Named Insured shown in the Declarations is responsible for the payment of all premiums and deductibles due and will be the payee for any return premiums we pay.

10. Representations

By accepting this Coverage you agree:

a. The statements in the Declarations are accurate and complete;

b. Those statements are based upon representations you made to us; and

c. We have issued this Coverage in reliance upon your representations.

11. Separation of Insureds

Except with respect to the limits of insurance, and any rights or duties specifically assigned in this Coverage to the first Named Insured, this insurance applies:

a. As if each Named Insured were the only Named Insured; and

b. Separately to each insured against whom "claim" is made.

12. Transfer of Rights of Recovery Against Others to Us

If the insured has rights to recover all or part of any payment we have made under this insurance, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will sue those responsible or transfer those rights to us and help us enforce them.

13. Transfer of Your Rights and Duties Under This Coverage

Your rights and duties under this Coverage may not be transferred without our written consent.

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

SECTION VI – EXTENDED REPORTING PERIODS

1. We will provide Extended Reporting Periods, as described below, if:
   a. This Coverage is cancelled or not renewed; or
   b. We renew or replace this Coverage with insurance that:
      (1) Has a Retroactive Date later than the date shown in the section of the Declarations applicable to this Coverage Form Endorsement; or
      (2) Does not apply on a claims-made basis.
2. Extended Reporting Periods do not extend the policy period or change the scope of coverage provided. They apply only to "claims" as the result of "wrongful employment practices" committed on or after the Retroactive Date, if any, shown in the section of the Declarations applicable to this Coverage Form Endorsement and before the end of the policy period. Once in effect, Extended Reporting Periods may not be cancelled.
3. Extended Reporting Periods do not reinstate or increase the limits of insurance.
4. A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the policy period and lasts for:
   a. Five years with respect to "claims" arising out of "wrongful employment practices" which had been properly reported to us before the end of the policy period in accordance with paragraph **4.a.** of **Duties in the Event of "Wrongful Employment Practices" or "Claims"** in **SECTION V – CONDITIONS**; and
   b. Sixty-days with respect to "claims" arising from "wrongful employment practices" not previously reported to us.

   The Basic Extended Reporting Period does not apply to "claims" that are covered under any subsequent insurance you purchase, or that would be covered but for exhaustion of the amount of insurance applicable to such "claims".
5. A Supplemental Extended Reporting Period of either twelve (12) or thirty-six (36) months duration is available, but only by endorsement and for an extra charge. This supplemental period starts when the Basic Extended Reporting Period set forth in paragraph **4.b.** above ends. You must give us a written request for the endorsement, and its length, within 60 days after the end of the policy period. The Supplemental Extended Reporting Period will not go into effect unless you pay the additional premium when due. We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:
   a. The exposures insured;
   b. Previous types and amounts of insurance;
   c. Limits of insurance available under this Coverage for future payment of "damages" or "defense expense"; and
   d. Other related factors.

   The additional premium will not exceed 200% of the annual premium for this Coverage.
6. The Supplemental Extended Reporting Period Endorsement we issue will set forth the terms, not inconsistent with this **SECTION VI – EXTENDED REPORTING PERIODS**, including a provision to the effect that the insurance afforded for "claims" first received during such period is excess over any other valid and collectible insurance available under policies in force after the Supplemental Extended Reporting Period begins.

SECTION VII – DEFINITIONS

1. **"Bodily injury"** means physical injury to the body, or sickness or disease sustained by a person as the result of direct physical injury to the body, including death resulting from any of these at any time. "Bodily injury" does not include mental anguish that results from a " wrongful employment practice".
2. **"Claim"** means written or oral notice presented by:

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

a. Any "employee," "leased worker," "temporary worker," former "employee", "independent contractor", "volunteer", or applicant for employment by you; or

b. The EEOC or any other federal, state or local administrative or regulatory agency on behalf of a person described in paragraph **2.a.** above,

alleging that the insured is responsible for "non-monetary compensation" or "damages" as a result of injury arising out of any "wrongful employment practices".

"Claim" includes any civil proceeding in which either "damages" are alleged or fact finding will take place, when either is the result of any "wrongful employment practice" to which this insurance applies. This includes:

(i) An arbitration proceeding in which such "damages" are claimed and to which the insured submits with our consent;

(ii) Any other alternative dispute resolution proceeding in which such "damages" are claimed and to which the insured submits with our consent; or

(iii) Any administrative proceedings as established under federal, state or local laws applicable to any "wrongful employment practices" covered under this insurance.

3. **"Coverage territory"** means anywhere in the world with the exception of any country or jurisdiction which is subject to trade or other economic sanction or embargo by the United States of America, provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the United States of America (including its territories and possessions) or Puerto Rico, or in a settlement that we agree to.

4. **"Damages"** means monetary amounts to which this insurance applies and which the insured is legally obligated to pay as judgments or awards, or as settlements to which we have agreed in writing.

"Damages" include:

a. Pre-judgment interest awarded against the insured on that part of the judgment we pay;

b. Any portion of a judgment or award, to the extent allowed by law, that represents a multiple of the compensatory amounts, punitive or exemplary damages; and

c. Statutory attorney fees.

"Damages" do not include:

(1) Civil, criminal, administrative or other fines or penalties;

(2) "Non-monetary compensation";

(3) Liquidated Damages;

(4) Payroll or other taxes;

(5) That part of any "damages" awarded for the cost or replacement of any benefits due or alleged to be due to any current or former "employee", or any other claimant; including, but not limited to medical benefits, pension benefits, disability benefits, or stock benefits; or

(6) Judgments or awards conferred upon you because of acts deemed uninsurable by law.

5. **"Defense expense"** means payments allocated to a specific "claim" for its investigation, settlement, or defense, including:

a. Reasonable and necessary attorney fees and all other litigation expenses.

b. The cost of bonds to appeal a judgment or award in any "claim" we defend. We do not have to furnish these bonds.

c. The cost of bonds to release attachments, but only for bond amounts within the amount of insurance available. We do not have to furnish these bonds.

d. Reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of any "claim", including actual loss of earnings up to $250 a day because of time off from work.

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

e. All court costs taxed against the insured in the "claim". However, these payments do not include attorney's fees or attorney's expenses taxed against the insured.

"Defense expense" does not include salaries and expenses of our employees or your "employees", other than:

(1) That portion of our employed attorneys' fees, salaries and expenses allocated to a specific "claim" for the defense of the insured; or

(2) The expenses described in paragraph **d.** above.

6. **"Discrimination"** means violations of a person's civil rights or disparate treatment of a person with respect to such person's race, color, creed, national origin, religion, gender, marital status, age, sexual orientation or preference, physical or mental condition, medical condition, pregnancy or any other protected class or characteristics established by any federal, state or local laws, statutes, rules or regulations.

7. **"Employee"** means:

a. A person employed by you for wages or salary;

b. A part time or seasonal employee;

c. An intern; or

d. A person who is a current or former member of your board of directors.

However, "employee" does not include any:

(1) "Independent contractors";

(2) Employees of any "independent contractors";

(3) "Leased worker"; or

(4) "Temporary worker".

8. **"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 that **(i)** creates an intimidating, hostile or offensive working environment, or a work environment that interferes with performance; **(ii)** is made a condition of employment , either implicitly or explicitly; **(iii)** is used as a basis for employment decisions or **(iv)** is in violation of any federal, state or local laws, statutes, rules or regulations.

9. **"Independent contractor"** means a person with whom you contract to perform work for you, but only while that person is performing work under his or her written contract with you and operating within the scope of his or her employment. Employees of "independent contractors" are considered "independent contractors" while acting within the scope of their employment. An "independent contractor" is not considered an "employee".

10. **"Interrelated"** means having as a common nexus any fact, circumstance, situation, event, transaction, cause or series of related facts, circumstances, situations, events, transactions or causes.

11. **"Leased worker"** means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

12. **"Non-monetary compensation"** means equitable relief, injunctive relief, declarative relief or any other relief or recovery other than money.

13. **"Subsidiary"** means any for-profit organization which is more than fifty percent (50%) owned by the Named Insured.

14. **"Suit"** means a civil proceeding in which "damages" to which this insurance applies are alleged. "Suit" includes:

a. An arbitration proceeding in which such damages are claimed and to which the insurance must submit or does submit with our consent; or

b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

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

15. **"Temporary worker"** means a person who is furnished to you to substitute for a permanent "employee" on leave.

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

17. **"Whistleblower law"** means a statute, rule or regulation, which protects an employee against discrimination from his or her employer if the employee discloses or threatens to disclose to a superior or any governmental agency, or gives testimony relating to, any action with respect to the employer's operations which may be a violation of public policy as reflected in legislation, administrative rules, regulations or decisions, judicial decisions, or professional codes of ethics.

18. **"Wrongful Employment Practices"** means any of the following actual or alleged acts by the insured:

    a. Wrongful refusal to employ a qualified applicant for employment;

    b. Wrongful failure to promote;

    c. Wrongful deprivation of career opportunity;

    d. Wrongful demotion, evaluation, reassignment or discipline;

    e. Wrongful termination of employment, including constructive discharge;

    f. Employment related misrepresentation;

    g. "Harassment";

    h. "Discrimination";

    i. Retaliation or allegations of violations of "whistleblower law"; or

    j. Oral or written publication of material that:

        (1) Slanders;

        (2) Defames or libels; or

        (3) Violates or invades a right of privacy.

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