AGENCY CUSTOMER ID: _____

INSURANCE SUPPLEMENT - STANDARD FIRE POLICY ONLY

AGENCY	APPLICANT/NAMED INSURED	
Jack A. Socher Insurance Agency, Inc.	Crown Harbor HOA	
POLICY NUMBER	**CARRIER**	**NAIC CODE**
SEP1002253 00	Sequoia Insurance Company	22985

POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM INSURANCE COVERAGE

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, that you have a right to purchase insurance coverage for losses resulting from acts of terrorism, as defined in Section 102(1) of the Act: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury - in concurrence with the Secretary of State, and the Attorney General of the United States - to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been 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.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A $100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS $100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED $100 BILLION, YOUR COVERAGE MAY BE REDUCED.

In this state, a terrorism exclusion makes an exception for (and thereby provides coverage for) fire losses resulting from an act of terrorism. Therefore, if you reject this offer of terrorism coverage, that rejection does not apply to fire losses resulting from an act of terrorism. Coverage for such fire losses will be provided in your policy. The additional premium just for such fire coverage is stated below. If you reject the offer described above for terrorism coverage, this premium is due.

Acceptance or Rejection of Terrorism Insurance Coverage

☐ I hereby elect to purchase terrorism coverage for a prospective premium of $ 298.

☐ I hereby decline to purchase terrorism coverage for certified acts of terrorism. I understand that an **exclusion** of certain terrorism losses will be made part of the policy.

If you decline this offer, the premium for terrorism (fire only) coverage is $ 0.

Policyholder/Applicant's Signature	Print Name	Date
Policyholder/Applicant's Signature	Print Name	Date
Policyholder/Applicant's Signature	Print Name	Date

Effective Date

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Policy Number: SEP1002253 00
Crown Harbor HOA

COMMERCIAL MULTI-PERIL INSURANCE POLICY

Effective 3/31/2015 **Declaration Number 1**

Policy Effective from 3/31/2015 to 3/31/2016 at 12:01 AM Local Time

Named Insured:
Crown Harbor HOA
C/O Associa Northern California
8000 Jarvis Ave
Newark, CA 94560

Agency: 60736
Jack A. Socher Insurance Agency, Inc.
1065 E. Hillsdale Blvd #425
Foster City CA 94404
(650) 312-9300

DBA Name:
Form of Business: Organization Including a Corporation
Business Description: 76U residential association

Renewal Policy Declaration

These declarations together with the coverage forms and endorsements added thereto, if any, issued to form a part thereof, complete the above numbered policy.

Your full term policy Premium Charge is $30,237. You will be billed for the premium due at the start of the policy term and for additional premium due if you are paying on an installment plan basis.

In return for the payment of the premium when due, and subject to all the terms of this policy, we agree to provide the insurance stated in this policy. The premiums shown for the Commercial General and Professional Liability Coverage Parts, if any, are estimated premiums if rated based on estimated exposure information. This estimated exposure information is subject to audit, and if audited, may result in either additional premium due to us or a return premium due to you.

COVERAGE	PREMIUM
Commmercial Property Coverage Part	$27,546
Commercial General Liability Coverage Part	$2,691
Commercial Inland Marine Coverage Part	N/A
Commercial Crime Coverage Part	N/A
Garage Coverage Part	N/A
Professional Liability Coverage Part	N/A
Certified Terrorism Act Coverage	Excluded
Sub-Total	$30,237
State Taxes and Surcharges	$0
TOTAL	$30,237

Payment Plan: Direct Billed, 25% Down with 8 monthly payments

Countersigned: _____ **Date:** 3/30/2015
Authorized Representatives

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LOCATION SCHEDULE

List of Locations

Location 1
1302-1389 Crown Dr
(Per Location Schedule in File dated
1-14-2014)
Alameda CA 94501

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MORTGAGEES, LOSS PAYEES and ADDITIONAL INSUREDS

List of Mortgagees, Loss Payees and Additional Insureds By Location

The following Additional Insureds are not associated with a specific Location and Property on the policy.

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FORMS LIST

Forms and Endorsements Made Part of This Policy

Forms		Description
Property		
CP0090	(0788)	COMMERCIAL PROPERTY CONDITIONS
CP0299	(1185)	CANCELLATION CHANGES
CP0446	(1012)	CALIFORNIA – ORDINANCE OR LAW COVERAGE
CP1270	(0996)	JOINT OR DISPUTED LOSS AGREEMENT
CP1415	(0788)	ADDITIONAL BUILDING PROPERTY
SCP0017	(0110)	CONDOMINIUM ASSOCIATION COVERAGE FORM
SCP0018	(0113)	CONDOMINIUM ASSOCIATION COVERAGE FORM EXTENDER
SCP0030	(0907)	BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
SCP0031	(1211)	BUSINESS INCOME COVERAGE FORM EXTENDER
SCP0080	(0113)	EQUIPMENT BREAKDOWN ENHANCEMENT ENDORSEMENT
SCP0320	(0106)	MULTIPLE DEDUCTIBLE FORM (FIXED DOLLAR DEDUCTIBLES)
SCP1030	(0106)	CAUSES OF LOSS – SPECIAL FORM
SCP1410	(0106)	ADDITIONAL COVERED PROPERTY
SCP1722	(0110)	REPLACEMENT COST OVER-LIMIT PROTECTION
General Liability		
CG0067	(0305)	EXCLUSION - VIOLATION OF STATUTES THAT GOVERN E-MAILS, FAX, PHONE CALLS OR OTHER METHODS
CG2004	(1185)	ADDITIONAL INSURED - CONDOMINIUM UNIT OWNERS
CG2144	(0798)	LIMITATION OF COVERAGE TO DESIGNATED PREMISES OR PROJECT
CG2150	(0989)	AMENDMENT OF LIQUOR LIABILITY EXCLUSION
CG2155	(0999)	TOTAL POLLUTION EXCLUSION WITH A HOSTILE FIRE EXCEPTION
CG2160	(0998)	EXCLUSION - YEAR 2000 COMPUTER-RELATED AND OTHER ELECTRONIC PROBLEMS
CG2173	(0108)	EXCLUSION OF CERTIFIED ACTS OF TERRORISM
CG3234	(0105)	CALIFORNIA CHANGES

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FORMS LIST

Forms and Endorsements Made Part of This Policy

Forms		Description
General Liability		
SCG0001	(0113)	COMMERCIAL GENERAL LIABILITY COVERAGE FORM
SCG0011	(0106)	COMMERCIAL GENERAL LIABILITY COVERAGE FORM EXTENDER
SCG0404	(0106)	HIRED AND NON-OWNED AUTO
SCG1061	(0106)	ABSOLUTE ASBESTOS AND SILICA EXCLUSION
SCG1069	(0106)	ABSOLUTE LEAD EXCLUSION
SCG2147	(0106)	EMPLOYMENT-RELATED PRACTICES EXCLUSION
SCG2148	(0106)	PRIOR AND PENDING OCCURRENCE EXCLUSION
SCG2402	(0106)	BINDING ARBITRATION
SCG2425	(0607)	LIMITED MOLD, FUNGI, AND MICROBIAL CONTAMINATION COVERAGE
SCG7003	(0106)	OTHER INSURANCE
SCG7007	(0208)	CONSTRUCTION DEFECT EXCLUSION
SCG7008	(0607)	EXCLUSION - ELECTRONIC DATA CLAIMS
SCG7009	(0113)	MOLD, FUNGI OR MICROBIAL CONTAMINATION EXCLUSION ENDORSEMENT
SCG7010	(0607)	AMENDMENT OF LIMITS OF INSURANCE
SCG7011	(0607)	AMENDMENT OF MEDICAL PAYMENTS
SCG7016	(0309)	ABSOLUTE "SECONDHAND" SMOKE EXCLUSION
SCG7020	(0111)	EXCLUSION - INTRA-INSURED CLAIMS
Common		
IL0003	(0702)	CALCULATION OF PREMIUM
IL0017	(1198)	COMMON POLICY CONDITIONS
IL0021	(0908)	NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (BROAD FORM)
IL0103	(0907)	CALIFORNIA CHANGES – ACTUAL CASH VALUE
IL0104	(0907)	CALIFORNIA CHANGES

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FORMS LIST

Forms and Endorsements Made Part of This Policy

Forms		Description
Common		
IL0270	(0811)	CALIFORNIA CHANGES – CANCELLATION AND NONRENEWAL
IL0415	(0498)	PROTECTIVE SAFEGUARDS
IL0935	(0702)	EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES
IL0953	(0108)	EXCLUSION OF CERTIFIED ACTS OF TERRORISM

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PROPERTY COVERAGE DECLARATIONS

INDIVIDUAL LOCATION COVERAGE

	Limit	Deductible
Location: 1 **1302-1389 Crown Dr (Per Location Schedule in File dated 1-14-2014) Alameda CA 94501**		
Property: 1 76U Residential Association		
Building	$27,944,923	
Coinsurance: 100%		
Valuation: Replacement Cost		
Replacement Cost over Limit Protection		
Agreed Amount		
Inflation Guard: 6%		
Building Ordinance	Included in Building Limit	
Building Ordinance - Demolition	$1,369,850	
Building Ordinance - Increased Cost of Construction	$2,739,700	
Cause of Loss: Special		
Plus Equipment Breakdown.		
Including Equipment Breakdown Additional Coverages (Expediting Expenses, Hazardous, Spoilage and Data Restoration)	$250,000	
Deductible - All covered Causes of Loss except if otherwise shown below.		$5,000
Business Personal Property	$15,000	
Coinsurance: 100%		
Valuation: Replacement Cost		
Inflation Guard: 0%		
Cause of Loss: Special		
Plus Equipment Breakdown.		
Including Equipment Breakdown Additional Coverages (Expediting Expenses, Hazardous, Spoilage and Data Restoration)	$250,000	
Deductible - All covered Causes of Loss except if otherwise shown below.		$5,000
Business Income	$381,435	
Coverage Basis: Coinsurance - 100%		
Cause of Loss: Special		
Plus Equipment Breakdown.		
Including Equipment Breakdown Additional Coverages (Expediting Expenses, Hazardous, Spoilage and Data Restoration)	$250,000	

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PROPERTY COVERAGE DECLARATIONS

SCHEDULE OF LIMITS - Coverage Forms

Form Name Coverages	Limit Per Occurrence	Limit As Indicated
Condominium Association Coverage Form - SCP 0017		
Debris Removal (Additional Amount)	$25,000	
Fire Department Service Charge	$5,000	
Newly Acquired or Constructed Premises - BPP	$250,000	60 Days
Newly Acquired or Constructed Premises - Building	$500,000	60 Days
Non-Owned Detached Trailers	$5,000	
Personal Effects and Property of Others	$10,000	$2,500
Pollutant Cleanup and Removal		$25,000/Pol Year
Property Off Premises	$25,000	
Sod, Trees, Shrubs, Plants	$10,000	$500/Item
Valuable Papers and Records	$25,000	
Business Income Coverage Form - SCP 0030		
Action of Civil Authority - Business Income		30 Days
Action of Civil Authority - Extra Expense	$10,000	30 Days
Extended Period of Indemnity		90 Days
Interruption of Computer Operations	$2,500	
Newly Acquired or Constructed Premises - BI/EE	$250,000	30 Days

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PROPERTY COVERAGE DECLARATIONS

LIMITS and DEDUCTIBLES - Extender Forms

Form Name Coverages	Limit As Indicated	Limit Per Occurrence	Deductible
Condominium Association Coverage Extender Form- SCP 0018			
Accounts Receivable		$25,000	$500
Additional Covered Business Personal Property		$10,000	$500
Claims Settlement Assistance		$2,500	
Contract Penalties		$2,500	$500
Damage to Electronic Data		$2,500	$500
Employee Dishonesty		$5,000	$500
Fine Arts	$5,000/Item	$25,000	$500
Fire Device Recharge Costs-Additional Amount	Actual Loss Sustained	$10,000	
Fungus, Wet-Rot, Dry Rot		$25,000	$500
Interest in Sold Property		$10,000	$500
Lease Assessment		$2,500	$500
Limit Guard		$50,000	See Cov Form
Money and Securities	Inside $5,000	Outside $1,000	$250
Newly Acquired or Const. Premises-Add Cov		$500	1%
Off Premises Utility Services		$10,000	$500
Ordinance or Law Coverage	25% Up to.	$100,000	See Building
Overhead Lines	Excluded		
Property in Custody of Employees		$5,000	$500
Property in Transit		$10,000	$500
Recovery Expenses		$2,500	
Reward Payment		$5,000	None
Spoilage		$5,000	$500
Tenants Liability for Damaged Property		$25,000	$500
Unscheduled Premises-Additional Coverage		$5,000	$500
Unscheduled Premises-BPP		$10,000	$500
Unscheduled Premises-Building		$50,000	$500
Water Seepage		$10,000	$500
Water-Backup		$100,000	$500
Business Income Coverage Extender Form - SCP 0031			
Access To Tenants Premises		In Bus Inc Limit	
Claims Settlement Assistance		$5,000	
Dependent Properties - Business Income		$25,000	
Dependent Properties - Extra Expense	30 Days	$10,000	
Fungus, Wet-Rot, Dry Rot	30 Days		
Machinery Testing and Training		In Bus Inc Limit	
O/L Cov - Ext of Period Of Indemnity		In Bus Inc Limit	
Off Premises Utility Services - Time Element - Newly Acquired Premises		$10,000	
Off Premises Utility Services - Time Element - Schedule Premises	12 Hours	$25,000	
	Transmission Lines Excluded		
Pollutant Clean-up - Time Element		$10,000	
Spoilage - Time Element		$10,000	

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PROPERTY COVERAGE DECLARATIONS

LIMITS and DEDUCTIBLES - Extender Forms

Form Name	Coverages	Limit As Indicated	Limit Per Occurrence	Deductible
	Web-Site Service	10 Days/12 Hours	$10,000	

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GENERAL LIABILITY COVERAGE DECLARATIONS

COVERAGE	Limit	Basis
Bodily Injury and Property Damage	$1,000,000	Per Occurrence
	$2,000,000	General Aggregate
	$2,000,000	Products Aggregate
Personal Injury and Advertising Injury	$1,000,000	Aggregate per Person/Organization
Damage to Premises Rented to Insured	$300,000	Per Premises -Any One Fire
Medical Payments	$5,000	Per Person

LIABILITY DEDUCTIBLES	Deductible	Basis
N/A	N/A	N/A

CLASSIFICATIONS, RATES and EXPOSURES

Location: 1 1302-1389 Crown Dr
Property: 1 76U Residential Association
Class: Residential Condominiums, Townhouses, or Similar Associations - (Association Risk Only)
Code: 5311103
Exposure: 76 Units Rate: $36.6970 Unit
(If a rate is shown, the exposure amount is subject to audit per the terms of this policy)

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GENERAL LIABILITY COVERAGE DECLARATIONS

ADDITIONAL LIABILITY COVERAGES

	Limit	Basis
Commercial Liability Coverage Form Extender - SCG 0011		per Form

Hired Auto and Non-Owned Auto Liability – SCG 0404

Coverage included within General Liability Limit and Deductible, if any.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – VIOLATION OF STATUTES THAT GOVERN E-MAILS, FAX, PHONE CALLS OR OTHER METHODS OF SENDING MATERIAL OR INFORMATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. The following exclusion is added to Paragraph **2., Exclusions** of **Section I – Coverage A – Bodily Injury And Property Damage Liability:**

2. Exclusions

This insurance does not apply to:

DISTRIBUTION OF MATERIAL IN VIOLATION OF STATUTES

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

a. The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or

b. The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or

c. Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

B. The following exclusion is added to Paragraph **2., Exclusions** of **Section I – Coverage B – Personal And Advertising Injury Liability:**

2. Exclusions

This insurance does not apply to:

DISTRIBUTION OF MATERIAL IN VIOLATION OF STATUTES

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

a. The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or

b. The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or

c. Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

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ADDITIONAL INSURED – CONDOMINIUM UNIT OWNERS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

WHO IS AN INSURED (Section II) is amended to include as an insured each individual unit owner of the insured condominium, but only with respect to 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.

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LIMITATION OF COVERAGE TO DESIGNATED PREMISES OR PROJECT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Premises: "All premises scheduled on the Declarations"
Project:

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

This insurance applies only to "bodily injury", "property damage", "personal and advertising injury" and medical expenses arising out of:

1. The ownership, maintenance or use of the premises shown in the Schedule and operations necessary or incidental to those premises; or
2. The project shown in the Schedule.

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AMENDMENT OF LIQUOR LIABILITY EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Exclusion c. of COVERAGE A (Section I) is replaced by the following:

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

(1) Causing or contributing to the intoxication of any person;

(2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or

(3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you:

(1) Manufacture, sell or distribute alcoholic beverages;

(2) Serve or furnish alcoholic beverages for a charge whether or not such activity:

(a) Requires a license;

(b) Is for the purpose of financial gain or livelihood; or

(3) Serve or furnish alcoholic beverages without a charge, if a license is required for such activity.

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TOTAL POLLUTION EXCLUSION WITH A HOSTILE FIRE EXCEPTION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Exclusion **f.** under Paragraph **2., Exclusions** of **Section I – Coverage A – Bodily Injury And Property Damage 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.

This exclusion does not apply to "bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire" unless that "hostile fire" occurred or originated:

(a) At 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; or

(b) At 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 to test for, monitor, clean up, remove, contain, treat, detoxify, 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".

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EXCLUSION – YEAR 2000 COMPUTER-RELATED AND OTHER ELECTRONIC PROBLEMS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to Paragraph **2., Exclusions** of **Section I – Coverage A – Bodily Injury And Property Damage Liability** and Paragraph **2., Exclusions** of **Section I – Coverage B – Personal And Advertising Injury Liability:**

2. Exclusions

This insurance does not apply to "bodily injury", "property damage", "personal injury" or "advertising injury" (or "personal and advertising injury" if defined as such in your policy) 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;

(b) Computer application software;

(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 **2.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 **2.a.** of this endorsement.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM

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

B. The following definitions are added:

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

2. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

a. The act resulted in insured losses in excess of $5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
ELECTRONIC DATA LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCT WITHDRAWAL COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

The term "spouse" is replaced by the following:

Spouse or registered domestic partner under California law.

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COMMERCIAL PROPERTY CONDITIONS

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

A. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part;

2. The Covered Property;

3. Your interest in the Covered Property; or

4. A claim under this Coverage Part.

B. 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 Part 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.

C. 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.

D. LEGAL ACTION AGAINST US

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

1. There has been full compliance with all of the terms of this Coverage Part; and

2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

E. LIBERALIZATION

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

F. NO BENEFIT TO BAILEE

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

G. OTHER INSURANCE

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.

2. If there is other insurance covering the same loss or damage, other than that described in 1. above, 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.

H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

1. We cover loss or damage commencing:

a. During the policy period shown in the Declarations; and

b. Within the coverage territory.

2. The coverage territory is:

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

b. Puerto Rico; and

c. Canada.

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I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

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

1. Prior to a loss to your Covered Property or Covered Income.

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

a. Someone insured by this insurance;

b. A business firm:

(1) Owned or controlled by you; or

(2) That owns or controls you; or

c. Your tenant.

This will not restrict your insurance.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CANCELLATION CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

The following is added to the CANCELLATION Common Policy Condition:

If any one of the following conditions exists at any building that is Covered Property in this policy, we may cancel this Coverage Part by mailing or delivering to the first Named Insured written notice of cancellation at least 5 days before the effective date of cancellation.

A. The building has been vacant or unoccupied 60 or more consecutive days. This does not apply to:

1. Seasonal unoccupancy;

2. Buildings in the course of construction, renovation or addition; or

3. Buildings to which the Vacancy Permit endorsement applies.

Buildings with 65% or more of the rental units or floor area vacant or unoccupied are considered unoccupied under this provision.

B. After damage by a covered cause of loss, permanent repairs to the building:

1. Have not started, and

2. Have not been contracted for,

within 30 days of initial payment of loss.

C. The building has:

1. An outstanding order to vacate;

2. An outstanding demolition order;

3. Been declared unsafe by governmental authority.

D. 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.

E. Failure to:

1. Furnish necessary heat, water, sewer service or electricity for 30 consecutive days or more, except during a period of seasonal unoccupancy; or

2. 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.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA – ORDINANCE OR LAW COVERAGE

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
STANDARD PROPERTY POLICY

SCHEDULE

Building Number	Premises Number	Coverage A	Coverage B Limit Of Insurance	Coverage C Limit Of Insurance	Coverage B And C Combined Limit Of Insurance
1	1	x	$ 1,369,850	$ 2,739,700	$ *
/			$	$	$ *
/			$	$	$ *

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

*Do **not** enter a Combined Limit of Insurance if individual Limits of Insurance are selected for Coverages **B** and **C,** or if one of these Coverages is not applicable.

A. Each Coverage – Coverage **A,** Coverage **B** and Coverage **C** – 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 that 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.a. The building sustains direct physical damage 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. The building sustains both direct physical damage 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 building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this endorsement even if the building has also sustained covered direct physical damage.

3. In the situation described in **B.2.b.** above, we will not pay the full amount of loss otherwise payable under the terms of Coverages **A, B,** and/or **C** 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.

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(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 the terms of Coverages **A, B** and/or **C** of this endorsement.

C. We will not pay under Coverage **A, B** or **C** 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 "fungus", wet or dry rot or bacteria; 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", "fungus", wet or dry rot or bacteria.

D. Coverage

1. Coverage A – 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 **A** 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 **A** is included within the Limit Of Insurance shown in the Declarations as applicable to the covered building. Coverage **A** does not increase the Limit of Insurance.

2. Coverage B – 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.

The Coinsurance Additional Condition does not apply to Demolition Cost Coverage.

3. Coverage C – Increased Cost Of Construction Coverage

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

(1) Repair or reconstruct damaged portions of that building; and/or

(2) 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:

(1) 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.

(2) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

The Coinsurance Additional Condition does not apply to Increased Cost of Construction Coverage.

b. When a building is damaged or destroyed and Coverage **C** applies to that building in accordance with **3.a.** above, coverage for the increased cost of construction also applies to repair or reconstruction of the following, subject to the same conditions stated in **3.a.:**

(1) The cost of excavations, grading, backfilling and filling;

(2) Foundation of the building;

(3) Pilings; and

(4) Underground pipes, flues and drains.

The items listed in **b.(1)** through **b.(4)** above are deleted from Property Not Covered, but only with respect to the coverage described in this provision, **3.b.**

E. Loss Payment

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

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

a. If the Replacement Cost Coverage Option applies and the property is being repaired or replaced, on the same or another premises, we will not pay more than the lesser of:

(1) The amount you would 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 Replacement Cost Coverage Option applies and the property is **not** repaired or replaced, or if the Replacement Cost Coverage Option does **not** apply, 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 **B** – 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 **B** in the Schedule above.

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

a. We will not pay under Coverage **C:**

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

(2) Unless such repair or replacement is made within two years after our payment of the actual cash value of the property subject to the replacement cost coverage, if any, unless we extend the time period for good cause.

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 **C** is the lesser of:

(1) The increased cost of construction at the same premises; or

(2) The applicable Limit of Insurance shown for Coverage **C** in the Schedule above.

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

(1) The increased cost of construction at the new premises; or

(2) The applicable Limit of Insurance shown for Coverage **C** in the Schedule above.

5. If a **Combined** Limit Of Insurance is shown for Coverages **B** and **C** in the Schedule above, Paragraphs **E.3.** and **E.4.** of this endorsement do not apply with respect to the building 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 **B** and **C** 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 such repair or replacement is made within two years after our payment of the actual cash value of the property subject to the replacement cost coverage, if any, unless we extend the time period for good cause.

(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
- Loss under Ordinance Or Law Coverage **C** 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 ÷ $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 **C** 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 **A** and **B** of this endorsement.

I. The following definition is added:

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

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

JOINT OR DISPUTED LOSS AGREEMENT

This Endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

A. This endorsement is intended to facilitate payment of insurance proceeds when:

1. Both a boiler and machinery policy and this commercial property policy are in effect;

2. Damage occurs to Covered Property that is insured by the boiler and machinery policy and this commercial property policy; and

3. There is disagreement between the insurers as to whether there is coverage or as to the amount of the loss to be paid, if any, by each insurer under its own policies.

B. This endorsement does not apply if:

1. Both the boiler and machinery insurer(s) and we do not admit to any liability; and

2. Neither the boiler and machinery insurer(s) nor we contend that coverage applies under the other insurer's policy.

C. The provisions of this endorsement apply only if all of the following requirements are met:

1. The boiler and machinery policy carried by the named insured, insuring the Covered Property, contains a similar provision at the time of the loss or damage, with substantially the same requirements, procedures and conditions as contained in this endorsement;

2. The damage to the Covered Property was caused by a loss for which:

a. Both the boiler and machinery insurer(s) and we admit to some liability for payment under the respective policies; or

b. Either:

(1) The boiler and machinery insurer(s) does not admit to any liability for payment, while we contend that:

(a) All liability exists under the boiler and machinery policy; or

(b) Some liability exists under both the boiler and machinery policy and this commercial property policy;

(2) We do not admit to any liability for payment, while the boiler and machinery insurer(s) contends that:

(a) All liability exists under this commercial property policy; or

(b) Some liability exists under both the boiler and machinery policy and this commercial property policy; or

(3) Both the boiler and machinery insurer(s) and we:

(a) Do not admit to any liability for payment; and

(b) Contend that some or all liability exists under the other insurer's policy; and

3. The total amount of the loss is agreed to by you, the boiler and machinery insurer(s) and us.

D. If the requirements listed in Paragraph **C.** above are satisfied, we and the boiler and machinery insurer(s) will make payments to the extent, and in the manner, described as follows:

1. We will pay, after your written request, the entire amount of loss that we have agreed as being covered, if any, by this commercial property policy and one-half (1/2) the amount of the loss that is in disagreement.

2. The boiler and machinery insurer(s) will pay, after your written request, the entire amount of loss that they have agreed as being covered, if any, by the boiler and machinery policy and one-half (1/2) the amount of loss that is in disagreement.

3. Payments by the insurers of the amounts that are in disagreement, as described in Paragraphs **1.** and **2.,** do not alter, waive or surrender any rights of any insurer against any other with regard to the portion of the loss for which each insurer is liable.

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4. The amount in disagreement to be paid by us under this endorsement shall not exceed the amount payable under the equivalent Loss Agreement(s) of the boiler and machinery policy.
5. The amount to be paid under this endorsement shall not exceed the amount we would have paid had no boiler and machinery policy been in effect at the time of loss. In no event will we pay more than the applicable Limit of Insurance shown in the Declarations.
6. Acceptance by you of sums paid under this endorsement does not alter, waive or surrender any other rights against us.

E. Arbitration

1. If the circumstances described in Paragraph **C.2.a.** exist and the boiler and machinery insurer(s) and we agree to submit our differences to arbitration, the boiler and machinery insurer(s) and we will determine the amount each will pay and will pay the insured within 90 days. Arbitration will then take place within 90 days after payment of the loss under the terms of this endorsement.
2. If any of the circumstances described in Paragraph **C.2.b.** exist, then the boiler and machinery insurer(s) and we agree to submit our differences to arbitration within 90 days after payment of the loss under the terms of this endorsement.
3. You agree to cooperate with any arbitration procedures. There will be three arbitrators: one will be appointed by us, and another will be appointed by the boiler and machinery insurer(s). The two arbitrators will select a third arbitrator. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. A decision agreed to by two of the three arbitrators will be binding on both parties. Judgment on any award can be entered in any court that has jurisdiction.

F. Final Settlement Between Insurers

The insurer(s) found responsible for the greater percentage of the ultimate loss must return the excess contribution to the other insurer(s). In addition, the insurer(s) found responsible for the greater portion of the loss must pay Liquidated Damages to the other insurer(s) on the amount of the excess contribution of the other insurer(s). Liquidated Damages are defined as interest from the date the insured invokes this Agreement to the date the insurer(s) that contributed the excess amount is reimbursed. The interest is calculated at 1.5 times the highest prime rate from the Money Rates column of the Wall Street Journal during the period of the Liquidated Damages. Arbitration expenses are not a part of the excess contribution for which liquidated damages are calculated. Arbitration expenses will be apportioned between insurers on the same basis that the ultimate loss is apportioned.

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ADDITIONAL BUILDING PROPERTY

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
STANDARD PROPERTY POLICY

SCHEDULE

Prem. No.	Bldg. No.	Additional Building Property
1	**1**	Bridges,roadways,walks, patios, or other paved surfaces.

A. Additional Building Property described in the Schedule or in the Declarations is added to BUILDING.

B. Additional Building Property described in the Schedule or in the Declarations does not apply under YOUR BUSINESS PERSONAL PROPERTY.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALCULATION OF PREMIUM

This endorsement modifies insurance provided under the following:

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

The following is added:

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

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COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
   a. 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.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. 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.

D. 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 or 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.

E. 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.

F. 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.

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POLICY NUMBER: SEP1002253 00

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT

(Broad Form)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

1. The insurance does not apply:

A. Under any Liability Coverage, to "bodily injury" or "property damage":

(1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or

(2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which **(a)** any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or **(b)** the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.

C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:

(1) The "nuclear material" **(a)** is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or **(b)** has been discharged or dispersed therefrom;

(2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or

(3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion **(3)** applies only to "property damage" to such "nuclear facility" and any property thereat.

2. As used in this endorsement:

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "special nuclear material" or "by-product material".

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"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material **(a)** containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and **(b)** resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

(a) Any "nuclear reactor";

(b) Any equipment or device designed or used for **(1)** separating the isotopes of uranium or plutonium, **(2)** processing or utilizing "spent fuel", or **(3)** handling, processing or packaging "waste";

(c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

(d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA CHANGES – ACTUAL CASH VALUE

This endorsement modifies insurance provided under the following:

CRIME AND FIDELITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART

The following is added to any provision which uses the term actual cash value:

Actual cash value is calculated as the amount it would cost to repair or replace Covered Property, at the time of loss or damage, with material of like kind and quality, subject to a deduction for deterioration, depreciation and obsolescence. Actual cash value applies to valuation of Covered Property regardless of whether that property has sustained partial or total loss or damage.

The actual cash value of the lost or damaged property may be significantly less than its replacement cost.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART – FARM PROPERTY – OTHER FARM PROVISIONS FORM – ADDITIONAL COVERAGES, CONDITIONS, DEFINITIONS
FARM COVERAGE PART – LIVESTOCK COVERAGE FORM
FARM COVERAGE PART – MOBILE AGRICULTURAL MACHINERY AND EQUIPMENT COVERAGE FORM
STANDARD PROPERTY POLICY

A. When this endorsement is attached to the Standard Property Policy **CP 00 99** the term Coverage Part in this endorsement is replaced by the term Policy.

B. The **Concealment, Misrepresentation Or Fraud** Condition is replaced by the following with respect to loss ("loss") or damage caused by fire:

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

1. This Coverage Part;

2. The Covered Property;

3. That insured's ("insured's") interest in the Covered Property; or

4. A claim under this Coverage Part or Coverage Form.

C. The **Concealment, Misrepresentation Or Fraud** Condition is replaced by the following with respect to loss ("loss") or damage caused by a Covered Cause of Loss other than fire:

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

1. This Coverage Part;

2. The Covered Property;

3. An insured's ("insured's") interest in the Covered Property; or

4. A claim under this Coverage Part or Coverage Form.

D. Except as provided in **E.,** the **Appraisal** Condition is replaced by the following:

If we and you disagree on the value of the property or the amount of loss ("loss"), either may make written request for an appraisal of the loss ("loss"). If the request is accepted, each party will select a competent and impartial appraiser. Each party shall notify the other of the appraiser selected within 20 days of the request. The two appraisers will select an umpire. If they cannot agree within 15 days, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss ("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:

1. Pay its chosen appraiser; and

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

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

E. The Appraisal Condition in:

1. Business Income (And Extra Expense) Coverage Form **CP 00 30;** and

2. Business Income (Without Extra Expense) Coverage Form **CP 00 32;**

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is replaced by the following:

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written request for an appraisal of the loss. If the request is accepted, each party will select a competent and impartial appraiser. Each party shall notify the other of the appraiser selected within 20 days of the request. The two appraisers will select an umpire. If they cannot agree within 15 days, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

a. Pay its chosen appraiser; and

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

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

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

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

A. Paragraphs **2., 3.** and **5.** of the **Cancellation** Common Policy Condition are replaced by the following:

2. All Policies In Effect For 60 Days Or Less

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

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

(1) Nonpayment of premium; or

(2) Discovery of fraud by:

(a) Any insured or his or her representative in obtaining this insurance; or

(b) You or your representative in pursuing a claim under this policy.

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

3. All Policies In Effect For More Than 60 Days

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

(1) Nonpayment of premium, including payment due on a prior policy we issued and due during the current policy term covering the same risks.

(2) Discovery of fraud or material misrepresentation by:

(a) Any insured or his or her representative in obtaining this insurance; or

(b) You or your representative in pursuing a claim under this policy.

(3) A judgment by a court or an administrative tribunal that you have violated a California or Federal law, having as one of its necessary elements an act which materially increases any of the risks insured against.

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(4) Discovery of willful or grossly negligent acts or omissions, or of any violations of state laws or regulations establishing safety standards, by you or your representative, which materially increase any of the risks insured against.

(5) Failure by you or your representative to implement reasonable loss control requirements, agreed to by you as a condition of policy issuance, or which were conditions precedent to our use of a particular rate or rating plan, if that failure materially increases any of the risks insured against.

(6) A determination by the Commissioner of Insurance that the:

(a) Loss of, or changes in, our reinsurance covering all or part of the risk would threaten our financial integrity or solvency; or

(b) Continuation of the policy coverage would:

(i) Place us in violation of California law or the laws of the state where we are domiciled; or

(ii) Threaten our solvency.

(7) A change by you or your representative in the activities or property of the commercial or industrial enterprise, which results in a materially added, increased or changed risk, unless the added, increased or changed risk is included in the policy.

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

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

(2) 30 days before the effective date of cancellation if we cancel for any other reason listed in Paragraph **3.a.**

5. If this policy is cancelled, we will send the first Named Insured any premium refund due. The refund, if any, will be computed on a pro rata basis. However, the refund may be less than pro rata if we made a loan to you for the purpose of payment of premiums for this policy.

The cancellation will be effective even if we have not made or offered a refund.

B. The following provision is added to the **Cancellation** Common Policy Condition:

7. Residential Property

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

Commercial Property Coverage Part

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

a. If such coverage has been in effect for 60 days or less, and is not a renewal of coverage we previously issued, we may cancel this coverage for any reason, except as provided in **b.** and **c.** below.

b. We may not cancel this policy solely because the first Named Insured has:

(1) Accepted an offer of earthquake coverage; or

(2) Cancelled or did not renew a policy issued by the California Earthquake Authority (CEA) that included an earthquake policy premium surcharge.

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

c. We may not cancel such coverage solely because corrosive soil conditions exist on the premises. This restriction **(c.)** applies only if coverage is subject to one of the following, which exclude loss or damage caused by or resulting from corrosive soil conditions:

(1) Commercial Property Coverage Part – Causes Of Loss – Special Form; or

(2) Farm Coverage Part – Causes Of Loss Form – Farm Property, Paragraph **D.** Covered Causes Of Loss – Special.

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

Nonrenewal

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

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

2. Residential Property

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

Commercial Property Coverage Part

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

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

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

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

(1) The nonrenewal is based on sound underwriting principles that relate to the coverages provided by this policy and that are consistent with the approved rating plan and related documents filed with the Department of Insurance as required by existing law;

(2) The Commissioner of Insurance finds that the exposure to potential losses will threaten our solvency or place us in a hazardous condition. A hazardous condition includes, but is not limited to, a condition in which we make claims payments for losses resulting from an earthquake that occurred within the preceding two years and that required a reduction in policyholder surplus of at least 25% for payment of those claims; or

(3) We have:

(a) Lost or experienced a substantial reduction in the availability or scope of reinsurance coverage; or

(b) Experienced a substantial increase in the premium charged for reinsurance coverage of our residential property insurance policies; and

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

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

d. We will not refuse to renew such coverage solely because corrosive soil conditions exist on the premises. This restriction **(d.)** applies only if coverage is subject to one of the following, which exclude loss or damage caused by or resulting from corrosive soil conditions:

(1) Commercial Property Coverage Part – Causes Of Loss – Special Form; or

(2) Farm Coverage Part – Causes Of Loss Form – Farm Property, Paragraph **D.** Covered Causes Of Loss – Special.

3. We are not required to send notice of nonrenewal in the following situations:

a. If the transfer or renewal of a policy, without any changes in terms, conditions or rates, is between us and a member of our insurance group.

b. If the policy has been extended for 90 days or less, provided that notice has been given in accordance with Paragraph **C.1.**

c. If you have obtained replacement coverage, or if the first Named Insured has agreed, in writing, within 60 days of the termination of the policy, to obtain that coverage.

d. If the policy is for a period of no more than 60 days and you are notified at the time of issuance that it will not be renewed.

e. If the first Named Insured requests a change in the terms or conditions or risks covered by the policy within 60 days of the end of the policy period.

f. If we have made a written offer to the first Named Insured, in accordance with the timeframes shown in Paragraph **C.1.,** to renew the policy under changed terms or conditions or at an increased premium rate, when the increase exceeds 25%.

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PROTECTIVE SAFEGUARDS

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
FARM COVERAGE PART

SCHEDULE*

	Prem. No.	**Bldg. No.**	**Protective Safeguards Symbols Applicable**
	1	1	P-2, P-9
Describe any "P-9": Smoke Alarm			
* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.			

A. The following is added to the:

Commercial Property Conditions
General Conditions in the
Farm Property – Other Farm
Provisions Form – Additional Coverages, Conditions, Definitions
General Conditions in the Mobile Agricultural Machinery and Equipment Coverage Form
General Conditions in the Livestock Coverage Form

PROTECTIVE SAFEGUARDS

1. As a condition of this insurance, you are required to maintain the protective devices or services listed in the Schedule above.

2. The protective safeguards to which this endorsement applies are identified by the following symbols:

"P-1" Automatic Sprinkler System, including related supervisory services.

Automatic Sprinkler System means:

a. Any automatic fire protective or extinguishing system, including connected:

(1) Sprinklers and discharge nozzles;

(2) Ducts, pipes, valves and fittings;

(3) Tanks, their component parts and supports; and

(4) Pumps and private fire protection mains.

b. When supplied from an automatic fire protective system:

(1) Non-automatic fire protective systems; and

(2) Hydrants, standpipes and outlets.

"P-2" Automatic Fire Alarm, protecting the entire building, that is:

a. Connected to a central station; or

b. Reporting to a public or private fire alarm station.

"P-3" Security Service, with a recording system or watch clock, making hourly rounds covering the entire building, when the premises are not in actual operation.

"P-4" Service Contract with a privately owned fire department providing fire protection service to the described premises.

"P-9" The protective system described in the Schedule.

B. The following is added to the EXCLUSIONS section of:

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CAUSES OF LOSS – BASIC FORM
CAUSES OF LOSS – BROAD FORM
CAUSES OF LOSS – SPECIAL FORM
MORTGAGE HOLDERS ERRORS AND OMISSIONS COVERAGE FORM
STANDARD PROPERTY POLICY
CAUSES OF LOSS FORM – FARM PROPERTY
MOBILE AGRICULTURAL MACHINERY AND EQUIPMENT COVERAGE FORM
LIVESTOCK COVERAGE FORM

We will not pay for loss or damage caused by or resulting from fire if, prior to the fire, you:

1. Knew of any suspension or impairment in any protective safeguard listed in the Schedule above and failed to notify us of that fact; or

2. Failed to maintain any protective safeguard listed in the Schedule above, and over which you had control, in complete working order.

If part of an Automatic Sprinkler System is shut off due to breakage, leakage, freezing conditions or opening of sprinkler heads, notification to us will not be necessary if you can restore full protection within 48 hours.

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EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
STANDARD PROPERTY POLICY

A. We will not pay for loss ("loss") or damage caused directly or indirectly by the following. Such loss ("loss") or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss ("loss") or damage.

1. The failure, malfunction or inadequacy of:

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

(1) Computer hardware, including microprocessors;

(2) Computer application software;

(3) Computer operating systems and related software;

(4) Computer networks;

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

(6) 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.1.a.** of this endorsement;

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

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

B. If an excluded Cause of Loss as described in Paragraph **A.** of this endorsement results:

1. In a Covered Cause of Loss under the Crime and Fidelity Coverage Part, the Commercial Inland Marine Coverage Part or the Standard Property Policy; or

2. Under the Commercial Property Coverage Part:

a. In a "Specified Cause of Loss", or in elevator collision resulting from mechanical breakdown, under the Causes of Loss – Special Form; or

b. In a Covered Cause of Loss under the Causes Of Loss – Basic Form or the Causes Of Loss – Broad Form;

we will pay only for the loss ("loss") or damage caused by such "Specified Cause of Loss", elevator collision, or Covered Cause of Loss.

C. We will not pay for repair, replacement or modification of any items in Paragraphs **A.1.a.** and **A.1.b.** of this endorsement to correct any deficiencies or change any features.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
STANDARD PROPERTY POLICY

SCHEDULE

The **Exception Covering Certain Fire Losses** (Paragraph **C)** applies to property located in the following state(s), if covered under the indicated Coverage Form, Coverage Part or Policy:

State(s)	Coverage Form, Coverage Part Or Policy
CA	Commercial Property and Inland Marine
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

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

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of $5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

B. The following exclusion is added:

CERTIFIED ACT OF TERRORISM EXCLUSION

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

C. Exception Covering Certain Fire Losses

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

If a "certified act of terrorism" results in fire, we will pay for the loss or damage caused by that fire. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverage forms or endorsements which apply to those forms, or to the Legal Liability Coverage Form or the Leasehold Interest Coverage Form.

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If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed $100 billion in a Program Year (January 1 through December 31) 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.

D. Application Of Other Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

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COMMERCIAL GENERAL LIABILITY COVERAGE FORM

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

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

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

Other words and phrases that appear in quotation marks have special meaning. Refer to Section **V** – Definitions.

SECTION I – COVERAGES

COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

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

(1) The amount we will pay for damages is limited as described in Section **III** – Limits Of Insurance; and

(2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages **A** or **B** or medical expenses under Coverage **C.**

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages **A** and **B.**

b. This insurance applies to "bodily injury" and "property damage" only if:

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

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

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

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 **1.** of Section **II** – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph **1.** of Section **II** – 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.

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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".

2. Exclusions

This insurance does not apply to:

a. Expected Or Intended Injury

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

b. Contractual Liability

"Bodily injury" or "property damage" for which any 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 such insured would have in the absence of the contract or agreement; or

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

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

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

c. Liquor Liability

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

(1) Causing or contributing to the intoxication of any person;

(2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or

(3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

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

d. Workers' Compensation And Similar Laws

Any obligation of any 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 any insured arising out of and in the course of:

(a) Employment by such insured; or

(b) Performing duties related to the conduct of such 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 such insured may be liable as an employer or in any other capacity; and

(2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

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

f. Pollution

(1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

(a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:

(i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;

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(ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";

(b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

(c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:

(i) Any insured; or

(ii) Any person or organization for whom you may be legally responsible; or

(d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

(i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;

(ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".

(e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

(2) Any loss, cost or expense arising out of any:

(a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

(b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

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

g. Aircraft, Auto Or Watercraft

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

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment 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 55 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 any 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 law in the state where it is licensed or principally garaged; or

(b) the operation of any of the machinery or equipment listed in Paragraph **f.(2)** or **f.(3)** of the definition of "mobile 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" or "property damage", however caused, arising, directly or indirectly, out of:

(1) War, including undeclared or civil war;

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

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

j. 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 any insured;

(5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or

(6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

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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. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section **III** – Limits Of Insurance.

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

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

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

k. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

l. 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.

m. 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.

n. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

(1) "Your product";

(2) "Your work"; or

(3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

o. Personal And Advertising Injury

"Bodily injury" arising out of "personal and advertising injury".

p. Electronic Data

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

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

Exclusions **c.** through **n.** 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 limit of insurance applies to this coverage as described in Section **III** – Limits Of Insurance.

COVERAGE B - PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

a. We will pay those sums that any insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend such insured against any "suit" seeking those damages. However, we will have no duty to defend such insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate 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 Section **III** – Limits Of Insurance; and

(2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages **A** or **B** or medical expenses under Coverage **C.**

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages **A** and **B.**

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b. This insurance applies 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.

2. Exclusions

This insurance does not apply to:

a. Knowing Violation Of Rights Of Another

"Personal and advertising injury" caused by or at the direction of any insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

b. Material Published With Knowledge Of Falsity

"Personal and advertising injury" arising out of oral or written publication of material, if done by or at the direction of any insured with knowledge of its falsity.

c. Material Published Prior To Policy Period

"Personal and advertising injury" arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.

d. Criminal Acts

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

e. Contractual Liability

"Personal and advertising injury" for which any insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that such insured would have in the absence of the contract or agreement.

f. Breach Of Contract

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

g. Quality Or Performance Of Goods – Failure To Conform To Statements

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

h. Wrong Description Of Prices

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

i. Infringement Of Copyright, Patent, Trademark Or Trade Secret

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

j. Insureds In Media And Internet Type Businesses

"Personal and advertising injury" committed by any insured whose business is:

(1) Advertising, broadcasting, publishing or telecasting;

(2) Designing or determining content of websites for others; or

(3) 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 the Definitions Section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

k. Electronic Chatrooms Or Bulletin Boards

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board any insured hosts, owns, or over which any insured exercises control.

l. Unauthorized Use Of Another's Name Or Product

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

m. Pollution

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

n. Pollution-Related

Any loss, cost or expense arising out of any:

(1) 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

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(2) 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".

o. War

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

(1) War, including undeclared or civil war;

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

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

COVERAGE C - MEDICAL PAYMENTS

1. Insuring Agreement

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

(1) On premises you own or rent;

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

(3) Because of your operations;

provided that:

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

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

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

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

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

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

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

2. Exclusions

We will not pay expenses for "bodily injury":

a. Any Insured

To any insured, except "volunteer workers".

b. Hired Person

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

c. Injury On Normally Occupied Premises

To a person injured on that part of premises you own or rent that the person normally occupies.

d. Workers Compensation And Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

e. Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

f. Products-Completed Operations Hazard

Included within the "products-completed operations hazard".

g. Coverage A Exclusions

Excluded under Coverage **A.**

h. Paid By Government Entity

To a person whose medical expenses have been paid or are payable by any governmental entity.

SUPPLEMENTARY PAYMENTS – COVERAGES A AND B

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

a. All expenses we incur.

b. Up to $2,500 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.

c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.

d. All reasonable expenses incurred by an insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to $1,000 a day because of time off from work.

e. All costs taxed against the insured in the "suit".

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

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

These payments will not reduce the limits of insurance.

2. If we defend an insured against a "suit" and an indemnitee of such 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 such 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 such insured;

c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by such 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 such insured and the interests of the indemnitee;

e. The indemnitee and such 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 such insured and the indemnitee; and

f. The indemnitee:

(1) Agrees in writing to:

(a) Cooperate with us in the investigation, settlement or defense of the "suit";

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

(c) Notify any other insurer whose coverage is available to the indemnitee; and

(d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and

(2) Provides us with written authorization to:

(a) Obtain records and other information related to the "suit"; and

(b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph **2.b.(2)** of Section **I** – Coverage **A** – Bodily Injury And Property Damage 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 **f.** above, are no longer met.

SECTION II – 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, Association, 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.

f. An Association, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your members are also insureds, but only with respect to the conduct of your business

2. Each of the following is also an insured:

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

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

(a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;

(b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph **(1)(a)** above;

(c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs **(1)(a)** or **(b)** above; or

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

(2) "Property damage" to property:

(a) Owned, occupied or used by,

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

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

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

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

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

(2) Until your legal representative has been appointed.

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

3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier;

b. Coverage **A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and

c. Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

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

SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

a. Insureds;

b. Claims made or "suits" brought; or

c. Persons or organizations making claims or bringing "suits".

2. The General Aggregate Limit is the most we will pay for the sum of:

a. Medical expenses under Coverage **C;**

b. Damages under Coverage **A,** except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and

c. Damages under Coverage **B.**

3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage **A** for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".

4. Subject to **2.** above, the Personal and Advertising Injury Limit is the most we will pay under Coverage **B** for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.

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5. Subject to **2.** or **3.** above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:

a. Damages under Coverage **A;** and

b. Medical expenses under Coverage **C**

because of all "bodily injury" and "property damage" arising out of any one "occurrence".

6. Subject to **5.** above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage **A** for damages because of "property damage" arising out of any one fire to any one premises, while rented to you,.

7. Subject to **5.** above, the Medical Expense Limit is the most we will pay under Coverage **C** for all medical expenses because of "bodily injury" sustained by any one person.

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

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of an insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

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

a. You 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 which may be liable to an 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 Coverage Part:

a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or

b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

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

4. Other Insurance

If other valid and collectible insurance is available to an insured for a loss we cover under Coverages **A** or **B** of this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when **b.** below applies. If this insurance is primary, 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 **c.** below.

b. Excess Insurance

This insurance is excess over:

(1) Any of the other insurance, whether primary, excess, contingent or on any other basis:

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(a) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

(b) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;

(c) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or

(d) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion **g.** of Section **I** – Coverage **A** – Bodily Injury And Property Damage Liability.

(2) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured by attachment of an endorsement.

When this insurance is excess, we will have no duty under Coverages **A** or **B** to defend any insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to such insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

(1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

(2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Premium Audit

a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.

b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we may, at our option, compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective 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.

c. 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.

6. Representations

By accepting this policy, you agree:

a. The statements in the Declarations are accurate and complete; and

b. Those statements are based upon representations you made to us, which were accurate and complete at the time they were made to us; and

c. We have issued this policy in reliance upon your representations.

7. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part 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.

8. Transfer Of Rights Of Recovery Against Others To Us

If an insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. Such insured must do nothing after loss to impair them. At our request, such insured will bring "suit" or transfer those rights to us and help us enforce them.

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9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

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

SECTION V – 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 law in the state 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, which first manifests itself during the policy term. “Bodily Injury does not include sickness or disease which is transmitted by an insured through sexual contact.

4. "Coverage territory" means:

a. The United States of America (including its territories and possessions), Puerto Rico and Canada;

b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in **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 **a.** above;

(2) The activities of a person whose home is in the territory described in **a.** above, but is away for a short time on your business; or

(3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication

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

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, by-laws 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:

a. The repair, replacement, adjustment or removal of "your product" or "your work"; or

b. 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;

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f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph **f.** does not include that part of any contract or agreement:

(1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;

(2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:

(a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or

(b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or

(3) Under which an involved insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of such insured's rendering or failure to render professional services, including those listed in **(2)** above and supervisory, inspection, architectural or engineering activities.

10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

11. "Loading or unloading" means the handling of property:

a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";

b. While it is in or on an aircraft, watercraft or "auto"; or

c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;

b. Vehicles maintained for use solely on or next to premises you own or rent;

c. Vehicles that travel on crawler treads;

d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:

(1) Power cranes, shovels, loaders, diggers or drills; or

(2) Road construction or resurfacing equipment such as graders, scrapers or rollers;

e. Vehicles not described in **a., b., c.** or **d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

(1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or

(2) Cherry pickers and similar devices used to raise or lower workers;

f. Vehicles not described in **a., b., c.** or **d.** above maintained primarily for purposes other than the transportation of persons or cargo.

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

(1) Equipment designed primarily for:

(a) Snow removal;

(b) Road maintenance, but not construction or resurfacing; or

(c) Street cleaning;

(2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

(3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

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

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13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions, which results in bodily injury or property damage first manifested after the inception date of this policy and not first manifested after the expiration or cancellation date of this policy.

14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

a. False arrest, detention or imprisonment;

b. Malicious prosecution;

c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;

d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;

e. Oral or written publication, in any manner, of material that violates a person's right of privacy;

f. The use of another's advertising idea in your "advertisement"; or

g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

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

16. "Products-completed operations hazard":

a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

(1) Products that are still in your physical possession; or

(2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:

(a) When all of the work called for in your contract has been completed.

(b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.

(c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

b. Does not include "bodily injury" or "property damage" arising out of:

(1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;

(2) The existence of tools, uninstalled equipment or abandoned or unused materials; or

(3) Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Aggregate Limit.

17. "Property damage" means:

a. Physical injury to tangible property first manifested after the inception date of this policy and not first manifested after the expiration or cancellation date of this policy, 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 or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

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 an insured must submit or does submit with our consent; or

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b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which an insured submits with our consent.

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

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

21. "Your product":

a. Means:

(1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

(a) You;

(b) Others trading under your name; or

(c) A person or organization whose business or assets you have acquired; and

(2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes

(1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and

(2) The providing of or failure to provide warnings or instructions.

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

22. "Your work":

a. Means:

(1) Work or operations performed by you or on your behalf; and

(2) Materials, parts or equipment furnished in connection with such work or operations.

b. Includes

(1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work", and

(2) The providing of or failure to provide warnings or instructions.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMERCIAL GENERAL LIABILITY COVERAGE FORM EXTENDER

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Coverage, terms, conditions, and exclusions as modified by this form supersede the coverage, terms, conditions, and exclusions of the form being modified. All other coverage, terms, conditions, and exclusions of this policy apply to coverage provided under this form. This Coverage Form Extender applies only to the Named Insured(s) shown on the Declarations and only to premises scheduled on the Declarations.

A. Additional Insured

Section II – Who is an Insured is amended to include as an additional insured, any person or organization in a class described below, with whom you have agreed in writing in a contract or agreement that such person or organization is to be added as an additional insured on your policy. The inclusion as an additional insured is subject to the conditions shown in the descriptions of the applicable Additional Insured class. This insurance is Excess and Non-contributing with respect to any other insurance available to the Additional Insured, except that, if required to be primary or to be primary and contributing by a written contract or agreement, the Insurance provided under this endorsement shall be primary and contributing. As respects all the foregoing, the contract or agreement must:

a. Have been executed and be in effect prior to the "bodily injury", "property damage", or "personal injury and advertising injury" to which this coverage applies; and

b. Be in effect at the time of the "bodily injury", "property damage", or "personal injury and advertising injury" to which this coverage applies, occurred.

The Additional Insured classes are:

1. Manager or Lessor of Premises

A person or organization who is a manager or lessor of premises leased to you, but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you and subject to the following additional exclusions:

This insurance does not apply to:

a. Any "occurrence" which takes place after you cease to be a tenant in that premises; or

b. Structural alterations, new construction or demolition operations performed by or on behalf of the additional insured.

2. Lessor of Leased Equipment

A person or organization who leases equipment to you, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of the equipment leased to you by such person or organization. With respect to the insurance afforded to this class of additional insureds, this insurance does not apply to any "occurrence" which takes place after the equipment lease expires.

3. Lessor of Land

A person or organization who leases land to you, but only with respect to liability arising out of the ownership, maintenance or use of that part of the land leased to you, and subject to the following additional exclusions:

This insurance does not apply to:

a. Any "occurrence" which takes place after you cease to lease that land;

b. Structural alterations, new construction or demolition operations performed by or on behalf of the additional insured.

4. Mortgagee, Assignee or Receiver

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A person or organization who holds the mortgage to premises you own, or their Assignee or Receiver, but only with respect to their liability as mortgagee, assignee or receiver and arising out of the ownership, maintenance or use of the premises by you. This insurance does not apply to structural alterations, new construction and demolition operations performed by or for the additional insured.

5. Vendor

A person or organization who distributes or sells "your products", but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business, subject to the following additional exclusions:

a. The insurance afforded the vendor does not apply to:

(1) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;

(2) Any express warranty unauthorized by you;

(3) Any physical or chemical change in the product made intentionally by the vendor;

(4) Re-packaging, except when unpacked solely for the purpose of inspection, demonstration, testing or the substitution of parts under instructions from the manufacturer, and then re-packaged in the original container;

(5) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;

(6) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;

(7) Products which, after distribution or sale by you, have been labeled or re-labeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or

(8) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:

(a) The exceptions contained in Subparagraphs **(4)** or **(6)**; or

(b) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

b. This insurance does not apply to any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

c. This insurance does not apply to any product which has been excluded from coverage by endorsement, under this policy.

6. State or Political Subdivision

A state or political subdivision from which you have obtained a permit, subject to the following provisions:

a. This insurance applies only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit.

b. This insurance does not apply to:

(1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the state or municipality; or

(2) "Bodily injury" or "property damage" included within the "products-completed operations hazard".

7. Co-Owner of Insured Premises

A person or organization who has an ownership interest in your premises, but only with respect to his, her or their liability as a co-owner of the premises.

8. Controlling Interest

A person or organization with a controlling financial interest in your business, but only with respect to their liability arising out of:

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a. Their financial control of you; or

b. Premises they own, maintain or control while you lease or occupy these premises.

This insurance does not apply to structural alterations, new construction and demolition operations performed by or for the additional insured.

9. Concessionaire

A person or organization acting as a concessionaire, but only with respect to their liability as a concessionaire trading under your name.

10. Grantor of Franchise

A person or organization who grants a franchise to you, but only with respect to their liability as grantor of a franchise to you.

B. Waiver of Subrogation

We waive your obligation to transfer your rights of recovery against an additional insured to us, if required to do so in a written contract or agreement that you sign, provided the agreement or contract was executed prior to the "bodily injury", "property damage", or "personal injury and advertising injury" to which this coverage applies; and the agreement or contract is in effect at the time of the "bodily injury", "property damage", or "personal injury and advertising injury" to which this coverage applies, occurred.

C. Employee as Insureds – Health Care Services

Section II – Who is an Insured, Paragraph **2.a.(1)(d)** is revised as follows:

(d) Arising out of his or her providing or failing to provide, professional health care services, but only if he or she is a physician, psychiatrist, psychologist, surgeon, licensed counselor, or if any named insured is in the business of providing professional health care services.

No coverage is provided under this policy for liability for the acts or omissions of any professional health care services by any named insured. No coverage is provided under this policy for liability for the act or omissions of any professional health care services by any insured if the named insured is in the business of providing professional health care services. No coverage is provided under this policy for liability for the acts or omissions of any professional health care services by any insured who is a physician, psychiatrist, psychologist, surgeon, or licensed counselor.

D. Non-Owned Aircraft

Section I – Bodily Injury and Property Damage, Exclusion **2.g.** does not apply to aircraft that:

(a) You do not own or lease; and

(b) You charter for a single one way or round trip; and

(c) The pilot and/or crew are not your officers, directors or employees, or relatives of any of these; and

(d) The only passengers on the flight are your officers, directors, employees or individuals with whom you conduct business, or relatives of any of these.

E. Liberalized Notification Duties

Section IV – Commercial General Liability Conditions, Paragraph **2. Duties in the Event of Occurrence, Claim or Suit** is amended by the addition of the following:

(e) Knowledge of an occurrence, claim or suit by an employee, agent or volunteer shall not be deemed as knowledge by a named insured, unless the employee, agent or volunteer is also an owner, officer, director, manager or individual designated to receive reports of occurrences, claims or suits.

(f) Failure to report an occurrence, claim or suit to us solely based on a reasonable belief that the occurrence, claim or suit would not be covered by this insurance policy shall not be a cause to disallow coverage under this policy, provided that you promptly report such occurrence, claim or suit to us as soon as you become aware of the possibility that this insurance may apply to the occurrence, claim or suit.

(g) Failure to report an occurrence, claim or suit to us under this policy because it was unintentionally reported by you to different insurance company or reported to us as Workers Compensation or Employers Liability claim, shall not disallow coverage under this policy, provided that you promptly report such occurrence, claim or suit to us as soon as you become aware of the mistake.

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F. Liberalized Representations Clause

Section IV – Commercial General Liability Conditions, Paragraph **6. Representations** is amended by the addition of the following:

In relying on your representations, we acknowledge that you may have unintentionally failed to disclose information that you were not aware of at the time of making your representations. We will not disallow covered based on failure to disclose all hazards or based on inaccurately reporting information, provided that you promptly report to us such undisclosed hazards and alert us to the need to correct specific inaccurate information promptly, as soon as you become aware of its existence. Corrective information may result in a return premium to you or additional premium due to us. This liberalization of the Representations clause does not change the terms of the cancellation or non-renewal clauses that are a part of this policy.

G. Liberalization Clause

We will automatically apply the broadening terms of any General Liability coverage form applicable to this policy, if the form is revised during the term of this policy, provided that there is no additional premium charge for the revised form. The broadening terms will be applicable on the date that the revised form is first made effective on any policy issued by this company in the state shown in the Declarations of your policy.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

HIRED AUTO AND NON-OWNED AUTO LIABILITY

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. Insurance is provided only for those coverages which are shown in the Declarations.

1. Hired Auto Liability

The insurance provided under Section **I** – Coverages, Bodily Injury and Property Damage, 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 Section **I** – Coverages, Bodily Injury and Property Damage, 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 the Section **I.2. –** Exclusions, Bodily Injury and Property Damage, 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 any insured arising out of and in the course of:

(a) Employment by any insured; or

(b) Performing duties related to the conduct of any 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:

(a) Whether such insured may be liable as an employer or in any other capacity; and

(b) To any obligation to share damages with or repay someone else who must pay damages because of injury.

This exclusion does not apply to:

(i) Liability assumed by any insured under an "insured contract"; or

(ii) "Bodily injury" arising out of and in the course of domestic employment by any 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 any insured; or

(2) Property in the care, custody or control of any insured.

2. Section II – Who is an Insured, is replaced by the following:

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", any partner or "executive officer" 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.

None of the following is an insured:

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(1) 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;

(2) Any partner or "executive officer" for any "auto" owned by such partner or officer or a member of his or her household;

(3) Any person while employed in or otherwise engaged in duties in connection with an "auto business", other than an "auto business" you operate;

(4) The owner or lessee (of whom you are a sub-lessee) of a "hired auto" or the owner of a "non-owned auto" or any agent or "employee" of any such owner or lessee;

(5) 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. 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 or borrow. This does not include any "auto" you lease, hire or borrow from any of your "employees" or members of their households, or from any partner or "executive officer" of yours.

3. "**Non-Owned Auto**" means any "auto" you do not own, lease, hire or borrow which is used in connection with your business. However, if you are a partnership, a "non-owned auto" does not include any "auto" owned by any partner.

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ABSOLUTE ASBESTOS AND SILICA EXCLUSION

This endorsement applies to the insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
BUSINESSOWNERS COVERAGE FORM
COMMERCIAL GENERAL LIABILITY COVERAGE FORM
FARM LIABILITY COVERAGE FORM
GARAGE COVERAGE FORM
PERSONAL LIABILITY – FARM
PREMISES LIABILITY COVERAGES

This insurance does not apply to any liability for property damage (including loss of use of property), bodily injury, or personal injury directly or indirectly caused by or arising out of asbestos, silica, or silica dust, including but not limited to the following:

1. Inhaling, ingesting or prolonged physical exposure to asbestos, silica, or silica dust, or goods or products containing asbestos or silica; or
2. The use of asbestos or silica in construction or manufacturing any good, product or structure; or
3. The process of decontamination, treatment, control or removal of asbestos or silica from any good, product or structure; or
4. The manufacture, processing, mining, distribution, sale, transportation, storage or disposal of asbestos or goods or products containing asbestos or silica.

The coverage afforded by this policy does not apply to payment for the investigation or defense of any loss, injury or damage; or any cost, fine or penalty; or for any expense, claim or suit related to any of the above.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ABSOLUTE LEAD EXCLUSION

This endorsement applies to the insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
BUSINESSOWNERS COVERAGE FORM
COMMERCIAL GENERAL LIABILITY COVERAGE FORM
FARM LIABILITY COVERAGE FORM
GARAGE COVERAGE FORM
PERSONAL LIABILITY – FARM
PREMISES LIABILITY COVERAGES

This insurance does not apply to any liability for property damage (including loss of use of property), bodily injury, or personal injury directly or indirectly caused by or arising out of lead, including but not limited to the following:

1. Inhaling, ingesting or prolonged physical exposure to lead or goods or products containing lead; or
2. The use of lead in construction or manufacturing any good, product or structure; or
3. The process of decontamination, treatment, control or removal of lead from any good, product or structure; or
4. The manufacture, processing, mining, distribution, sale, transportation, storage or disposal of lead or goods or products containing lead.

The coverage afforded by this policy does not apply to payment for the investigation or defense of any loss, injury or damage; or any cost, fine or penalty; or for any expense, claim or suit related to any of the above.

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EMPLOYMENT-RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. The following exclusion is added to Paragraph **2. Exclusions** of **Section I – Coverage A – Bodily Injury and Property Damage Liability**:

This insurance does not apply to:

"Bodily injury" to:

(1) A person arising out of any:

(a) Refusal to employ that person; or

(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 or discrimination directed at that person; or

(d) False arrest, detention or imprisonment; or

(e) Malicious prosecution; or

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

This exclusion applies:

(1) Whether the insured may be liable as an employer or in any other capacity; and

(2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

B. The following exclusion is added to Paragraph **2. Exclusions** of **Section I – Coverage B – Personal and Advertising Injury Liability**:

This insurance does not apply to:

"Personal and advertising injury" to:

(1) A person arising out of any:

(a) Refusal to employ that person; or

(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 or discrimination directed at that person; or

(d) False arrest, detention or imprisonment; or

(e) Malicious prosecution; or

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

This exclusion applies:

(1) Whether the insured may be liable as an employer or in any other capacity; and

(2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

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PRIOR AND PENDING OCCURRENCE EXCLUSION

This endorsement modifies insurance provided under the following:

ALL LIABILITY COVERAGES in ALL COVERAGE FORMS

The following exclusion is added:

A. This insurance does not apply to the following:

All “bodily injury”, “property damage”, or “personal and advertising injury” that is continuous or progressively deteriorating, and that first manifests prior to the effective date of this policy or after the earlier of the expiration or cancellation date of this policy. This exclusion applies even if such injury or damage continues or progressively deteriorates during the term of this policy.

B. If this policy extends for more than one annual period, the following applies:

1. The most we will pay for “bodily injury”, “property damage”, or “personal and advertising injury” that is continuous or progressively deteriorating, and that first manifests during one of several continuous policy terms, is the applicable limit of insurance available for the policy term when the “bodily injury”, “property damage”, or “personal and advertising injury” first manifests.

2. The limit specified in Paragraph **B.1.** above is the only limit that applies to all related “bodily injury”, “property damage”, or “personal and advertising injury”, regardless of whether such injury or damage existed before, or continues or progressively deteriorates after, the period in which it first manifests.

C. Within the meaning of this endorsement, injury or damage manifests when appreciable harm occurs that is or should be known to the insured or to the person or organization harmed.

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BINDING ARBITRATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
ELECTRONIC DATA LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
PRODUCT WITHDRAWAL COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

If we and any insured do not agree whether coverage is provided under this Coverage Part for a claim made against such insured, then either party may make a written demand for arbitration.

When this demand is made, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction. Each party will:

1. Pay the expenses it incurs; and
2. Bear the expenses of the third arbitrator equally.

Unless both parties agree otherwise, arbitration will take place in the county or parish in which the address shown in the Declarations is located. Local rules of law as to procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding.

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LIMITED MOLD, FUNGI, AND MICROBIAL CONTAMINATION COVERAGE

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Mold, Fungi, And Microbial Contamination Liability Aggregate Limit	**$** 50,000
This Limit will be reduced by all payments made pursuant to Section III and under the Supplementary Payments section of this policy.	

I. LIMITED MOLD FUNGI AND MICROBIAL CONTAMINATION COVERAGE UNDER BODILY INJURY AND PROPERY DAMAGE COVERAGE

A. Coverage is provided by this endorsement for "bodily injury" or "property damage", arising out of or contributed to by mold, "fungi" or microbial contamination, subject to the Mold, Fungi and Microbial Contamination Liability Aggregate Limit as described in Paragraph **I.B.** of this endorsement.

B. **The following area added to Section III – Limits of Insurance:**

1. The Mold, Fungi and Microbial Contamination Liability Aggregate Limit shown in the Schedule of this endorsement is the most we will pay under Coverage A for all "bodily injury" or "property damage" arising out of any one or more claims of "bodily injury" damage from mold or "fungi" or "microbial contamination." This provision I.B does not apply to any mold, "fungi" or microbial contamination that is, on or is contained in, a good or product intended for bodily consumption.

2. Paragraphs 5., the Each Occurrence Limit, Paragraph 6., the Property Damage to Premises Rented to You Limit, and Paragraph 7., the Medical Expense Limit, of Section III – Limits of Insurance do not apply to "bodily injury" or "property damage" arising out of or contributed to by mold, "fungi" or "microbial contamination".

3. The Mold, Fungi and Microbial Contamination Liability Aggregate Limit set forth in the Schedule of this endorsement, and subject to Paragraphs I.B.1 of this endorsement, includes, but is not limited to, reasonable and customary attorney's fees, costs, and disbursements with respect to any claim or "suit" we defend.

C. The following is added to SUPPLEMENTARY PAYMENTS – COVERAGES A AND B.

Notwithstanding any other provision in this policy to the contrary, payments made under the Supplementary Payments section of the Commercial General Liability form shall reduce the amount of the Mold, Fungi and Microbial Contamination Liability Aggregate Limit available to pay for loss or damage to which this endorsement is applicable. All reasonable and customary attorneys' fees, costs, and disbursements which we pay with respect to any claim or "suit" we defend will constitute a Supplementary Payment. Our obligation to pay for loss or damage on behalf of an insured or to pay any Supplementary Payment, shall cease when we have paid or are obligated to pay for loss or damage and/or for Supplementary Payments, the amount shown above in the Mold, Fungi and Microbial Contamination Liability Aggregate Limit.

D. The following definitions are added to the Section V - **Definitions**:

23. "Fungi" means any type or form of fungus, including mold, mildew and any mycotoxins, spores, scents or byproducts produced or released by "fungi" or "microbial contamination."

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24. “Microbial Contamination” means a contamination 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 contamination.

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OTHER INSURANCE

This endorsement modifies insurance provided under the following:

ALL LIABILITY COVERAGE SECTIONS

The Coverage afforded under this policy shall be excess as to any valid and collectible insurance. When this insurance is excess, we shall have no duty to defend any claims or suit that any other insurer has a duty to defend. If no other insurer defends we shall undertake to do so, in doing so we shall be entitled to the insured's rights against all those other insurers.

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Policy Number: **SEP1002253 00**

Effective Date: 3/31/2015

Insured: **Crown Harbor HOA**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PRODUCTS – COMPLETED OPERATIONS CONSTRUCTION DEFECT EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

The following exclusion is added to **Section I.A.2 - Exclusions**:

This insurance does not apply to:

"Bodily injury" or "property damage" that is caused by or results from "your work" and which would be included within the "products-completed operations hazard", if "your work" is alleged to have caused or resulted in a defect or deficiency in any part of or in all of a structure of any type.
This exclusion applies whether you are in the business of constructing structures or in any other type of business.
This exclusion applies whether you did the work yourself or you hired a general contractor or sub-contractor.
This exclusion applies if you or anyone acting on your behalf, including any general contractor or subcontractor, performed one or more of the following activities in the furtherance of the "construction" of a structure:

(1) creating, modifying, or in any other way contributing to an architectural design,
(2) developing or modifying project specifications,
(3) presenting construction plans before a government entity or submitting construction plans to a government entity or sub-entity or agent for same,
(4) securing or providing building materials, tools, or equipment,
(5) supervision or approval of construction,
(6) providing or approving of interior design, exterior design, or landscape design, or
(7) providing or approving of demolition or clearance of real property or land.

This exclusion does not apply to "bodily injury" or "property damage" resulting from normal and customary repair or maintenance of property owned by you.

The following definition is added to **Section V. Definitions**:

"Construction" means the erection of new structures or the reconstruction, remodeling, renovation, rehabilitation, strengthening, repair, conversion, demolition, or moving of existing structures.

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EXCLUSION - ELECTRONIC DATA CLAIMS

Section I.A.2. Bodily Injury and Property Damage Coverage Exclusion p. is deleted and replaced with the following:

p. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, inability to manipulate, or unauthorized use or misuse of electronic data maintained by or for any insured.

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

Section I.B.2. Personal Injury Exclusions is amended by the addition of the following Exclusion:

p. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, inability to manipulate, or unauthorized use or misuse of electronic data maintained by or for any insured.

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

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MOLD, FUNGI OR MICROBIAL CONTAMINATION EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Section I.A.2. of this policy – Bodily Injury and Property Damage Liability Exclusions – is amended by the addition of the following:

This insurance does not apply to:

1. "Bodily injury" arising out of or contributed to by mold, "fungi" or "microbial contamination";

2. "Property damage" arising out of or contributed to by mold, "fungi" or "microbial contamination";

3. "Property damage" arising out of or contributed to by mold, "fungi" or "microbial contamination" which relates to, arises out of or is any part of "your work" and included within the "products-completed operations hazard";

4. Any claim of "bodily injury" or "property damage" arising out of, caused by, or relating to the abatement of mold, "fungi" or "microbial contamination".

Section I.B.2. of this policy – Personal and Advertising Injury Exclusions – is amended by the addition of the following:

This insurance does not apply to:

1. "Personal and advertising injury" which arises out of or is contributed to by mold, "fungi" or "microbial contamination"; or

2. Any claim of "personal injury" arising out of, caused by, or relating to the abatement of mold, "fungi" or "microbial contamination."

Section I.A.2. of this policy – Bodily Injury or Property Damage Liability Exclusions – and Section I.B.2. of this policy – Personal and Advertising Injury Liability Exclusions are amended by the addition of the following:

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This insurance does not apply to:

1.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 mold, “fungi” or “microbial contamination”; 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 mold, “fungi” or “microbial contamination”.

The Company shall have no duty or obligation to provide or pay for the investigation or defense of any loss, cost, expense, claim, or “suit” excluded under this endorsement or in connection therewith.

The following definitions are added to the Definitions Section:

1. “Fungi” means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by “fungi” or “microbial contamination”.

2. “Microbial contamination” means a contamination 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, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such contamination.

This exclusion shall apply regardless of the legal form ANY claim or complaint may take, and shall apply to each and every cause of action and allegation contained in a claim or complaint if ANY cause of action or allegation in that claim in ANY manner sets forth an allegation of ANY form of mold, “fungi” or “microbial contamination”. For example, if a claim is made or a complaint is filed against an individual or entity with respect to any claim of bodily injury, property damage or personal and advertising injury arising out of or contributed to by mold, “fungi” or “microbial contamination”, there is NO COVERAGE for any individual or entity under the policy, regardless of any other coverage provisions that might otherwise apply.

Binding Arbitration Clause.

All disputes which may arise under or in connection with the applicability of this exclusion shall be submitted to binding arbitration in accordance with the prevailing commercial arbitration rules under the terms of the American Arbitration Association.

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The decision rendered by the arbitration shall be final and binding upon all parties and judgment thereon may be entered in any court having jurisdiction thereof.

Optional Limited Coverage Is Available Under This Policy For Mold, Fungi and Microbial Contamination

Limited Coverage for Mold, "Fungi", and "Microbial Contamination" may be provided under this policy by the inclusion of the Limited Mold, Fungi or Microbial Contamination Coverage form. If limited Mold, "Fungi" or "Microbial Contamination" coverage is provided, it is provided only to the extent provided by the Limited Mold, Fungi and Microbial Contamination Coverage form.

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AMENDMENT OF LIMITS OF INSURANCE

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Section III - Limits of Insurance is amended as follows:

7. Subject to **5** above, the Medical Payments Limit is the most we will pay under Coverage C for all medical expenses because of “bodily injury” sustained by any one person. The Medical Payments Limit will be reduced by the amount of payment or payments that the injured person has received or been credited for as to medical expenses which are described in 1.b and 1. c of the Insuring Agreement to Coverage C-Medical Payments. Without limitation, the Medical Payments Limit will be reduced by payment for medical expenses paid or payable, to or on behalf of the injured person by a workers compensation carrier, life and/or health insurance company, or other liability insurance company who may have coverage for the accident or injury which resulted in the "bodily injury" for which the medical expenses were incurred."

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AMENDMENT OF MEDICAL PAYMENTS COVERAGE

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Insuring Agreement 1.c. is added to Section I., Coverage C. Medical Payments:

“Necessary medical services “means medical services which are usual and customary for treatment of the injury, including the number and duration of treatments. “Necessary medical services” are limited to necessary medical, surgical, dental, x-ray, ambulance, hospital, professional nursing and funeral services, and include the cost of pharmaceuticals, orthopedic and prosthetic devises, eyeglasses and hearing aids.

“Necessary medical services” do not include:

1. Treatment, services, products or procedures that are:
    a. Not commonly and customarily recognized throughout the medical profession and within the United States as appropriate for the treatment of “bodily injury”
2. The use of thermography
3. The purchase; rental cost or use of;
    a. Hot tubs, spas or waterbeds
    b Exercise equipment
    c. Heating or vibrating devices
    d. Memberships in health clubs
    e. Medical reports unless requested by us.
4. Chiropractic treatments in excess of 25.

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Policy Number: SEP1002253 00

Effective Date: 3/31/2015

Insured: Crown Harbor HOA

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ABSOLUTE "SECONDHAND SMOKE" EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

The following exclusion is added to **Section I.A.2 - Exclusions**:

This insurance does not apply to any liability for "bodily injury", "property damage" or "personal and advertising injury" directly or indirectly caused by or arising out of "secondhand smoke", including, but not limited to, such liability for the consequences of the following:

1. Any person inhaling, ingesting or having prolonged physical exposure to "secondhand smoke";

2. The exposure or potential exposure of any person, persons or entity to "secondhand smoke";

This insurance does not apply to any liability for "bodily injury", "property damage" or "personal and advertising injury" directly or indirectly caused by or arising out of "secondhand smoke", including, but not limited to, such liability for the following:

1. The process of decontamination, treatment, control or removal of "secondhand smoke";

2. Any request, demand or order that any insured or others test for, monitor, cleanup, remove, contain, treat, detoxify, neutralize or in any way respond to or assess the effect of "secondhand smoke"; or

3. Any claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing or in any way responding to or assessing the effects of "secondhand smoke".

The Company shall have no duty or obligation to provide or pay for the investigation or defense of any loss, cost, expense, claim or "suit" related to or arising out of any of the above.

The following definition is added to **Section V. Definitions**:

"Secondhand smoke" means environmental tobacco smoke or passive tobacco smoke as well as any form of smoke that comes from or is contributed to by burning tobacco or tobacco-containing products. "Secondhand smoke" includes, but is not limited to:

a. Side-stream smoke: Smoke that comes from the end of a lighted cigarette, pipe, cigar or a device utilized to burn tobacco or tobacco-containing products;

b. Mainstream smoke: smoke that is exhaled by an individual smoker of tobacco or tobacco-containing products."

This exclusion shall apply regardless of the legal form ANY claim or complaint may take, and shall apply to each and every cause of action and allegation contained in a claim or complaint if ANY cause of action or allegation in that claim in ANY matter sets forth an allegation of any form of damages either caused by or arising out of "secondhand smoke". For example, if a claim is made or a complaint is filed against an individual or entity with respect to ANY claim of "bodily injury", "property damage" or "personal and advertising injury" arising out of or contributed to by "secondhand smoke", there is NO COVERAGE for any individual or entity under the policy, regardless of any other coverage provisions that might otherwise apply.

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Effective Date: 3/31/2015

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EXCLUSION - INTRA-INSURED CLAIMS (Condominiums)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Liability Coverage, as provided under this policy does not apply to “personal and advertising injury” sustained by any insured that is described in **Section II - Who is an Insured**. We shall have no obligation to defend or indemnify any insured against a claim by another insured.

This exclusion shall apply regardless of the legal form any claim or complaint may take and shall apply to each and every cause of action and allegation contained in a claim or complaint if any cause of action in that claim or complaint in any manner sets forth an allegation of any claim of injury or damage sustained by any insured. If a claim is made or a complaint is filed by an insured against an individual or entity which is also an insured, then there is NO LIABILITY COVERAGE for that person or entity, regardless of any other coverage provisions that might otherwise apply.

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CONDOMINIUM ASSOCIATION COVERAGE FORM

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

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

Other words and phrases that appear in quotation marks have special meaning. Refer to Section **H. – Definitions.**

A. Coverage

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

1. Covered Property

Covered Property, as used in this Coverage Part, means the type of property described in this Section, **A.1.,** and limited in **A.2.,** Property Not Covered, if a Limit of Insurance is shown in the Declarations for that type of property.

a. Building, meaning the building or structure described in the Declarations, including:

(1) Completed additions;

(2) Fixtures, including signs, awnings, and window glass, radio or television antennas or satellite dishes;

(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 1000 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, whether or not 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. Your Business Personal Property located in or on the building described in the Declarations or in the open (or in a vehicle) within 1000 feet of the described premises, consisting of the following:

(1) Personal property owned by you or owned indivisibly by all unit-owners;

(2) Your interest in the labor, materials or services furnished or arranged by you on personal property of others;

(3) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property of Others.

But Your Business Personal Property does not include personal property owned only by a unit-owner.

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c. Personal Property Of Others that is:

(1) In your care, custody or control; and

(2) Located in or on the building described in the Declarations or in the open (or in a vehicle) within 1000 feet of the described premises.

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

2. Property Not Covered

Covered Property does not include:

a. Accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;

b. Animals, unless owned by others and boarded by you;

c. Automobiles held for sale;

d. Bridges, roadways, walks, patios or other paved surfaces;

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

f. Land (including land on which the property is located), water, growing crops or lawns;

g. Property that is covered under this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;

h. Electronic data, except as provided under Additional Coverages – Electronic Data. 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.

i. The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data.

j. Vehicles or self-propelled machines (including aircraft or watercraft) that:

(1) Are licensed for use on public roads; or

(2) Are operated principally away from the described premises.

This paragraph does not apply to:

(a) Vehicles or self-propelled machines or autos you manufacture or warehouse;

(b) Vehicles or self-propelled machines, other than autos, you hold for sale;

(c) Rowboats or canoes out of water at the described premises; or

(d) Trailers, but only to the extent provided for in the Coverage Extension for Non-Owned Detached Trailers.

q. The following property while outside of buildings:

(1) Grain, hay, straw or other crops; or

(2) Trees, shrubs, or plants (other than "stock" of trees, shrubs or plants), all except as provided in the Coverage Extensions.

3. Covered Causes Of Loss

See applicable Causes of Loss Form as shown in the Declarations.

4. Additional Coverages

a. Debris Removal

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

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

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

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

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

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

(b) Subject to **(a)** above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

(4) We will pay up to an additional amount for debris removal expense, shown for this coverage on the Schedule of SCP 00 17 Limits, 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 **(4)(a)** and/or **(4)(b)** apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus the amount shown for this coverage on the Schedule of SCP 00 17 Limits.

(5) Examples

The following examples assume that there is no coinsurance penalty.

Example #1

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

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

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

Example #2

Limit of Insurance	$ 90,000
Amount of Deductible	$ 500
Amount of Loss	$ 80,000
Amount of Loss Payable	$ 79,500
	($80,000 – $500)
Debris Removal Expense	$ 30,000
Debris Removal Expense Payable	
Basic Amount	$ 10,500
Additional Amount	$ 10,000

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

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

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The amount shown as the Additional Amount in the example may be different if an amount other than $10,000 is shown for this coverage on the Schedule of SCP 00 17 Limits. In this example, subtract the basic amount ($!0,500) from the Debris Removal Expense ($30,000) to derive the debris limit needed to fully cover the debris expense ($19,500). If the limit in the Schedule for this coverage is greater than $19,500 , the additional amount in this example would be $19,500 in place of $10,000.

b. Preservation Of Property

If it is necessary for you 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 or damage to that property:

(1) While it is being moved or while temporarily stored at another location, or while being moved back to the described premises ; but

(2) Only if the loss or damage occurs within 180 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 the amount shown for this coverage on the Schedule of CP 00 17 Limits for your liability for fire department service charges:

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

(2) Required by local ordinance.

No Deductible applies to this Additional Coverage.

d. 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 under this Additional Coverage for each described premises is the amount shown for this coverage on the Schedule of SCP 00 17 Limits, for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.

e. Increased Cost Of Construction

(1) This Additional Coverage applies only to buildings to which the Replacement Cost Optional Coverage applies.

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

(3) The ordinance or law referred to in **e.(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.

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

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

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

(6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is $10,000 or 5% of the Limit of Insurance applicable to that building, whichever is less. If a damaged building 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 that damaged building, is the lesser of: $10,000 or 5% times the value of the damaged building as of the time of loss times the applicable coinsurance percentage.

The amount payable under this Additional Coverage is additional insurance.

(7) With respect to this Additional Coverage:

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

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

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

(b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of **e.(6)** of this Additional Coverage, 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, subject to the provisions of **e.(6)** of this Additional Coverage, 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 and Valuation Conditions, and the Replacement Cost Optional Coverage, in this Coverage Form, do not include the increased cost attributable to enforcement of an ordinance or law. The amount payable under this Additional Coverage, as stated in **e.(6)** of this Additional Coverage, is not subject to such limitation.

f. Electronic Data

(1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered – Electronic Data.

(2) 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.

(3) The Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage – Electronic Data, subject to the following:

(a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage – Electronic Data is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.

(b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage – Electronic Data includes Collapse as set forth in that form.

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(c) If the Causes Of Loss Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage – Electronic Data.

(d) The Covered Causes of Loss include a 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.

(4) The most we will pay under this Additional Coverage – Electronic Data is $2,500 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. 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.

5. Coverage Extensions

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 1000 feet of the described premises.

If a Coinsurance percentage of 80% or more is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

a. Newly Acquired Or Constructed Property

(1) Buildings

You may extend the insurance that applies to Building to apply to:

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

(b) Buildings you acquire at locations, other than the described premises, 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 the limit shown for this coverage on Schedule of SCP 00 17 Limits at each building.

(2) Your Business Personal Property

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

(i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;

(ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or

(iii) Business personal property that you newly acquire, located at the described premises.

The most we will pay for loss or damage under this Extension is is the limit shown for this coverage on the Schedule of SCP 00 17 Limits at each building.

(b) This Extension does not apply to:

(i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or

(ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

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(3) Period Of Coverage

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

(a) This policy expires;

(b) The number of days shown in the Schedule of SCP 00 17 Limits 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 Effects And Property Of Others

You may extend the insurance that applies to Your Business Personal Property to apply to:

(1) Personal effects owned by you, your officers, your partners or members, your managers or your employees. This extension does not apply to loss or damage by theft.

(2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension is the amount shown for this coverage on the Schedule of SCP 00 17 Limits, 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.

c. Valuable Papers And Records (Other Than Electronic Data)

(1) You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered – Electronic Data.

(2) If the Causes Of Loss – Special Form applies, coverage under this Extension is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.

(3) If the Causes Of Loss – Broad Form applies, coverage under this Extension includes Collapse as set forth in that form.

(4)Under this Extension, the most we will pay to replace or restore the lost information, at each described premises, is the amount shown for this coverage on the Schedule of SCP 00 17 Limits. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.

d. Property Off-Premises

(1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:

(a) Temporarily at a location you do not own, lease or operate;

(b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or

(c) At any fair, trade show or exhibition.

(2) This Extension does not apply to property:

(a) In or on a vehicle; or

(b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.

(3)**The most we will pay for loss or damage under this Extension is** the amount shown for this coverage on the Schedule of SCP 00 17 Limits.

e. Outdoor Property

You may extend the insurance provided by this Coverage Form 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 "stock" of trees, shrubs or plants), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

(1) Fire;

(2) Lightning;

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(3) Explosion;

(4) Riot or Civil Commotion; or

(5) Aircraft.

The most we will pay for loss or damage under this Extension is the limits shown for this coverage on Schedule of SCP 00 17 Limits. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

f. Non-Owned Detached Trailers

(1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:

(a) The trailer is used in your business;

(b) The trailer is in your care, custody or control at the premises described in the Declarations; and

(c) You have a contractual responsibility to pay for loss or damage to the trailer.

(2) We will not pay for any loss or damage that occurs:

(a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;

(b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.

(3) The most we will pay for loss or damage under this Extension is the amount shown for this coverage in the Schedule of SCP 00 17 Limits.

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

Each of these Extensions is additional insurance unless otherwise indicated. The Additional Condition, Coinsurance, does not apply to these Extensions.

B. Exclusions And Limitations

See applicable Causes of Loss Form as shown in the Declarations.

C. Limits Of Insurance

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

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

The limits applicable to the Fire Department Service Charge and Pollutant Clean Up and Removal Additional Coverages are in addition to the Limits of Insurance.

Payments under the Preservation of Property Additional Coverage will not increase the applicable Limit of Insurance.

D. Deductible

In any one occurrence of loss or damage (hereinafter referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss, and will pay the resulting amount or the Limit of Insurance, whichever is less.

When the occurrence involves loss to more than one item of Covered Property and separate Limits of Insurance apply, the losses will not be combined in determining application of the Deductible. But the Deductible will be applied only once per occurrence. The highest Deductible will be applied to all items involved in a single occurrence.

Example No. 1:

(This example assumes there is no coinsurance penalty.)

Deductible:	$ 250
Limit of Insurance – Bldg. 1:	$ 60,000
Limit of Insurance – Bldg. 2:	$ 80,000
Loss to Bldg. 1:	$ 60,100
Loss to Bldg. 2:	$ 90,000

The amount of loss to Bldg. 1 ($60,100) is less than the sum ($60,250) of the Limit of Insurance applicable to Bldg. 1 plus the Deductible.

The Deductible will be subtracted from the amount of loss in calculating the loss payable for Bldg. 1:

$ 60,100
– 250
$ 59,850 Loss Payable – Bldg. 1

The Deductible applies once per occurrence and therefore is not subtracted in determining the amount of loss payable for Bldg. 2. Loss payable for Bldg. 2 is the Limit of Insurance of $80,000.

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Total amount of loss payable: $59,850 + 80,000 = $139,850

Example No. 2:

(This example, too, assumes there is no coinsurance penalty.)

The Deductible and Limits of Insurance are the same as those in Example No. 1.

Loss to Bldg. 1: $70,000
(exceeds Limit of Insurance plus Deductible)
Loss to Bldg. 2: $90,000
(exceeds Limit of Insurance plus Deductible)
Loss Payable – Bldg. 1: $60,000
(Limit of Insurance)
Loss Payable – Bldg. 2: $80,000
(Limit of Insurance)
Total amount of loss payable: $140,000

E. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

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

a. Pay its chosen appraiser; and

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

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

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 Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.

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

(6) As often as may be reasonably required, permit us to inspect the property 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.

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. Loss Payment

a. In the event of loss or damage covered by this Coverage Form, 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, subject to **b.** below;

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

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

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this Coverage Form or any applicable provision which amends or supersedes the Valuation Condition.

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

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

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

e. 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 to Covered Property within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:

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

(2) An appraisal award has been made.

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.

5. Recovered Property

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

6. 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.

7. 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 **(1)(a)** and **(1)(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 sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; and/or

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

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

b. Vacancy Provisions

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

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

(a) Vandalism;

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

(c) Building glass breakage;

(d) Water damage;

(e) Theft; or

(f) Attempted theft.

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

8. Valuation

We will determine the value of Covered Property in the event of loss or damage as follows:

a. At actual cash value as of the time of loss or damage, except as provided in **b., c.** and **d.** below.

b. If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is $2,500 or less, we will pay the cost of building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property. However, the following property will be valued at the actual cash value even when attached to the building:

(1) Awnings or floor coverings;

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

(3) Outdoor equipment or furniture.

c. Glass at the cost of replacement with safety glazing material if required by law.

9. 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.

F. Additional Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies.

a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

Instead, we will determine the most we will pay using the following steps:

(1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;

(2) Divide the Limit of Insurance of the property by the figure determined in Step **(1);**

(3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step **(2);** and

(4) Subtract the deductible from the figure determined in Step **(3).**

We will pay the amount determined in Step **(4)** or the Limit of Insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

Example No. 1 (Underinsurance):

When:	The value of the property is	$	250,000
	The Coinsurance percentage for it is		80%
	The Limit of Insurance for it is	$	100,000
	The Deductible is	$	250
	The amount of loss is	$	40,000
Step **(1):**	$250,000 x 80% = $200,000 (the minimum amount of insurance to meet your Coinsurance requirements)		
Step **(2):**	$100,000 ÷ $200,000 = .50		
Step **(3):**	$40,000 x .50 = $20,000		
Step **(4):**	$20,000 - $250 = $19,750		

We will pay no more than $19,750. The remaining $20,250 is not covered.

Example No. 2 (Adequate Insurance):

When:	The value of the property is	$	250,000
	The Coinsurance percentage for it is		80%
	The Limit of Insurance for it is	$	200,000
	The Deductible is	$	250
	The amount of loss is	$	40,000

The minimum amount of insurance to meet your Coinsurance requirement is $200,000 ($250,000 x 80%). Therefore, the Limit of Insurance in this Example is adequate and no penalty applies. We will pay no more than $39,750 ($40,000 amount of loss minus the deductible of $250).

b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

Example No. 3:

When:	The value of property is:		
	Bldg. at Location No. 1	$	75,000

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Bldg. at Location No. 2	$	100,000
Personal Property at Location No. 2	$	75,000
	$	250,000
The Coinsurance percentage for it is		90%
The Limit of Insurance for Buildings and Personal Property at Location Nos. 1 and 2 is	$	180,000
The Deductible is	$	1,000
The amount of loss is:		
Bldg. at Location No. 2	$	30,000
Personal Property at Location No. 2	$	20,000
	$	50,000

Step **(1):** $250,000 x 90% = $225,000
(the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

Step **(2):** $180,000 ÷ $225,000 = .80

Step **(3):** $50,000 x .80 = $40,000

Step **(4):** $40,000 – $1,000 = $39,000

We will pay no more than $39,000. The remaining $11,000 is not covered.

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 Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:

(1) Pays any premium due under this Coverage Part 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 Coverage Part 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 Coverage Part:

(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.

G. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item.

1. Agreed Value

a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.

b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.

c. The terms of this Optional Coverage apply only to loss or damage that occurs:

(1) On or after the effective date of this Optional Coverage; and

(2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

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2. Inflation Guard

a. The Limit of Insurance for property to which this Optional Coverage applies will automatically increase by the annual percentage shown in the Declarations.

b. The amount of increase will be:

(1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times

(2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times

(3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

Example:

If:	The applicable Limit of Insurance 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

3. Replacement Cost

a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Loss Condition, Valuation, of this Coverage Form.

b. This Optional Coverage does not apply to:

(1) Personal property of others;

(2) Contents of a residence; or

(3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac.

Under the terms of this Replacement Cost Optional Coverage, personal property owned indivisibly by all unit owners, and the property covered under Paragraph **A.1.a.(6)** of this Coverage Form, are not considered to be the personal property of others.

c. If the declarations show that the property which is lost or damaged is covered on a replacement cost basis, you may make a claim for loss or damage covered by this insurance on the basis of either actual cash value or replacement cost. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within one year immediately following the date of the loss or damage. If you do not notify us of your election of the valuation basis under which the claim is to be settled within a period of 120 days immediately following the date of loss or damage, the loss or damage will be settled as if you had elected to have the loss or damage settled on the basis of Actual Cash Value. You may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within one year immediately following the date of the loss or damage. If you elect to have loss or damage settled on a Replacement Cost basis, you must begin the process of repairing or replacing the damaged property within 120 days after your election of replacement cost, and thereafter you must continue to take actions needed to complete the repair or replacement within a reasonable time period. If you do not begin the process and thereafter continue to take actions needed to complete the repair or replacement within a reasonable time period, the company may elect to settle the claim on the basis of Actual Cash Value.

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

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

(2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

e. We will not pay more for loss or damage on a replacement cost basis than the least of **(1), (2)** or **(3),** subject to **f.** below:

(1) The Limit of Insurance applicable to the lost or damaged property;

(2) The cost to replace the lost or damaged property with other property:

(a) Of comparable material and quality; and

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(b) Used for the same purpose; or

(3) The amount actually spent that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new premises, the cost described in **e.(2)** above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.

f. The cost of repair or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

4. Extension Of Replacement Cost To Personal Property Of Others

a. If the Replacement Cost Optional Coverage is shown as applicable in the Declarations, then this Extension may also be shown as applicable. If the Declarations show this Extension as applicable, then Paragraph **3.b.(1)** of the Replacement Cost Optional Coverage is deleted and all other provisions of the Replacement Cost Optional Coverage apply to replacement cost on personal property of others.

b. With respect to replacement cost on the personal property of others, the following limitation applies:

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.

H. Definitions

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

2. "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.

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CONDOMINIUM ASSOCIATION COVERAGE FORM EXTENDER

This form modifies coverage provided under form

CONDOMINIUM ASSOCIATION COVERAGE FORM

Coverage, terms, conditions, and exclusions as modified by this form supersede the coverage, terms, conditions and exclusions of the form being modified. All other coverage, terms, conditions, and exclusions of this policy apply to coverage provided under this form. This Coverage Form Extender applies only to premises scheduled on the Declarations for which a limit is shown for Building and/or Business Personal Property.

01. Accounts Receivable

Added as a coverage provided under the Coverage Extensions section is Accounts Receivable.

1. 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 the loss or damage; and
   - **d.** Other reasonable expenses that you incur to re-establish your records of accounts receivable;

   that result from Covered Causes of Loss to your records of accounts receivable.
2. Property Not Covered:

   Coverage does not apply to:
   - **a.** Records of accounts receivable in storage away from all "premises" shown in the Declarations; or
   - **b.** Contraband, or property in the course of illegal transportation or trade.

The most we will pay under this Coverage Extension for each described premises, is the amount shown for this coverage on the Schedule of SCP 00 18 Limits The deductible amount shown for this coverage on the Schedule of SCP 00 18 Limits applies to this coverage. The Deductible clause as described in form SCP 00 17 applies to this coverage.

02. Claims Settlement Assistance

Added as a coverage provided under the Coverage Extensions section is Claims Settlement Assistance. We will pay for your cost to prepare documents as we may specifically request of you during the settlement of a claim. Such documents might include inventories of damaged and undamaged property with their values, photographs, or photocopying.

We will not pay for:

(a) A higher cost of labor or lost time, than is adequate to pay to perform the preparation work; or

(b) The services of attorneys, appraisers, or insurance agents, adjusters, or brokers, without our express prior authorization; or

The most we will pay under this Coverage Extension for any one occurrence, is the amount shown for this coverage on the Schedule of SCP 00 18 Limits. No deductible applies to this Extension.

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03. Contract Penalties

Added as a coverage provided under the Coverage Extensions section is Contract Penalties

We will pay for those amounts that you are required to pay due to the failure to provide your product or service as provided in a written contract. The failure to provide the product or service must be direct result of a covered loss to covered business personal property. You must make reasonable efforts to provide the product or service from alternate locations or providers. We will pay the extra cost of providing the product or service up to a maximum of the lesser of the amount of the penalty or the limit of coverage provided for this extension.

The most we will pay under this Coverage Extension for any one occurrence, is the amount shown for this coverage on the Schedule of SCP 00 18 Limits**.** The deductible amount shown for this coverage on the Schedule of SCP 00 18 Limits applies to this coverage. The Deductible clause as described in form SCP 00 17 applies to this coverage.

04. Damage To Electronic Data

Added as a coverage provided under the Coverage Extensions section is Damage To Electronic Data.

We will pay the cost to recreate data which is altered, damaged, or destroyed by others who access your computer servers or computers through electronic means. This may occur by direct electronic access or by release of a virus or Trojan horse which is transported directly or indirectly to your servers or computers. Data includes designed web pages, graphics, program code, digitized information, or similar matter contained on your servers or computers.

We will not pay for any consequential damages to your business as a result of the alteration, damage, or destruction of data, such as loss of business or business opportunity, inability to invoice customers, reduction in the value of virtual accounts, or defense or indemnity for suits arising from data stolen from your servers or computers.

The most we will pay under this Coverage Extension for any one occurrence, is the amount shown for this coverage on the Schedule of SCP 00 18 Limits. The deductible amount shown for this coverage on the Schedule of SCP 00 18 Limits applies to this coverage. The Deductible clause as described in form SCP 00 17 applies to this coverage.

05. Employee Dishonesty

A. Coverage

We will pay for loss of, and loss from damage to, Covered Property resulting directly from the Covered Cause of Loss.

1. **Covered Property**: "Money, "securities", and "property other than money and securities".
2. **Covered Cause of Loss**: "Employee dishonesty".
3. **Coverage Extension**

   Employee Temporarily Outside Coverage Territory:

   We will pay for loss caused by any "employee" while temporarily outside the territory specified in the Territory General Condition for a period not more than 90 days.

B. Limit Of Insurance

The most we will pay for loss in any one "occurrence" is the amount shown for this coverage on the Schedule of SCP 00 18 Limits

C. Deductible

1. We will not pay for loss in any one "occurrence" unless the amount of loss exceeds the Deductible Amount shown in the Schedule of SCP 00 18 Limits. We will then pay the amount of loss in excess of the Deductible Amount, up to the Limit of Insurance.
2. You must:
   a. Give us notice as soon as possible of any loss of the type insured under this Coverage even though it falls entirely within the Deductible Amount.
   b. Upon our request, give us a statement describing the loss.

D. **Additional Exclusions, Condition And Definitions:**

1. Additional Exclusion: We will not pay for loss as specified below:

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a. Employee Cancelled Under Prior Insurance;
b. Inventory Shortages: loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:
(1) An inventory computation; or
(2) A profit and loss computation.

2. Additional Condition
Cancellation As To Any Employee: This insurance is cancelled as to any "employee":
a. Immediately upon discovery by:
(1) You; or
(2) Any of your partners, officers, or directors not in collusion with the "employee";
of any dishonest act committed by the "employee" whether before or after becoming employed by you.
b. On the date specified in a notice mailed to you. That date will be at least 30 days after the date of mailing. The mailing of notice to you at the last mailing address known to us will be sufficient proof of notice. Delivery of notice is the same as mailing.

3. Additional Definitions
a. "Employee Dishonesty" in paragraph A.2. above, means dishonest acts committed by an "employee", whether identified or not, acting alone or in collusion with other persons, except you or a partner, with the manifest intent to:
(1) Cause you to sustain loss; 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) The "employee"; or
(b) Any person or organization intended by the "employee" to receive that benefit.
b. "Occurrence**"** means all loss caused by, or involving, one or more "employees", whether the result of a single act or series of acts.

06. Fine Arts

Added as a coverage provided under the Coverage Extensions section is coverage for Fine Arts.

We will pay for direct physical loss of or damage to Covered Property from any of the Covered Causes of Loss.

Covered Property, as used in this Coverage Extension means:

a. Your fine arts; and

b. Fine arts of others that are in your care, custody or control.

which is in your custody at a scheduled location, in transit, or at an exhibition. We will not pay for loss or damage to any item unless a sales receipt or an appraisal dated prior to the loss is presented to us.

Fine arts includes, but is not limited to, antiques, paintings, etchings, drawings, tapestries, sculptures and fragile property such as porcelains, china and marble. Fine arts do not include stamps, coins, jewelry (other than antique jewelry), precious and semiprecious stones and precious metals, antique autos or airplanes.

The most we will pay under this Coverage Extension for each described premises, in transit, or at a fair or exhibition is the amounts shown for this coverage on the Schedule of SCP 00 18 Limits for each item and each occurrence. The deductible amount shown for this coverage on the Schedule of SCP 00 18 Limits applies to this coverage. The Deductible clause as described in form SCP 00 17 applies to this coverage.

07. Fire Fighting Device Recharge Costs

Added as a coverage provided under the Coverage Extensions section is Fire Device Recharge Costs.

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We will pay the cost to recharge manually operated fire extinguishers or automatic fire suppression systems that were discharged due to any cause of loss acting upon it or in the course of fighting a fire. Under this extension, we will not repair or replace any fire fighting device that is damaged.
The limit under this extension is provided within the building limit and/or the business personal property limit at the building where the fire fighting device is located. We will pay an additional amount for this coverage if the total loss leaves an insufficient amount to pay for the building and/or the business personal property plus the fire fighting device recharge.
The most we will pay as an additional amount under this Coverage Extension for any one occurrence, is the amount shown for this coverage on the Schedule of SCP 00 18 Limits. The deductible amount shown for this coverage on the Schedule of SCP 00 18 Limits applies to this coverage. The Deductible clause as described in form SCP 00 17 applies to this coverage.

08. "Fungus", Wet Rot, Dry Rot

Limited Coverage as provided for "Fungus", Wet Rot, Dry Rot, and Bacteria in forms SCP 10 10, SCP 10 20, and SCP 10 30 is revised with respect to the Limit of Insurance. The most we will pay under this Coverage Extension is the lesser of the applicable Building or Business Personal Property Limit or the amount shown for this coverage on the Schedule of SCP 00 18 Limits.

09. Interest Property Sold

Added as a coverage provided under the Coverage Extensions section is Interest in Sold Property.

We will pay to you up to your financial interest in Business Personal Property that you have sold to others under contract that is paid for by the recipient of the property over time, including contracts which defer any payment until a future date, if:
(1) Such Business Personal Property suffers loss or damage from a cause of loss applicable to business personal property at the location from which the sold property came; and
(2) Such Business Personal Property is in the possession of the customer to whom it was sold; and
(3) Such Business Personal Property was not abandoned prior to the loss.
The most we will pay under this Coverage Extension for any one occurrence, is the amount shown for this coverage on the Schedule of SCP 00 18 Limits. The deductible amount shown for this coverage on the Schedule of SCP 00 18 Limits applies to this coverage. The Deductible clause as described in form SCP 00 17 applies to this coverage.

10. Lease Assessment

Added as a coverage provided under the Coverage Extensions section is Lease Assessment

We will pay for your share of an amount that you and the other lessees in your building are assessed to pay for property damaged by a covered cause of loss, if:
(a) your lease requires payment of this assessment; and
(b) the damage to the building is not paid for by any other insurance covering the property.
The most we will pay under this Coverage Extension for any one occurrence, is the amount shown for this coverage on the Schedule of SCP 00 18 Limits. The deductible amount shown for this coverage on the Schedule of SCP 00 18 Limits applies to this coverage. The Deductible clause as described in form SCP 00 17 applies to this coverage.

11. Limit Guard

Added as a coverage provided under the Coverage Extensions section is Limit Guard.

A. If loss or damage to a covered building or covered business personal property at a scheduled premises occurs, and covered building and covered business personal property at the premises are insured to full value, we will pay an additional amount for building and/or business personal property, to contribute towards the amount of loss if partially uncovered due to inadequacy of limits. Full value is based on the valuation basis shown on the declarations and does not include valuation enhancement as provided under item 27 of this form.
B. If loss or damage occurs for which coverage is provided under any one or more of the coverages shown below, we will pay an additional amount for one or more of these coverages, to contribute

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towards the amount of loss, if partially uncovered due to inadequacy of limits provided for any one or more of these coverages.

Accounts Receivable, as described in Section 1 of this form.
Debris Removal, as described in form SCP 00 17.
Fine Arts, as described in Section 4 of this form.
Off- Premises Utility Services, as described in Section 23 of this form.
Personal Effects and Property of Others, as described in form SCP 00 17.
Recovery Expenses, as described in Section 15 of this form.
Tenant's Liability for Damaged Property, as described in Section 25 of this form
Tenants' Improvements and betterments as described in form SCP 00 17
Trees, Shrubs, and Plants, as described in SCP 00 17
Pairs and Sets – Reduction in Value, as described in Section 13 of this form

The most we will pay under this Coverage Extension for the total of all coverages enumerated in A and B above, in any one occurrence, is the amount shown for this coverage on the Schedule of SCP 00 18 Limits This coverage may not be applied to any deductible under this policy.

12. Money and Securities

a. We will pay for loss of "money" and "securities" used in your business while at a bank or savings institution, within your living quarters or the living quarters of your partners or any employee having use and custody of the property, at the described premises, or in transit between any of these places, resulting directly from:
  (1) Theft, meaning any act of stealing;
  (2) Disappearance; or
  (3) Destruction.

b. In addition to the Limitations and Exclusions applicable to property in this policy, 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 for this coverage on the Schedule of SCP 00 18 Limits 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 for this coverage on the Schedule of SCP 00 18 Limits 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.

"Money" means:

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

b. Travelers checks, register checks and money orders held for sale to the public.

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"Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or 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".

13. Newly Acquired or Constructed Property – Buildings - Additional Coverage

The following coverages are provided when covered loss or damage occurs to or within a covered Newly Acquired or Constructed Building. The Limit of coverage for each coverage is an amount equal to 1% of the limit shown on the Schedule of SCP 00 17 Limits for the coverage Newly Acquired or Constructed Property - Building. These limits are in addition to the limit for Newly Acquired or Constructed Property – Building. These coverages and limits apply to covered newly acquired premises, which are either leased or owned.

Accounts Receivable, as described in Section 1 of this form.
Debris Removal, as described in form SCP 00 17.
Fine Arts, as described in Section 4 of this form.
Off- Premises Utility Services, as described in Section 23 of this form.
Personal Effects and Property of Others, as described in form SCP 00 17.
Recovery Expenses, as described in Section 15 of this form.
Tenant's Legal Liability for Building Damage, as described in Section 25 of this form
Water Seepage, as described in Section 22 of this form.

The most we will pay under this Coverage Extension for each described premises, in transit, or at a fair or exhibition is 1% of the limit shown for Newly Acquired or Constructed Property – Buildings on the Schedule of SCP 00 17 Limits. The 1% limit is the most we will pay for each coverage, separately, per occurrence. The deductible amount shown for this coverage on the Schedule of SCP 00 18 Limits applies to this coverage. The Deductible clause as described in form SCP 00 17 applies to this coverage.

14. Off-Premises Utility Service

Added as a coverage provided under the Coverage Extensions section is Off-Premises Utility Services.

A. We will pay for loss of or damage to Covered Property 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 following property, not on the described premises:

1. Water Supply Services, meaning the following types of property supplying water to the described premises:

a. Pumping stations; and

b. Water mains.

2. Communication Supply Services, 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.

Off-Premises Utility Service coverage does not include loss or damage from damage or destruction of overhead transmission lines unless shown as Covered in the Schedule of SCP 00 18 Limits.

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3. **Power Supply Services,** 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.

Off-Premises Utility Service coverage does not include loss or damage from damage or destruction of overhead transmission lines unless shown as Covered in the Schedule of SCP 00 18 Limits.

B. The most we will pay under this Coverage Extension for any one occurrence, from any one or more off- premises utility services as described in A.1, A.2., and A.3. above, is the lesser of the damaged property limit or the amount shown for this coverage on the Schedule of SCP 00 18 Limits. This limit is part of, and not in addition to, the Limit of Insurance stated in the Declarations as applicable to the Covered Property. This Utility Services limit does not increase the applicable Limit of Insurance applicable to the covered property. The deductible amount shown for this coverage on the Schedule of SCP 00 18 Limits applies to this coverage. The Deductible clause as described in form SCP 00 17 applies to this coverage.

15. Ordinance or Law

Section A.4.e., Increased Cost of Construction, is deleted from form SCP 00 17, and replaced with the following:

A. If a Covered Cause of Loss occurs to covered Building property and the amount of the loss is increased because of the enforcement of any law that:
   a. Requires the demolition of parts of the same property not damaged by a covered Cause of Loss;
   b. Regulates the construction of or repair of buildings, or establishes zoning or land use requirements at the described premises; and
   c. Is in force at the time of loss.

   We will pay:
   1. For the increased cost to repair, rebuild or construct the property caused by enforcement of building, zoning or land use law. This coverage applies to both the damaged portion of the building and the undamaged portion, if the undamaged portion of the building is demolished as required by building code. If the property is repaired or rebuilt, it must be intended for similar occupancy as the current property, unless otherwise required by zoning or land use law.
   2. For the cost of demolish and clear the site of undamaged parts of the property caused by the enforcement of the building, zoning or land use law, if the law is related to the damage to the building.
   3. For the value of the undamaged portion of the building, if the undamaged portion of the building is required by building code, to be demolished. The valuation for the undamaged portion shall be actual cash value unless the building is rebuilt. If the building is rebuilt, we shall value the undamaged portion at replacement cost.

B. We will not pay for increased construction costs under this endorsement:
   1. Until the property is actually repaired or replaced, at the same premises or elsewhere; and
   2. Unless the repairs or replacement are made as soon as reasonable possible after the loss or damage, not to exceed 2 years. We may extend this period in writing during the 2 years.

C. We will not pay more for demolition, debris removal, the value of the undamaged portion of the building, and repair or construction to current code, as provided under this Extension, than the least of:
   1. If the property is repaired or replaced on the same premises than the amount you actually spend to:
      a. Demolish and clear the site; and

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b. Repair, rebuild, or construct the damaged and demolished, undamaged portions of the building to current minimum building code requirements as applies at the same premises; or

2. If the property is repaired or replaced on a different premises, than:
   a. The amount you actually spend to demolish and clear the site of the damaged building; and
   b The amount it would cost to replace, at that same site, the damaged and the demolished, undamaged portions of the building to current minimum building code requirements as applies at that same site, with a building;
      (1) Of comparable material and quality;
      (2) Of the same height, floor area and style; and
      (3) Used for the same purpose; or
3. The lesser of
   (a) the Building Coverage limit for the damaged building as shown on the declarations plus the result of multiplying the percent shown on the Schedule of SCP 00 18 Limits times the damaged Building Coverage limit; or
   (b) the Building Coverage limit for the damaged building as shown on the declarations plus the amount shown for this coverage on the Schedule of SCP 00 18 Limits.

D. We will not pay for coverage under this Extension for any cost related to building, zoning or land use law regulating pollution, contaminants, mold, fungus, or other conditions considered detrimental to the health of humans or any law or regulation requiring any insured to test for, monitor, clean-up, remove, contain, treat, detoxify, or neutralize, or in any other way to respond to the effects of pollutants, contaminants, mold, fungus, or other conditions considered detrimental to the health of humans.

E. If payment is made under this Extension, we will pay no more than the amount of loss as provided under this Extension regardless of any other terms or conditions contained in this policy, except as respects Inflation Guard, Contract Penalties, Recovery Expenses, Reward Payment, and Limit Guard.

F. The most we will pay for this coverage in any one occurrence, is the limit shown for this coverage in the declarations.

16. Property in Custody of Employees

Added as a coverage provided under the Coverage Extensions section is Property In Custody of Employees.

We will pay for loss or damage to property in your custody or in the custody of your employees or your agents, if such loss or damage is caused by a covered cause of loss and such property is
(1) not at a described location at the time of the loss; and
(2) not property you have sold that is being delivered; and
(3) is used in the conduct of your business such as samples of your stock, equipment used to demonstrate or exhibit your stock, or computer or paper implements used record sale of your stock.
We will not pay for loss to vehicles, trailers, or the cost to recreate loss of information.

The most we will pay under this Coverage Extension for any one occurrence, is the amount shown for this coverage on the Schedule of SCP 00 18 Limits. The deductible amount shown for this coverage on the Schedule of SCP 00 18 Limits applies to this coverage. The Deductible clause as described in form SCP 00 17 applies to this coverage.

17. Property in Transit

Added as a coverage provided under the Coverage Extensions section is Property In Transit.

We will pay for loss or damage to your covered property by a covered cause of loss, or by earthquake or flood, while such property is in transit from any of your premises to any one of your premises, to a customer's site, or to a site for storage, processing, or repair. Such transit may be via vehicles or

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conveyances you own or lease or vehicles or conveyances owned or leased by those with whom you contract to transport your property. Coverage of your property in transit will continue while at any premises that is not a described premises for a period of 30 days beyond the date of arrival at the site that is not your premises. Coverage under this extension shall not inure to the benefit of anyone other than an insured under this policy. You must grant to us any rights you have under contract for payment by others of loss or damage to any property in transit when we pay you for loss or damage to that property. We may elect to, but are not required to, take custody of any property that may suffer loss or damage.

We shall also pay for

(1) your liability for costs to clean up or repair property damage at the site where your property was damaged;,
(2) the costs to remove your property which has been damaged;
(3) the cost of any general average or salvage assessed against you while your property is being transported on waterways; and
(4) loss or damage to your property while in transit back to you after having been refused by the intended recipient of your property.

The most we will pay under this Coverage Extension for any one occurrence, is the amount shown for this coverage on the Schedule of SCP 00 18 Limits. The deductible amount shown for this coverage on the Schedule of SCP 00 18 Limits applies to this coverage. The Deductible clause as described in form SCP 00 17 applies to this coverage.

18. Recovery Expenses

Added as a coverage provided under the Coverage Extensions section is Recovery Expenses
We will pay the reasonable and necessary costs you incur following a covered loss to covered property, to clear away debris, to clean the premises, to make temporary repairs, to rent temporary replacement equipment, and to hire temporary security services or other temporary workers needed to speed up recovery of the physical appearance of the premises. We will not pay the cost to remove the debris from the premises under this extension.
The most we will pay under this Coverage Extension for any one occurrence, is the amount shown for this coverage on the Schedule of SCP 00 18 Limits The Deductible clause does not apply to this coverage.

19. Reward Payment

Added as a coverage provided under the Coverage Extensions section is Reward Payment
We will pay a reward if we give prior authorization to offer a reward, leading to the arrest and conviction of the person or persons responsible for arson, theft, or vandalism if the act was the direct cause of loss or damage for which we paid a claim under this policy.
The most we will pay under this Coverage Extension for any one occurrence, is the lesser of 25% of the amount of loss or damage or the amount shown for this coverage on the Schedule of SCP 00 18 Limits. The deductible amount shown for this coverage on the Schedule of SCP 00 18 Limits applies to this coverage. The Deductible clause as described in form SCP 00 17 applies to this coverage.

20. Spoilage

Added as a coverage provided under the Coverage Extensions section is Spoilage – Time Element

A. We will pay for loss or damage to "perishable stock" held within refrigeration equipment at a scheduled premise, caused by or resulting from

(1) a Covered Cause of Loss to the refrigeration equipment or on-site equipment controlling or monitoring the refrigeration equipment; or
(2) Breakdown of the refrigeration equipment or on-site controlling or monitoring equipment; or
(3) Contamination of the "perishable stock" by a refrigerant.

B. 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

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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.

C. The most we will pay under this Coverage Extension for any one occurrence is the lesser of the Business Personal Property limit or the amount shown for Spoilage on the Schedule of SCP 00 18 Limits.

21. Tenant's Liability For Damaged Property

Added as a coverage provided under the Coverage Extensions section is Tenant's Liability For Damaged Property

We will pay for loss or damage to
(1) Property of the building owner located in the portion of the building which is leased to you;
(2) The building in which you are a tenant, if caused by theft or attempted theft of your property.

Such liability for payment must arise solely out of the terms of your lease. There is no coverage under this extension for property which is covered elsewhere in this policy.
The most we will pay under this Coverage Extension for any one occurrence, is the amount shown for this coverage on the Schedule of SCP 00 18 Limits. The deductible amount shown for this coverage on the Schedule of SCP 00 18 Limits applies to this coverage. The Deductible clause as described in form SCP 00 17 applies to this coverage.

22. Unscheduled Premises Coverage – Building

Added as a coverage provided under the Coverage Extensions section is Unscheduled Premises Coverage - Building.

We will pay for loss or damage to a building you do not own, do not lease, and which is not scheduled on this or any other policy providing you with coverage, if loss or damaged is caused by a covered cause of loss applicable to any scheduled building, subject to the following:
(1) you must be held liable for such loss or damage; and
(2) no other coverage provided under this policy applies to the loss or damage to the unscheduled building; and
(3) the unscheduled premises must have a business purpose related to your business.
Coverage for Unscheduled Premises - Building is subject to the same policy terms, conditions, and exclusions as are applicable to buildings which are scheduled on this policy, except that Additional Coverages and Coverage Extensions as described in SCP 00 17 do not apply.
Unscheduled Premises coverage is intended for premises such as temporary storage facilities or off-site meeting rooms. Residences of employees are not covered as unscheduled premises.

The most we will pay under this Coverage Extension for any one occurrence, is the amount shown for this coverage on the Schedule of SCP 00 18 Limits. The deductible amount shown for this coverage on the Schedule of SCP 00 18 Limits applies to this coverage. The Deductible clause as described in form SCP 00 17 applies to this coverage.

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23. Unscheduled Premises Coverage – Business Personal Property

Added as a coverage provided under the Coverage Extensions section is Unscheduled Premises Coverage – Business Personal Property

We will pay for loss or damage to your Business Personal Property while at, or within 1000 feet of, a building you do not own, do not lease, and which is not scheduled on this policy, if loss or damaged is caused by a covered cause of loss applicable to Business Personal Property at any scheduled premises, subject to the following:

(1) you must have a financial interest in such property; including property sold but not as yet delivered, installed, or accepted by the recipient; and

(2) no other coverage provided under this policy applies to the loss or damage to the unscheduled Business Personal Property; and

(3) the unscheduled building in which or within 1000 feet of which, the loss or damage to your business personal property occurred, must have a business purpose rated to your business.

Coverage for Unscheduled Premises – Business Personal Property is subject to the same policy terms, conditions, and exclusions as are applicable to Business Personal Property which is scheduled on this policy, except that Additional Coverages and Coverage Extensions as described in SCP 00 17 do not apply.

The most we will pay under this Coverage Extension for any one occurrence, is the amount shown for this coverage on the Schedule of SCP 00 18 Limits. The deductible amount shown for this coverage on the Schedule of SCP 00 18 Limits applies to this coverage. The Deductible clause as described in form SCP 00 17 applies to this coverage.

24. Unscheduled Premises - Additional Coverage

Added as a coverage provided under the Coverage Extensions section is Unscheduled Premises – Additional Coverage

The following coverages are provided when covered loss or damage occurs to an unscheduled building and/or to unscheduled business personal property The Limit of coverage and the Deductible as shown for this coverage on the Schedule of SCP 00 18 applies separately to each coverage provided under this Extension. These limits are in addition to the limit for Unscheduled Premises – Building and Unscheduled Premises – Business Personal Property.

(a) Accounts Receivable, as described in Section 1of this form.
(b) Computer data and media, if maintained by you or for you as back-up copies
(c) Debris Removal, as described in form SCP 00 17.
(d) Fine Arts, as described in Section 4 of this form.
(e) Off Premises Utility Service, as described in Section 23 of this form.
(f) Personal Effects and Property of Others, as described in form SCP 00 17.
(g) Property while in temporary storage, as described in the section, Preservation of Property in form SCP 00 17.
(h) Recovery Expenses, as described in Section 15 of this form.
(i) Tenant's Legal Liability for Building Damage, as described in Section 25 of this form
(j) Water Seepage, as described in Section 22 of this form.
(k) Valuable Papers, as described in form SCP 00 17.

The most we will pay under this Coverage Extension for any one occurrence, is the amount shown for this coverage on the Schedule of SCP 00 18 Limits. The deductible amount shown for this coverage on the Schedule of SCP 00 18 Limits applies to this coverage. The Deductible clause as described in form SCP 00 17 applies to this coverage.

25. Water Backup

Added as a coverage provided under the Coverage Extensions section is Water Backup.

We will pay for loss or damage to covered property caused by or resulting from water that backs up from a sewer or drain.

The most we will pay under this Coverage Extension is the lesser of the applicable Building or

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Business Personal Property Limit or the amount shown for this coverage on the Schedule of SCP 00 18 Limits.

26. Water Seepage

The following is added to the Limit of Insurance Section:
The most we will pay for water damage to covered property caused by seepage of water from under the surface of the ground and entering through
(a) foundations, floors, or paved surfaces; and
(b) walls, windows, or doors, if located below the ground surface
is the lesser of the Coverage Limit for the damaged property or amount shown for this coverage on the Schedule of SCP 00 18 Limits.

27. Additional Covered Building Property

Added to the types of property identified as specifically covered as Building are:

Building Foundations; Underground pipes, flues, or drains; swimming pools; fences, free standing light standards and light fixtures; freestanding signs; and retaining walls.

The most we will pay under this coverage extension for freestanding signs is $25,000.

28. Additional Covered Business Personal Property

Added to the types of property identified as specifically covered as Your Business Personal Property are
Dies, Molds, Forms, and Patterns; Computer equipment, media and data; Exterior window glass, if you are liable to pay for loss or damage; tools and equipment owned by your employees while at your premises.

The most we will pay under this Coverage Extension for each described premises, is the amount shown for this coverage on the Schedule of SCP 00 18 Limits The deductible amount shown for this coverage on the Schedule of SCP 00 18 Limits applies to this coverage. The Deductible clause as described in form SCP 00 17 applies to this coverage.

29. Brands And Labels

Added as a coverage provided under the Coverage Extensions section is Brands and Labels

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 "salvage" on the merchandise or its containers, if the stamp will not physically damage the merchandise; or

2. Remove the brands or labels, if doing so will not physically damage the merchandise. You must re-label the merchandise or its containers to comply with the law.

B. We will pay 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.

C. No deductible applies to this Coverage Extension.

30. Loss Payment Enhancements

The following is added to the Loss Conditions, Loss Payment section:

(5) We will pay for the reasonable cost of the services of an architect or engineer when engaged to repair or replace covered property. We will not pay for these services if provided by you or your

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employees.

(6) We will pay for taxes associated with the purchase of property that replaces covered lost or damaged property.

(7) We will pay for the pro-rata value of service contracts or warranties associated with covered lost or damaged property, if:

(a) the contract does not extend to the replacement property; and

(b) you are unable to obtain a refund for the time remaining on the contract or warranty.

(8) We will pay the cost of excavation, grading, and backfilling if made necessary to repair or replace the building

(9) If we pay for loss or damage to your covered property caused by a faulty plumbing, heating, or air conditioning system including related appliances, at the covered premises, we will pay the cost to access the source of the damage so that repairs may be made. We will also pay for the repair of the structure where access was made. We will not pay for the repair of the plumbing, heating, or air conditioning system or related appliances. We will not pay for leak detection services.

(10) When we pay for loss due to damage to plate glass that is a part of the building, we shall also pay for the cost to repair or replace the frames containing the plate glass, if made necessary in order to repair or replace the glass. If delay in the repair or replacement of plate glass occurs, we will pay for temporary measures taken, including labor and material, to board up the opening.

31. Pairs and Sets – Reduction in Value

Added to the section Loss Conditions – Valuation is the following sub-section:
When loss or damage occurs to one item in a covered pair or one or more (but not all) items in a covered set, in addition to the value of the individual damaged items, we will pay for the reduction in total value of the remaining undamaged items of the pair or set.

32. Temporary Blanket Coverage

Added as a coverage provided under the Coverage Extensions section is Temporary Blanket Coverage.

We will blanket the Business Personal Property limits provided at two covered premises, while such covered Business Personal Property is being moved from one covered premises to the other covered premises. Both covered premises must be either Scheduled Premises or Newly Acquired or Constructed Premises. We shall provide this coverage for the lesser of (1) 90 days after the first of the Business Personal Property is moved from one premises to the other premises; or (2) the remaining policy period if the policy is cancelled or non-renewed. The Deductible clause as described in form SCP 00 17 applies to this coverage. This Extension is superseded by the policy conditions if both of the Business Personal Property limits are included for blanket coverage in the same Business Personal Property Blanket group.

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BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

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

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

Other words and phrases that appear in quotation marks have special meaning. Refer to Section **G.** – **Definitions.**

A. Coverage

1. Business Income

Business Income means the:

a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and

b. Continuing normal operating expenses incurred, including payroll.

Business Income includes "Rental Value".

For manufacturing risks, Net Income includes the net sales value of production.

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 premises which are described in the Declarations and for which a Business Income Limit of Insurance or the term “Actual Loss Sustained”, is shown in the Declarations. 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 1000 feet of the site at which the described premises are located.

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

a. The portion of the building which you rent, lease or occupy; and

b. Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

2. Extra Expense

a. Extra Expense coverage is provided at the premises described in the Declarations only if the Declarations show that Business Income coverage applies at that premises.

b. Extra Expense means necessary expenses 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 caused by or resulting from a Covered Cause of Loss.

We will pay Extra Expense (other than the expense to repair or replace property) to:

(1) Avoid or minimize the "suspension" of business and to continue operations at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.

(2) Minimize the "suspension" of business if you cannot continue "operations".

We will also pay Extra Expense to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Form.

The most we will pay for this coverage is the amount remaining of the Business Income limit after payment of the Business Income loss as described in sections A. 1. of this form.

If Business Income coverage is provided on an Actual Loss Sustained basis instead of on a limit basis, Extra Expense coverage applies only during the period of restoration up to the maximum period of time as is shown for Business Income on the declara tions.

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3. Covered Causes Of Loss, Exclusions And Limitations

See applicable Causes of Loss Form as shown in the Declarations.

4. Additional Limitation – Interruption Of Computer Operations

a. 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 the Additional Coverage – Interruption Of Computer Operations.

b. 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 the Additional Coverage – Interruption Of Computer Operations.

c. 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.

5. Additional Coverages

a. Civil Authority

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 due to direct physical loss of or damage to property, other than at the described premises, caused by or resulting from any Covered Cause of Loss.

The coverage for Business Income and Extra Expense will begin at the time of that action by the Civil Authority, and will apply for a period lasting the lesser of

(1) the number of consecutive days shown on the Schedule of SCP 00 30 Limits; or

(2) the number of days that you suffer a Business Income loss.

The most we will pay for Extra Expense is the amount shown on the Schedule of SCP 00 30 Limits.

b. Alterations And New Buildings

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur due to direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss to:

(1) New buildings or structures, whether complete or under construction;

(2) Alterations or additions to existing buildings or structures; and

(3) Machinery, equipment, supplies or building materials located on or within 1000 feet of the described premises and:

(a) Used in the construction, alterations or additions; or

(b) Incidental to the occupancy of new buildings.

If such direct physical loss or damage delays the start of "operations", the "period of restoration" for Business Income Coverage will begin on the date "operations" would have begun if the direct physical loss or damage had not occurred.

c. Extended Business Income

(1) Business Income Other Than "Rental Value"

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:

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

(b) Ends on the earlier of:

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

(ii) the number of consecutive days after the date determined in **(1)(a)** above, as shown in the Schedule of SCP C0 30 Limits.

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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.

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 shown for Business Income Coverage at the described premises.

The most we will pay for this coverage is the amount remaining of the Business Income limit after payment of the Business Income loss as described in sections A. 1. and A.2. of this form.

If Business Income coverage is provided on an Actual Loss Sustained basis instead of on a limit basis, Extended Business Income coverage applies only for up to the remainder of the maximum period of time (as is shown for Business Income on the declarations) starting at the end of the “period of restoration”. Paragraph c(1)(b)(ii) of this section does not apply.

(2) "Rental Value"

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

(a) Begins on the date property is actually repaired, rebuilt or replaced and tenantability is restored; and

(b) Ends on the earlier of:

(i) The date you could restore tenant occupancy, with reasonable speed, to the level which would generate the "Rental Value" that would have existed if no direct physical loss or damage had occurred; or

(ii) the number of consecutive days after the date determined in **(2)(a)** above, as shown in the Schedule of SCP C0 30 Limits.

However, Extended Business Income does not apply to loss of "Rental Value" 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.

Loss of "Rental Value" must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss shown for Business Income Coverage at the described premises.

The most we will pay for this coverage is the amount remaining of the Business Income limit after payment of the Business Income loss as described in sections A. 1. and A.2. of this form.

If Business Income coverage is provided on an Actual Loss Sustained basis instead of on a limit basis, Extended Business Income coverage applies only for up to the remainder of the maximum period of time (as is shown for Business Income on the declarations) starting at the end of the “period of restoration”. Paragraph c(2)(b)(ii) of this section does not apply.

d. Interruption Of Computer Operations

(1) Under this Additional Coverage, electronic data has the meaning described under Additional Limitation – Interruption Of Computer Operations.

(2) 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.

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

(a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage – Interruption Of Computer Operations is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.

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(b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage – Interruption Of Computer Operations includes Collapse as set forth in that form.

(c) If the Causes Of Loss 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 – Interruption Of Computer Operations.

(d) The Covered Causes of Loss include a 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, maintain, repair or replace that system.

(4) The most we will pay under this Additional Coverage – Interruption of Computer Operations is the amount shown for this coverage on the Schedule of SCP 00 30 Limits, 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. 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.

If Business Income coverage is provided on an Actual Loss Sustained basis instead of on a limit basis, Interruption of Computer Operations coverage applies only for up to the remainder of the maximum period of time (as is shown for Business Income on the declarations) starting at the end of the “period of restoration”.

(5) This Additional Coverage – Interruption in 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 **(4)** above has not been exhausted.

6. Coverage Extension

If a Coinsurance percentage of 50% or more is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

Newly Acquired Locations

a. You may extend your Business Income and Extra Expense Coverages to apply to property at any location you acquire other than fairs or exhibitions.

b. The most we will pay under this Extension, for the sum of Business Income loss and Extra Expense incurred, is the amount shown for this coverage on the Schedule of SCP 00 30 Limits, at each location.

c. Insurance under this Extension for each newly acquired location will end when any of the following first occurs:

(1) This policy expires;

(2) The number of days shown for this coverage on the Schedule of SCP 00 30 Limits expire after you acquire or begin to construct the property; or

(3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property.

This Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

B. Limits Of Insurance

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

The limit applicable to the Coverage Extension is in addition to the Limit of Insurance.

Payments under the following coverages will not increase the applicable Limit of Insurance:

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1. Alterations and New Buildings;
2. Civil Authority;
3. Extra Expense; or
4. Extended Business Income.

C. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Appraisal

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser.

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 Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

a. Pay its chosen appraiser; and

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

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

2. Duties In The Event Of Loss

a. You must see that the following are done in the event of loss:

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

(2) Give us prompt notice of the direct physical 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 direct physical 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 Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.

(5) 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.

(6) 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.

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

(8) If you intend to continue your business, you must 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.

3. Loss Determination

a. The amount of Business Income loss will be determined based on:

(1) The Net Income of the business before the direct physical loss or damage occurred;

(2) The likely Net Income of the business 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;

(3) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and

(4) Other relevant sources of information, including:

(a) Your financial records and accounting procedures;

(b) Bills, invoices and other vouchers; and

(c) Deeds, liens or contracts.

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b. The amount of Extra Expense will be determined based on:

(1) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:

(a) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and

(b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and

(2) Necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

c. Resumption Of Operations

We will reduce the amount of your:

(1) 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.

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

d. 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. Loss Payment

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:

a. We have reached agreement with you on the amount of loss; or

b. An appraisal award has been made.

D. Additional Condition

Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies in addition to the Common Policy Conditions and the Commercial Property Conditions.

We will not pay the full amount of any Business Income loss if the Limit of Insurance for Business Income is less than:

a. The Coinsurance percentage shown for Business Income in the Declarations; times

b. The sum of:

(1) The Net Income (Net Profit or Loss before income taxes), and

(2) Operating expenses, including payroll expenses,

that would have been earned or incurred (had no loss occurred) by your "operations" at the described premises for the 12 months following the inception, or last previous anniversary date, of this policy (whichever is later).

Instead, we will determine the most we will pay using the following steps:

1. Multiply the Net Income and operating expense for the 12 months following the inception, or last previous anniversary date, of this policy by the Coinsurance percentage;

2. Divide the Limit of Insurance for the described premises by the figure determined in Step **1.;** and

3. Multiply the total amount of loss by the figure determined in Step **2.**

We will pay the amount determined in Step **3.** or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

In determining operating expenses for the purpose of applying the Coinsurance condition, the following expenses, if applicable, shall be deducted from the total of all operating expenses:

1. Prepaid freight – outgoing;

2. Returns and allowances;

3. Discounts;

4. Bad debts;

5. Collection expenses;

6. Cost of raw stock and factory supplies consumed (including transportation charges);

7. Cost of merchandise sold (including transportation charges);

8. Cost of other supplies consumed (including transportation charges);

9. Cost of services purchased from outsiders (not employees) to resell, that do not continue under contract;

10. Power, heat and refrigeration expenses that do not continue under contract (if Form **CP 15 11** is attached);

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11. All ordinary payroll expenses or the amount of payroll expense excluded (if Form **CP 15 10** is attached); and

12. Special deductions for mining properties (royalties unless specifically included in coverage; actual depletion commonly known as unit or cost depletion – not percentage depletion; welfare and retirement fund charges based on tonnage; hired trucks).

Example No. 1 (Underinsurance):

When:	The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been	$	400,000
	The Coinsurance percentage is		50%
	The Limit of Insurance is	$	150,000
	The amount of loss is	$	80,000
Step **1:**	$400,000 x 50% = $200,000 (the minimum amount of insurance to meet your Coinsurance requirements)		
Step **2:**	$150,000 ÷ $200,000 = .75		
Step **3:**	$80,000 x .75 = $60,000		

We will pay no more than $60,000. The remaining $20,000 is not covered.

Example No. 2 (Adequate Insurance):

When:	The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been	$	400,000
	The Coinsurance percentage is		50%
	The Limit of Insurance is	$	200,000
	The amount of loss is	$	80,000

The minimum amount of insurance to meet your Coinsurance requirement is $200,000 ($400,000 x 50%). Therefore, the Limit of Insurance in this Example is adequate and no penalty applies. We will pay no more than $80,000 (amount of loss).

This condition does not apply to Extra Expense coverage.

E. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item.

1. Maximum Period Of Indemnity

a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.

b. The most we will pay for the total of Business Income loss and Extra Expense is the lesser of:

(1) The amount of loss sustained and expenses incurred during the period of the number of months shown in the declarations starting immediately following the beginning of the "period of restoration"; or

(2) The Limit of Insurance shown in the Declarations.

As respects this coverage, a month is equal to 30 consecutive days.

2. Monthly Limit Of Indemnity

a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.

b. The most we will pay for loss of Business Income in each period of 30 consecutive days after the beginning of the "period of restoration" is:

(1) The Limit of Insurance, multiplied by

(2) The fraction shown in the Declarations for this Optional Coverage.

Example:

When:	The Limit of Insurance is	$	120,000
	The fraction shown in the Declarations for this Optional Coverage is		1/4
	The most we will pay for loss in each period of 30 consecutive days is:		
	$120,000 x 1/4 = $30,000		
	If, in this example, the actual amount of loss is:		
	Days 1-30	$	40,000
	Days 31-60		20,000
	Days 61-90		30,000
		$	90,000

We will pay:

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Days 1-30	$	30,000
Days 31-60		20,000
Days 61-90		30,000
	$	80,000

The remaining $10,000 is not covered.

3. Business Income Agreed Value

a. To activate this Optional Coverage:

(1) A Business Income Report/Work Sheet must be submitted to us and must show financial data for your "operations":

(a) During the 12 months prior to the date of the Work Sheet; and

(b) Estimated for the 12 months immediately following the inception of this Optional Coverage.

(2) The Declarations must indicate that the Business Income Agreed Value Optional Coverage applies, and an Agreed Value must be shown in the Declarations. The Agreed Value should be at least equal to:

(a) The Coinsurance percentage shown in the Declarations; multiplied by

(b) The amount of Net Income and operating expenses for the following 12 months you report on the Work Sheet.

b. The Additional Condition, Coinsurance, is suspended until:

(1) 12 months after the effective date of this Optional Coverage; or

(2) The expiration date of this policy;

whichever occurs first.

c. We will reinstate the Additional Condition, Coinsurance, automatically if you do not submit a new Work Sheet and Agreed Value:

(1) Within 12 months of the effective date of this Optional Coverage; or

(2) When you request a change in your Business Income Limit of Insurance.

d. If the Business Income Limit of Insurance is less than the Agreed Value, we will not pay more of any loss than the amount of loss multiplied by:

(1) The Business Income Limit of Insurance; divided by

(2) The Agreed Value.

Example:

When:	The Limit of Insurance is	$	100,000
	The Agreed Value is	$	200,000
	The amount of loss is	$	80,000
Step **(a):**	$100,000 ÷ $200,000 = .50		
Step **(b):**	.50 x $80,000 = $40,000		

We will pay $40,000. The remaining $40,000 is not covered.

F. Definitions

1. "Finished Stock" means stock you have manufactured.

"Finished stock" also includes whiskey and alcoholic products being aged, unless there is a Coinsurance percentage shown for Business Income in the Declarations.

"Finished stock" does not include stock you have manufactured that is held for sale on the premises of any retail outlet insured under this Coverage Part.

2. "Operations" means:

a. Your business activities occurring at the described premises; and

b. The tenantability of the described premises, if coverage for Business Income including "Rental Value" or "Rental Value" applies.

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

a. Begins:

(1) At the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss shown for Business Income Coverage at the described premises; and

b. Ends on the earlier of:

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

(2) The date when business is resumed at a new permanent location; or

(3) If Business Income coverage is provided on an Actual Loss Sustained basis, the date when the number of months shown on the Declarations Schedule for the Period of Restoration will expire.

"Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

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(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".

4. "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.

5. "Rental Value" means Business Income that consists of:

a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and

b. Continuing normal operating expenses incurred in connection with that premises, including:

(1) Payroll; and

(2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.

6. "Suspension" means:

a. The slowdown or cessation of your business activities; or

b. That a part or all of the described premises is rendered untenantable, if coverage for Business Income including "Rental Value" or "Rental Value" applies.

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BUSINESS INCOME
COVERAGE FORM EXTENDER

This form modifies coverage provided under form

BUSINESS INCOME (INCLUDING EXTRA EXPENSE) COVERAGE FORM

Coverage, terms, conditions, and exclusions as modified by this form supersede the coverage, terms, conditions and exclusions of the form being modified. All other coverage, terms, conditions, and exclusions of this policy apply to coverage provided under this form. This Coverage Form Extender applies only to premises scheduled on the Declarations for which a limit or "Actual Loss Sustained" is shown for Business Income Coverage.

01. Access To Tenant Premises

Added as a coverage provided under the Coverage Extensions section is Access To Tenant Premises

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 adjacent property not leased, rented, or owned by you, caused by or resulting from a Covered Cause of Loss, which makes space you lease or rent from others completely physically inaccessible to your customers or clients.

B**.**"Period of Restoration", with respect to the property sustaining loss or damage, means the period of time that:

a.Begins:

(1) At the time of direct physical loss or damage at the property premises adjacent to the space you occupy as a tenant, caused by or resulting from any Covered Cause of Loss shown for Business Income Coverage at the described premises; and

b. Ends on the earlier of:

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

(2) The date when your business is resumed at a new permanent location; or

(3) The date when your customers or clients gain access to the space you rent or lease.

(4) If Business Income coverage is provided on an Actual Loss Sustained basis, the date when the number of months shown on the Declarations Schedule for the Period of Restoration will expire.

"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.

"Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that 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".

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E. The most we will pay under this Coverage Extension for any one occurrence is

(1) The lesser of the Business Income limit or the amount shown for Access To Tenant Premises Coverage on the Schedule of SCP 00 31 Limits; and

(2) If Business Income coverage is provided on an Actual Loss Sustained basis instead of on a limit basis, Access To Tenant Premises Coverage applies only for up to the remainder of the maximum period of time (as is shown for Business Income on the declarations), but we will pay no more than the amount shown for Access To Tenant Premises Coverage on the Schedule of SCP 00 31 Limits.

02. Claims Settlement Assistance

Added as a coverage provided under the Coverage Extensions section is Claims Settlement Assistance. We will pay for your cost to prepare documents as we may specifically request of you during the settlement of a claim. Such documents might include reports issued by accountants or auditors. We will not pay for:

(a) A higher cost of labor or lost time, than is adequate to pay to perform the preparation work; or

(b) The services of attorneys, appraisers, or insurance agents, adjusters, or brokers, without our express prior authorization; or

The most we will pay under this Coverage Extension for any one occurrence, is the amount shown for this coverage on the Schedule of SCP 00 31 Limits. No deductible applies to this Extension.

03. Dependent Properties

Added as a coverage provided under the Coverage Extensions section is Business Income From Dependent Properties

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 "dependent property" of a type as defined in section D. below, caused by or resulting from a Covered Cause of Loss. However, coverage under this Extension does not apply when the only loss to "dependent property" is loss or damage to electronic data, including destruction or corruption of electronic data. If the "dependent property" sustains loss or damage to electronic data and other property, coverage under this endorsement will not continue once the other property is repaired, rebuilt or replaced. The term electronic data has the meaning set forth in the Coverage Form to which this Extension applies.

B. The provisions of the Business Income Coverage Form respecting direct physical loss or damage at dependent property premises will apply separately to each separate dependent property premises, except that, with respect to Limits, two or more dependent properties sustaining loss in the same occurrence shall be considered as one dependent property.

C. Under the **Loss Determination** Loss Condition, the following is added to the **Resumption Of Operations** Provision:

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:

1. Source of materials; or

2. Outlet for your products.

D. The following is added to the **Definitions** Section:

1. "Dependent Property" means property operated by others whom you depend on to:

a. Deliver materials or services to you, or to others for your account (Contributing Locations). But any property which delivers any of the following services is not a Contributing Location with respect to such services:

(1) Water supply services;

(2) Power supply services; or

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(3) Communication supply services, including services relating to internet access or access to any electronic network;

b. Accept your products or services (Recipient Locations);

c. Manufacture products for delivery to your customers under contract of sale (Manufacturing Locations); or

d. Attract customers to your business (Leader Locations).

2. "Period of Restoration", with respect to "dependent property", means the period of time that:

a.Begins:

(1) At the time of direct physical loss or damage at the dependent property premises caused by or resulting from any Covered Cause of Loss shown for Business Income Coverage at the described premises; and

b. Ends on the earlier of:

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

(2) The date when business of the dependent property is resumed at a new permanent location; or

(3) If Business Income coverage is provided on an Actual Loss Sustained basis, the date when the number of months shown on the Declarations Schedule for the Period of Restoration will expire.

"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.

"Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that 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".

E. The most we will pay under this Coverage Extension for any one occurrence, from any one or more dependent property premises as described in D.1.a, b, c, and d. above, is

(1) The lesser of the Business Income limit or the amount shown for Business Income under Dependent Property Coverage on the Schedule of SCP 00 31 Limits; and

(2) The lesser of the Business Income limit or the amount shown for Extra Expense under Dependent Property Coverage on the Schedule of SCP 00 31 Limits; or

(3) The lesser of the Extra Expense limit or the amount shown for Extra Expense under Dependent Property Coverage on the Schedule of SCP 00 31 Limits; or

(4) If Business Income coverage is provided on an Actual Loss Sustained basis instead of on a limit basis, Dependent Property coverage applies only for up to the remainder of the maximum period of time (as is shown for Business Income on the declarations), but we will pay no more than the amount shown for Dependent Property Coverage on the Schedule of SCP 00 31 Limits.

04. "Fungus", Wet Rot, Dry Rot

Added as a coverage provided under the Coverage Extensions section is Mold, Fungus, Dry Rot – Time Element

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 a schedule premises, caused by or resulting from "fungus", wet rot, dry rot, or Bacteria.

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B. The most we will pay under this Coverage Extension for any one occurrence is

(1) The lesser of the Business Income limit or the amount of Business Income loss sustained for the number of days shown for "Fungus", Wet Rot, Dry Rot – Time Element on the Schedule of SCP 00 31 Limits; or

(2) If Business Income coverage is provided on an Actual Loss Sustained basis instead of on a limit basis, "Fungus", Wet Rot, Dry Rot – Time Element coverage applies only for up to the remainder of the maximum period of time (as is shown for Business Income on the declarations), but we will pay no more than the amount shown for "Fungus", Wet Rot, Dry Rot – Time Element Coverage on the Schedule of SCP 00 31 Limits.

05. Machinery Testing and Training

Added as a coverage provided under the Coverage Extensions section is machinery Testing and Training

We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the time following "period of restoration" if additional time is needed to test machinery and equipment required in your business and to perform training of employees necessary for the use of the machinery or equipment, provided that

(1) the machinery or equipment is installed as s replacement for damaged machinery or equipment during the "Period of Indemnity" as defined in the Business Income form (SCP 00 30).

(2) Testing and training shall be done as soon as practical after the installation of the new equipment.

The most we will pay under this Coverage Extension for any one occurrence is

(1) The lesser of the Business Income limit or the amount shown for Machinery Testing and Training on the Schedule of SCP 00 31 Limits; or

(2) If Business Income coverage is provided on an Actual Loss Sustained basis instead of on a limit basis, machinery Testing and Training coverage applies only for up to the remainder of the maximum period of time (as is shown for Business Income on the declarations), but we will pay no more than the amount shown for Machinery Testing and Training Coverage on the Schedule of SCP 00 31 Limits.

06. Off Premises Utility Services – Time Element

Added as a coverage provided under the Coverage Extensions section is Off-Premises Utility Services – Time Element

A. Coverage

Your coverage for Business Income and/or Extra Expense, as provided and limited in the applicable Coverage Form, is extended to apply to a "suspension" of "operations" at the described premises, a newly acquired premise, or a newly constructed premises, caused by an interruption in utility service to that premises. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss to the property described in Paragraph **C.** below and is located outside of a covered scheduled, newly acquired or constructed building. Coverage begins the number of hours shown on the Schedule of SCP 00 31 Limits after the start of the interruption in utility services.

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. The term electronic data has the meaning set forth in the Coverage Form to which this endorsement applies.

C. Utility Services

1. **Water Supply Services,** meaning the following types of property supplying water to the described premises:

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a. Pumping stations; and

b. Water mains.

2. Communication Supply Services, 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 as covered in the Schedule of SCP 00 31 Limits.

3. Power Supply Services, 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 as covered in the Schedule of SCP 00 31 Limits.

D. The Coinsurance Additional Condition does not apply to this endorsement.

E. The Utility Services Limit of Insurance, as shown in the Schedule, is the only Limit which applies to the coverage provided under this endorsement, and is part of, not in addition to, the Limit of Insurance stated in the Declarations as applicable for Business Income and Or Extra Expense to the described premises.

F. The most we will pay under this Coverage Extension for any one occurrence, from any one or more off-premises utility services as described in C.1, C.2., and C.3. above, is

(1) The lesser of the Business Income and/or Extra Expense limit or the amount shown for this coverage on the Schedule of SCP 00 31 Limits; or

(2) If Business Income coverage is provided on an Actual Loss Sustained basis instead of on a limit basis, Off-Premises Utility Services – Time Element coverage applies only for up to the remainder of the maximum period of time (as is shown for Business Income on the declarations).

Limits apply separately for Scheduled Premises and for Newly Acquired or Constructed Premises.

07. Ordinance or Law – Increased Period of Restoration

Added as a coverage provided under the Coverage Extensions section is Ordinance or Law – Increased Period of Restoration

A. 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 of Business Income you sustain during the increased period of "suspension" of "operations" caused by or resulting from the enforcement of any ordinance or law that:

1. Regulates the construction or repair of any property;

2. Requires the tearing down of parts of any property not damaged by a Covered Cause of Loss; and

3. Is in force at the time of loss.

However, coverage is not extended under this endorsement to include loss caused by or resulting from the enforcement of any ordinance or law which requires:

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1. 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 "fungus", wet or dry rot or bacteria; or

2. 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", "fungus", wet or dry rot or bacteria.

B. The **Period of Restoration** definition is replaced by the following:

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

a. Begins:

(1) At the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss shown for Business Income Coverage at the described premises; and

b. Ends on the earlier of:

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

(2) The date when business is resumed at a new permanent location; or

(3) If Business Income coverage is provided on an Actual Loss Sustained basis, the date when the number of months shown on the Declarations Schedule for the Period of Restoration will expire.

"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.

"Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that 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".

C. The most we will pay under this Coverage Extension for any one occurrence is

(1) The lesser of the Business Income limit or the amount shown for Ordinance or Law – Increased Period of Restoration on the Schedule of SCP 00 31 Limits; or

(2) If Business Income coverage is provided on an Actual Loss Sustained basis instead of on a limit basis, Ordinance or Law – Increased Period of Restoration coverage applies only for up to the remainder of the maximum period of time (as is shown for Business Income on the declarations), but for no more than the amount shown for Ordinance or Law – Increased Period of Restoration on the Schedule of SCP 00 31 Limits. .

D. The following definition is added:

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

08. Pollution Clean-up – Time Element

Added as a coverage provided under the Coverage Extensions section is Pollution Cleanup – Time Element.

A. If we pay your expense to extract "pollutants" from land or water at the described premises because the discharge, dispersal, seepage, migration, release or escape of the "pollutants" was caused by or resulted from a Covered Cause of Loss that occurs during the policy period, we will pay the amount of actual and necessary loss of Business Income you sustain during the increased period of "suspension"

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of "operations" caused by or resulting from the extraction and removal of these "pollutants".

B. The most we will pay under this Coverage Extension for any one occurrence is
(1) The lesser of the Business Income limit or the amount shown for Pollutant Cleanup – Time Element on the Schedule of SCP 00 31 Limits; or

(2) If Business Income coverage is provided on an Actual Loss Sustained basis instead of on a limit basis, Pollutant Cleanup – Time Element coverage applies only for up to the remainder of the maximum period of time (as is shown for Business Income on the declarations), but for no more than the amount shown for Ordinance or Law – Increased Period of Restoration on the Schedule of SCP 00 31 Limits. .

09. Spoilage – Time Element

Added as a coverage provided under the Coverage Extensions section is Spoilage – Time Element

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 "perishable stock" held within refrigeration equipment at a scheduled premise, caused by or resulting from
(1) a Covered Cause of Loss to the refrigeration equipment or on-site equipment controlling or monitoring the refrigeration equipment; or
(2) Breakdown of the refrigeration equipment or on-site controlling or monitoring equipment; or
(3) Contamination of the "perishable stock" by a refrigerant.

B. 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.

C. The most we will pay under this Coverage Extension for any one occurrence is
(1) The lesser of the Business Income limit or the amount shown for Spoilage – Time Element on the Schedule of SCP 00 31 Limits; or

(2) If Business Income coverage is provided on an Actual Loss Sustained basis instead of on a limit basis, Spoilage – Time Element coverage applies only for up to the remainder of the maximum period of time (as is shown for Business Income on the declarations), but for no more than the amount shown for Spoilage – Time Element on the Schedule of SCP 00 31 Limits. .

10. Web Site Service Provider – Time Element

Added as a coverage provided under the Coverage Extensions section is Web-Site Service Provider – Time Element

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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 an independent contractor web site service provider, caused by or resulting from a Covered Cause of Loss. The web site service must maintain a web site on your behalf, which is used to produce business for you. However, coverage under this Extension does not apply when the only loss to the web site service provider is loss or damage to electronic data, including destruction or corruption of electronic data. If the web site service provider sustains loss or damage to electronic data and other property, coverage under this endorsement will not continue once the other property is repaired, rebuilt or replaced. The term electronic data has the meaning set forth in the Coverage Form to which this Extension applies.

B. Under the **Loss Determination** Loss Condition, the following is added to the **Resumption Of Operations** Provision:

We will reduce the amount of your Business Income loss to the extent you can resume "operations", in whole or in part, by using a back-up copy of the web site design and code.

C. The following is added to the **Definitions** Section:

"Period of Restoration", with respect to Web Site Service Provider Coverage, means the period of time that:

a.Begins:

(1) At the time of direct physical loss or damage at the property premises of the Web Site Services Provider, caused by or resulting from any Covered Cause of Loss shown for Business Income Coverage at the described premises; and

b. Ends on the earlier of:

(1) The date when the property at the Web Site Services Provider should be repaired, rebuilt or replaced with reasonable speed and similar quality; or

(2) The date when business of the Web Site Service Provider's property is resumed at a new permanent location; or

(3) If Business Income coverage is provided on an Actual Loss Sustained basis, the date when the number of months shown on the Declarations Schedule for the Period of Restoration will expire.

"Period of restoration" does not include 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.

"Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that 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".

D. The most we will pay under this Coverage Extension for any one occurrence is

(1) The lesser of the Business Income limit or the amount shown for Web Site Service Provider on the Schedule of SCP 00 31 Limits; and

(2) If Business Income coverage is provided on an Actual Loss Sustained basis instead of on a limit basis, Web Site Service Provider Coverage applies only for up to the remainder of the maximum period of time (as is shown for Business Income on the declarations), but we will pay no more than the amount shown for Web Site Service Provider Coverage on the Schedule of SCP 00 31 Limits.

E. We will pay for no more than the amount of loss sustained during the number of days shown next to this coverage on the declarations. The days of coverage will start immediately after the waiting period shown as a number of hours next to this coverage in the declarations.

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EQUIPMENT BREAKDOWN ENHANCEMENT ENDORSEMENT

As respects this **Equipment Breakdown Enhancement Endorsement**, this endorsement changes coverage provided by the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
CAUSES OF LOSS – BASIC FORM
CAUSES OF LOSS – BROAD FORM
CAUSES OF LOSS – SPECIAL FORM

Read the entire endorsement carefully to determine rights, duties and what is and is not covered.

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

CONDOMINIUM ASSOCIATION COVERAGE FORM

A. Coverage

4. Additional Coverages

The following **Additional Coverages** are added as a part of**,** and not in addition to**,** the limit per loss:

f. 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.

g. 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."

h. 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.

i. 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.

j. 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.

k. 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.

l. 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.

m. Valuable Papers and Records – Cost of Research
Valuable Papers and Records (Other Than Electronic Data)

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".

This will be part of and not an addition to the limits provided by the "valuable papers and records" coverage under the property form to which this endorsement is attached.

F. Additional Conditions

The following **Additional Conditions** are added:

3. 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.

4. 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.

5. 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 like kind and quality. This Condition does not apply to any property to which Actual Cash Value applies.

6. 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" includes similar size and capacity.

b. The additional reasonable and necessary fees incurred by the Insured for an accredited professional certified 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 or recertification 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 replace-

ment 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".

H. DEFINITIONS

The following **Definitions** are added: "Equipment Breakdown".

3. "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:
(1) boiler feed water piping between the feed pump and the boiler;
(2) boiler condensate return piping; or
(3) 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, including electrical arcing; 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;
(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.

4. "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.

5. "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.

6. "Production machinery" means any machine which processes, forms, shapes, or transports raw materials, materials in process, waste materials or finished products.

CAUSES OF LOSS - BASIC FORM

A. Covered Causes of Loss

Covered Causes of Loss also means "Equipment Breakdown".

B. Exclusions

The following **Exclusions** do not apply:

a. B.2.a. ; B.2.d; B.2.e;

CAUSES OF LOSS - BROAD FORM

A. Covered Causes of Loss

Covered Causes of Loss also means "Equipment Breakdown".

B. Exclusions

The following **Exclusions** do not apply:

a. B.2.a. ; B.2.b; B.2.c;

CAUSES OF LOSS - SPECIAL FORM

A. Covered Causes of Loss

Covered Causes of Loss also means "Equipment Breakdown".

B. Exclusions

The following **Exclusions** do not apply:

a. B.2.a. ; B.2.d (6); B.2.e;

C. Limitations

The following **Limitations** do not apply:

a. C.1.a. and C.1.b.

G. Definitions

The following is added to the "Specified Causes of Loss" definition:

"Specified Causes of Loss" also means "Equipment Breakdown".

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MULTIPLE DEDUCTIBLE FORM
(FIXED DOLLAR DEDUCTIBLES)

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
BUILDERS' RISK COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
STANDARD PROPERTY POLICY
TOBACCO SALES WAREHOUSE COVERAGE FORM

Causes of Loss may be shown on the Declarations as described on this form. A deductible shown on the Declarations across from a Cause of Loss will apply to loss or damage due to that cause of loss. If only one deductible is shown across from several causes of loss, that deductible applies to all causes of loss in the set. Deductibles are applicable to any one occurrence, and are subject to the Deductible clause in the Coverage form.

1. Causes of Loss, when shown on the Declarations as follows have the following meaning:

Special except Wind	Means: Other Causes of Loss as provided under form SCP 1030 are covered but Losses caused by Windstorm or Hail are Not Covered.
Special except Theft	Means: Other Causes of Loss as provided under form SCP 1030 are covered but Losses caused by Theft are Not Covered.
Special except Water	Means: Other Causes of Loss as provided under form SCP 1030 are covered but Losses caused by Water Damage are Not Covered.
Special except Wind and Theft	Means: Other Causes of Loss as provided under form SCP 1030 are covered but Losses caused by Windstorm, Hail or Theft are Not Covered.
Special except Wind and Water	Means: Other Causes of Loss as provided under form SCP 1030 are covered but Losses caused by Windstorm, Hail or Water Damage are Not Covered.
Special except Theft and Water	Means: Other Causes of Loss as provided under form SCP 1030 are covered but Losses caused by Theft or Water Damage are Not Covered.
Special except Wind, Theft and Water	Means: Other Causes of Loss as provided under form SCP 1030 are covered but Losses caused by Windstorm, Hail, Theft or Water Damage are Not Covered.

Damage caused by Watercraft to certain property may also be deleted as a cause of loss as respects that property. A separate endorsement will be made a part of this policy when Damage by Watercraft is excluded.

2. Causes of Loss, when shown as follows have the following meaning:

Special including Wind	Means: Causes of Loss as provided under form SCP 1030 are covered, including Windstorm or Hail, but a separate deductible applies to Windstorm and Hail Losses.
Special including Theft	Means: Causes of Loss as provided under form SCP 1030 are covered, including Theft, but a separate deductible applies to Theft Losses.

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Special including Water	Means: Causes of Loss as provided under form SCP 1030 are covered, including Water, but a separate deductible applies to Water Damage Losses.
Special including Wind and Theft	Means: Causes of Loss as provided under form SCP 1030 are covered, including Windstorm or Hail, and Theft, but a separate deductible applies to Windstorm or Hail, and Theft caused Losses.
Special including Wind and Water	Means: Causes of Loss as provided under form SCP 1030 are covered, including Windstorm or Hail, and Water, but a separate deductible applies to Windstorm or Hail, and Water Damage Losses.
Special including Theft and Water	Means: Causes of Loss as provided under form SCP 1030 are covered, including Theft and Water, but a separate deductible applies to Theft, and Water Damage Losses.
Special including Wind, Theft and Water	Means: Causes of Loss as provided under form SCP 1030 are covered, including Windstorm, Hail, Theft and Water but a separate deductible applies to Windstorm and Hail, Theft, and Water Damage Losses.

3. Causes of Loss, when shown as follows have the following meaning:

Broad except Wind	Means: Other Causes of Loss as provided under form SCP 1020 are covered but Losses caused by Windstorm or Hail are Not Covered.
Broad except Water	Means: Other Causes of Loss as provided under form SCP 1020 are covered but Losses caused by Water Damage are Not Covered.
Broad except Wind and Water	Means: Other Causes of Loss as provided under form SCP 1020 are covered but Losses caused by Windstorm, Hail or Water Damage are Not Covered.
Basic except Wind	Means: Other Causes of Loss as provided under form SCP 1010 are covered but Losses caused by Windstorm or Hail are Not Covered.

4. Causes of Loss, when shown as follows have the following meaning:

Basic plus Theft	Means: Causes of Loss as provided under form SCP 1030 are covered, plus Theft is covered.
Basic plus Water	Means: Causes of Loss as provided under form SCP 1010 are covered, plus Water Damage is covered.
Basic plus Theft and Water	Means: Causes of Loss as provided under form SCP 1030 are covered, plus Theft and Water Damage are covered.
Broad plus Theft	Means: Causes of Loss as provided under form SCP 1020 are covered, plus Theft is covered.

The causes of loss “Theft” and “Water” are described under a separate endorsement attached to this policy.

The following is added to the **Deductible** section:

A. In the event that loss or damage occurs to Covered Property at more than one building location as a result of one occurrence, the largest applicable deductible for that Covered Cause of Loss, shown in the Schedule above or in the Declarations, will apply.

B. The terms of this endorsement do not apply to any Earthquake Deductible or to any Windstorm or Hail Percentage Deductible provided elsewhere in this policy.

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CAUSES OF LOSS – SPECIAL FORM

Words and phrases that appear in quotation marks have special meaning. Refer to Section **F.** – Definitions.

A. Covered Causes of Loss

When Special is shown in the Declarations, Covered Causes of Loss means Risks of Direct Physical Loss unless the loss is:

1. Excluded in Section **B.**, Exclusions; or

2. Limited in Section **C.**, Limitations;

that follow.

However, if the Exclusions or Limitations contained in this form are specifically amended elsewhere in this policy, the terms of coverage provided elsewhere in this policy shall supersede the Exclusions and Limitations contained in this form.

B. Exclusions

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

a. Ordinance or Law

The enforcement of any ordinance or law:

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

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

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

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

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

b. Earth Movement

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

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

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

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

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

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

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

(a) Airborne volcanic blast or airborne shock waves;

(b) Ash, dust or particulate matter or

(c) Lava flow.

All volcanic eruptions that occur within any 168 hour period will constitute a single occurrence.

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

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

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

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 or other utility service supplied to the described premises, however caused, if the failure occurs away from the described premises. Failure includes lack of sufficient capacity and reduction in supply.

But if the failure of power 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.

This exclusion does not apply to the Business Income coverage or to Extra Expense coverage. Instead, the Special Exclusion in Paragraph **B.4.a.(1)** applies to these coverages.

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, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;

(2) Mudslide or mudflow;

(3) Water that backs up or overflows from a sewer, drain or sump; or

(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.

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

h. "Fungus", Wet Rot, Dry Rot and Bacteria

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

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

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

Exclusions **B.1.a.** through **B.1.h.** apply whether or not the loss event results in widespread damage or affects a substantial area.

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

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a. Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires.

But if artificially generated electrical current results in fire, we will pay for the loss or damage caused by that fire.

b Delay, loss of use or loss of market.

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

d.

(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. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.

(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.

Bur if an excluded cause of loss that is listed in **2.d.(1)** through **(7)** results in a “specified cause of loss” or building glass breakage, we will pay for the loss or damage caused by that “specified cause of loss” or building glass breakage.

e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control.

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

f. 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.

g. 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.

h. Dishonest or criminal act by you, any of your partners, members, officers, managers, employees (including leased employees), directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:

(1) Acting alone or in collusion with others; or

(2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees (including leased employees); but theft by employees (including leased employees) is not covered.

i. 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.

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

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k. Collapse, except as provided below in the Additional Coverage for Collapse. 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.

l. 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:.

This exclusion, **l.**, does not apply to damage to glass caused by chemicals applied to the glass.

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

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

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

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

c. Faulty, inadequate or defective:

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

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

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

(4) Maintenance;

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

4. Special Exclusions

The following provisions apply only to the specified Coverage Forms.

a. Business Income (and Extra Expense) Coverage Form,
Business Income (Without Extra Expense) Coverage Form, or
Extra Expense Coverage Form

We will not pay for:

(1) Any loss caused directly or indirectly by the failure of power or other utility service supplied to the described premises, however caused, if the failure occurs outside of a covered building. Failure includes lack of sufficient capacity and reduction in supply.

But if the failure of power or other utility service results in a Covered Cause of Loss, we will pay for the loss resulting from that Covered Cause of Loss.

(2) Any loss caused by or resulting from:

(a) Damage or destruction of "finished stock"; or

(b) The time required to reproduce "finished stock".

This exclusion does not apply to Extra Expense.

(3) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.

(4) Any increase of 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

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Business Income Additional Coverage and the Extended Period of Indemnity Optional Coverage or any variation of these.

(5) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".

(6) Any other consequential loss.

b. Leasehold Interest Coverage Form

(1) Paragraph **B.1.a.**, Ordinance or Law does not apply to insurance under this Coverage Form.

(2) We will not pay for any loss caused by:

(a) Your cancelling the lease;

(b) The suspension, lapse or cancellation of any license; or

(c) Any other consequential loss.

c. Legal Liability Coverage Form

(1) The following exclusions do not apply to insurance under this Coverage Form:

(a) Paragraph **B.1.a.**, Ordinance or Law;

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

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

(d) Paragraph **B.1.e.**, Utility Services; and

(e) Paragraph **B.1.f.**, War and Military Action.

(2) The following additional exclusions apply to insurance under this Coverage Form:

(a) Contractual Liability

We will not defend any claim or "suit", or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement. But this exclusion does not apply to a written lease agreement in which you have assumed liability for building damage resulting form an actual or attempted burglary or robbery, provided that:

(i) Your assumption of liability was executed prior to the accident; and

(ii) The building is Covered Property under this Coverage Form.

(b) Nuclear Hazard

We will not defend any claim or "suit", or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

C. Limitations

The following limitations apply to all policy forms and endorsements, unless otherwise stated.

1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.

a. 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.

b. 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.

c. 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:

(1) 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

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

d. Building materials and supplies not attached as part of the building or structure, caused by or resulting from theft.

However, this limitation does not apply to:

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(1) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or

(2) Business Income coverage or Extra Expense coverage.

e. 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.

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

2. 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:

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

b. Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:

(1) Glass; or

(2) Containers of property held for sale.

c. Builders' machinery, tools and equipment owned by you or entrusted to you, provided such property is Covered Property.

However, this limitation does not apply:

(1) If the property is located on or within 1000 feet of the described premises, unless the premises is insured under the Builders Risk Coverage Form; or

(2) To Business Income coverage or to Extra Expense coverage.

3. The special limit shown for each category, **a.** through **d.**, is the total limit for loss of or damage to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are:

a. $2,500 for furs, fur garments and garments trimmed with fur.

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

c. $2,500 for patterns, dies, molds and forms.

d. $250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.

This limitation, **C.3.**, does not apply to Business Income coverage or to Extra Expense coverage.

4. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:

a. Results in discharge of any substance from an automatic fire protection system; or

b. Is directly caused by freezing.

However, this limitation does not apply to Business Income coverage or to Extra Expense coverage.

D. Additional Coverage – Collapse

The term Covered Cause of Loss includes the Additional Coverage – Collapse as described and limited in **D.1.** through **D.5.** below.

1. With respect to buildings:

a. 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;

b. A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse;

c. A part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building;

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d. A building that is standing or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

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

a. The "specified causes of loss" or breakage of building glass, all only as insured against in this Coverage Part;

b. Decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;

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

d. Weight of people or personal property;

e. Weight of rain that collects on a roof;

f. Use of defective material or methods in construction, remodeling, or renovation if the collapse occurs during the course of the construction, remodeling, or renovation. However, if the collapse occurs after construction, remodeling, or renovation is complete and is caused in part by a cause of loss listed in **2.a.** through **2.e.**, we will pay for the loss or damage even if use of defective material or methods, in construction, remodeling, or renovation, contributes to the collapse.

The criteria set forth in **1.a.** through **1.d.** do not limit the coverage otherwise provided under this Causes of Loss Form for the causes of loss listed in **2.a.**, **2.d.** and **2.e.**.

3. With respect to the following property:

a. Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;

b. Awnings, gutters and downspouts;

c. Yard fixtures;

d. Outdoor swimming pools;

e. Fences;

f. Piers, wharves and docks;

g. Beach or diving platforms or appurtenances;

h. Retaining walls; and

i. Walks, roadways and other paved surfaces;

if the collapse is caused by a cause of loss listed in **2.b.** through **2.f.** we will pay for loss or damage to that property only if:

a. Such loss or damage is a direct result of the collapse of a building insured under this Coverage Form; and

b. The property is Covered Property under this Coverage Form

4. If personal property abruptly falls down or caves in and such collapse is not the result of 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 was caused by a Cause of Loss listed in **2.a.** through **2.f.** above;

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

c. The property which collapses is not of a kind listed in **3.** above, regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph **4.** does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

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

5. This Additional Coverage, Collapse, will not increase the Limits of Insurance provided in this Coverage Part.

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E. Additional Coverage – Limited Coverage for "Fungus", Wet Rot, Dry Rot and Bacteria

1. The coverage described in **E.2.** and **E.6.** only applies when the "fungus", wet or dry rot or bacteria is the result of one or more of the following causes that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.

a. A "specified cause of loss" other than fire or lightning; or

b. Flood, if the Flood Coverage Endorsement applies to the affected premises.

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

a. Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;

b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; 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 "fungus", wet or dry rot or bacteria are present.

3. The coverage described under **E.2.** of 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) and Flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of $15,000 even if the "fungus", wet or dry rot or bacteria 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 "fungus", wet or dry rot or bacteria, 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 "fungus", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus", wet or dry rot or bacteria 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 Paragraph **F.2.** (Water Damage, Other Liquids, Powder or Molten Material Damage) of this Causes of Loss Form or under the Additional Coverage – Collapse.

6. The following, **6.a.** or **6.b.**, applies only if Business Income and/or Extra Expense coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense coverage form.

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

b. If a covered "suspension" of "operations" was caused by loss or damage other than "fungus", wet or dry rot or bacteria but remediation of "fungus", wet or dry rot or bacteria 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.

F. Additional Coverage Extensions

1. Property in Transit

This Extension applies only to your personal property to which this form applies.

a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 1000

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feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.

b. Loss or damage must be caused by or result from one of the following causes of loss:
- **(1)** Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
- **(2)** Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the road bed.
- **(3)** Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.

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

This Coverage Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

2. 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 damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes. This Coverage Extension does not increase the Limit of Insurance.

3. Glass

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

b. 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.

This Coverage Extension, **F.3.**, does not increase the Limit of Insurance.

G. Definitions

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

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

c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL COVERED PROPERTY

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
STANDARD PROPERTY POLICY

The following is added to **Covered Property**:

SCHEDULE *

Premise Number	Building Number	Description of Property
1	1	Bridges,roadways,walks, patios, or other paved

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

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

REPLACEMENT COST OVER-LIMIT PROTECTION

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

With respect to buildings to which this endorsement applies:

Section C. Limits of Insurance, is deleted and replaced with the following:

C. Limits of Insurance

1. The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance of **Section I – Property** shown in the declarations, however:
   - **(a)** If the building is insured on a replacement cost basis; and
   - **(b)** If the cost to replace the building at the time of the loss is greater than the limit of insurance for this building; and
   - **(c)** If you actually rebuild the building; then
   - **(d)** We will pay the replacement cost up to an additional 25% of the Limit of Insurance for this building; and
   - **(e)** We will waive the conditions contained in **F. Additional Conditions**, Paragraph 1, **Coinsurance**.
2. If payment is made under this endorsement, premium will be due us for the amount determined by subtracting the limit of insurance for the building from the cost to repair or replace the building, rated for the period from the date the building was added to the policy to the expiration date of the policy.
3. This endorsement is not applicable if you do not repair or replace the building on a replacement cost basis in accordance with **E. Loss Conditions**, Paragraph **4. Loss Payment** and **G. Optional Coverages**, Paragraph 3, **Replacement Cost** of the Building and Personal Property Coverage Form.

The limits applicable to the Coverage Extensions and the Fire Department Service Charge and Pollutant Clean Up and Removal Additional Coverages are in addition to the Limits of Insurance.

Payments under the Preservation of Property Additional Coverage will not increase the applicable Limit of Insurance.

This endorsement applies only if indicated as applicable in the declarations and only with respect to those locations so indicated.

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