



COMMERCIAL INSURANCE  
**POLICY**

TRAVELERS BOP

PREPARED FOR:

THE WOODS AT HIGHLAND PARK  
CONDOMINIUM  
5990 W WOODS COURT  
MEQUON, WI 53092

PRESENTED BY:

ANSAY & ASSOCIATES LLC  
101 E GRAND AVE STE 11  
PORT WASHINGTON, WI 530742241

**Claims Reporting:** 1-800-238-6225

**Policy Period:** 01/01/2026 through 01/01/2027

**Policy Number:** BIP-7X62026A-26-42

**Insuring Company:** FIDELITY AND GUARANTY INSURANCE COMPANY

**TRAVELERS** 

© 2018 The Travelers Indemnity Company. All rights reserved. Travelers and the Travelers Umbrella Logo are registered trademarks of The Travelers Indemnity Company in the U.S. and the other countries. BSLFY.0066 Rev. 11-18

Dear Valued Policyholder:

We are excited to inform you about changes to your policy on renewal. We are implementing a new proprietary Condominium and Community Associations Directors and Officers Liability Coverage Form that will modernize and further simplify our approach to that coverage.

This transition will improve consistency in our approach to Directors and Officers Liability Coverage.

In order to make this transition to our new proprietary Condominium and Community Associations Directors and Officers Liability Coverage Form as easy as possible for you, we will adjust any claims for Directors and Officers Liability Coverage under your new policy based upon the terms and conditions of either your expiring policy or your new policy, **whichever are broader**. However, this approach to adjustment of claims for Directors and Officers Liability Coverage is **subject to the following exceptions**:

- Any difference in the identity of named insureds.
- Any reduction in the amount of the limits of insurance shown in the Condominium and Community Associations Directors and Officers Liability Coverage Declarations for your new policy from the amount shown for substantially similar coverage in any Declarations or endorsement for your expiring policy.

We will apply this approach to claims adjusted under your first new Travelers policy. Any claim adjusted under a subsequent Travelers policy will be adjusted based only upon the terms and conditions of that policy.

Please review your expiring and new Travelers policies carefully, retain your expiring policy, and contact your agent or broker if you have any questions about this letter. We appreciate your business and thank you for choosing to insure with us.

**COMMON POLICY DECLARATIONS**

**POLICY NO.:** BIP-7X62026A-26-42

**ISSUE DATE:** 11/21/2025

**BUSINESS:** Residential Con

**INSURING COMPANY:** FIDELITY AND GUARANTY INSURANCE COMPANY

**1. NAMED INSURED AND MAILING ADDRESS:**

THE WOODS AT HIGHLAND PARK  
CONDOMINIUM  
5990 W WOODS COURT  
MEQUON WI 53092

**2. POLICY PERIOD:** From 01/01/2026 to 01/01/2027 12:01 A.M. Standard Time at your mailing address.

**3. DESCRIPTION OF PREMISES:**

PREM. LOC.NO.	BLDG. NO.	OCCUPANCY	ADDRESS
			(same as Mailing Address unless specified otherwise)

SEE IL T0 20 02 05

**4. COVERAGE PARTS AND SUPPLEMENTS FORMING PART OF THIS POLICY AND INSURING COMPANIES**

COVERAGE PARTS and SUPPLEMENTS	INSURING COMPANY
Travelers Property Coverage Part	SFG
Commercial General Liability Coverage Part	SFG
Directors & Officers Coverage Supplement	SFG

**5.** The COMPLETE POLICY consists of this declarations and all other declarations, and the forms and endorsements for which symbol numbers are attached on a separate listing.

**6. SUPPLEMENTAL POLICIES:** Each of the following is a separate policy containing its complete provisions.

POLICY DIRECT BILL	POLICY NUMBER	INSURING COMPANY

**7. PREMIUM SUMMARY:**

Provisional Premium	\$	25,763.00
Due at Inception	\$	
Due at Each	\$	

NAME AND ADDRESS OF AGENT OR BROKER  
ANSAY & ASSOCIATES LLC HF953  
101 E GRAND AVE STE 11  
PORT WASHINGTON

WI 530742241

COUNTERSIGNED BY:

\_\_\_\_\_  
Authorized Representative  
DATE: 11/21/2025



**TRAVELERS PROPERTY  
COVERAGE PART DECLARATIONS**

**POLICY NO.:** BIP-7X62026A-26-42  
**ISSUE DATE:** 11/21/2025

INSURING COMPANY: FIDELITY AND GUARANTY INSURANCE COMPANY

FORM OF BUSINESS: ASSOCIATION

DECLARATIONS PERIOD: From 01-01-26 to 01-01-27 12:01 A.M. Standard Time at your mailing address shown in the Common Policy Declarations.

**TRAVELERS PROPERTY COVERAGE PART**

The Travelers Property Coverage Part consists of these Declarations and the attached Supplemental Declaration(s), Schedule(s), Table of Contents, Commercial Property Conditions, the Coverage Form(s), and endorsements.

1. **COVERAGE:** Insurance applies only to premises location(s) and building number(s) shown in the Supplemental Declarations. Unless otherwise provided under TP T3 80 Travelers Property Specific Limits Endorsement, the Supplemental Declarations will show coverage(s), optional coverage(s) and applicable Limits of Insurance that apply to such premises location(s) and building number(s).

If a specified limit of insurance is shown below for:

- a. Tenant Improvements and Betterments;
- b. Stock; or
- c. Personal Property of Others;

then that limit is not included in the Business Personal Property Limit of Insurance:

If *Not Covered* is shown for Stock or Personal Property of Others, then that property is not covered under Business Personal Property for that premises location and building number

**TRAVELERS PROPERTY COVERAGE FORM:**

2. **ADDITIONAL COVERAGES & COVERAGE EXTENSIONS**

The following Additional Coverages and Coverage Extensions are provided under the Coverage Form listed above for the Limits of Insurance shown. These Limits of Insurance apply in any one occurrence unless otherwise stated.

Some Additional Coverages and Coverage Extensions or the applicable Limits of Insurance may be modified by endorsement(s) attached to this policy. There may also be other Additional Coverages or Coverage Extensions within your policy. Please read it carefully.

Additional Coverages	Limits Of Insurance
Limited Coverage Fungus, Wet Rot or Dry Rot	\$ 15,000

3. **DEDUCTIBLE:** The following deductible applies unless a different or more specific deductible is indicated within this Declarations or by endorsement.

\$ 2,500 per occurrence



TRAVELERS PROPERTY  
COVERAGE PART DECLARATIONS

POLICY NO.: BIP-7X62026A-26-42  
ISSUE DATE: 11/21/2025

BUILDING GLASS DEDUCTIBLE  
\$ 2,500 per occurrence

**BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM:**

If a time period or dollar limit is shown below for the Business Income (And Extra Expense) Coverage Form or Extra Expense Coverage Form, the applicable Blanket Limit applies to all premises location(s) and building number(s), unless *Not Covered* is shown for a premises location(s) or a specific Business Income (And Extra Expense) or Extra Expense Coverage Form limit is shown for a premises location(s) and building number(s) in the Supplemental Declarations or Travelers Property Specific Limits Endorsement (TP T3 80).

BUSINESS INCOME (AND EXTRA EXPENSE) BLANKET LIMIT  
\$ 75,686

Rental Value: Include

Ordinary Payroll: Include

Period of Restoration - Time Period: Immediately

Extended Business Income: 60 days

Dependent Properties - within coverage territory \$ 10,000

Dependent Properties - outside coverage territory *Not Covered*

Interruption of Computer Operations \$ 25,000

**Supplemental Declarations**

PREMISES LOCATION NO.: 001

BUILDING NO. : ALL

COVERAGE	LIMIT OF INSURANCE	VALUATION	COINSURANCE	INFLATION GUARD
BUILDING *Replacement Cost	\$ 24,536,272 Blanket 1	RC*	N/A	8.0%

PREMISES LOCATION NO.: 002

BUILDING NO. : 001

COVERAGE	LIMIT OF INSURANCE	VALUATION	COINSURANCE	INFLATION GUARD
BUILDING *Replacement Cost	Include in Blanket 1	RC*	N/A	0.0%



One Tower Square, Hartford, Connecticut 06183

TRAVELERS PROPERTY  
COVERAGE PART DECLARATIONS

POLICY NO.: BIP-7X62026A-26-42  
ISSUE DATE: 11/21/2025

PREMISES LOCATION NO.: 002      BUILDING NO.: 002

COVERAGE	LIMIT OF INSURANCE	VALUATION	COINSURANCE	INFLATION GUARD
BUILDING *Replacement Cost	Include in Blanket 1	RC*	N/A	0.0%

PREMISES LOCATION NO.: 003      BUILDING NO.: 001

COVERAGE	LIMIT OF INSURANCE	VALUATION	COINSURANCE	INFLATION GUARD
BUILDING *Replacement Cost	\$ 3,481,500	RC*	N/A	0.0%

POLICY NUMBER: BIP-7X62026A-26-42

EFFECTIVE DATE: 01/01/2026

ISSUE DATE: 11/21/2025

LISTING OF FORMS, ENDORSEMENTS AND SCHEDULE NUMBERS

THIS LISTING SHOWS THE NUMBER OF FORMS, SCHEDULES AND ENDORSEMENTS  
BY LINE OF BUSINESS

PN U4 34 07 22	LIBERALIZATION LETTER - DIRECTORS AND OFFICERS LIABILITY CHANGES
IL T4 23 07 18	COMMON POLICY DECLARATIONS
TP T0 01 07 18	TRAVELERS PROPERTY COVERAGE PART DECLARATIONS
IL T8 01 01 01	FORMS ENDORSEMENTS AND SCHEDULE NUMBERS
IL T4 25 07 18	COMMON POLICY CONDITIONS
TP T0 29 07 18	IMPORTANT INFORMATION FOR POLICYHOLDERS
IL T0 20 02 05	ADDITIONAL LOCATIONS

BUSINESSOWNERS

TP T3 00 09 22	DIGITAL ASSETS EXCLUSIONS - DIGITAL CURRENCY AND NON-FUNGIBLE TOKENS
TP T3 51 07 18	WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLE
TP T1 30 07 18	TABLE OF CONTENTS - TRAVELERS PROPERTY COVERAGE PART
TP T1 03 07 18	AMENDATORY PROVISIONS CONDOMINIUM ASSOCIATION COVERAGE
CP T3 81 01 21	FEDERAL TERRORISM RISK INSURANCE ACT DISCLOSURE
TP T3 63 11 23	POWER PAC PREMIER
TP T3 70 09 22	ELECTRONIC VANDALISM LIMITATION AND OTHER CHANGES
TP T3 79 07 18	CAUSES OF LOSS - EQUIPMENT BREAKDOWN
TP T3 82 07 18	CRIME ADDITIONAL COVERAGES
TP T1 00 07 18	TRAVELERS PROPERTY COVERAGE FORM
TP T1 01 07 18	TRAVELERS BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
TP T8 01 01 26	TRAVELERS PROPERTY GENERAL PURPOSE ENDORSEMENT
CP T9 69 02 11	WISCONSIN CHANGES
TP T4 19 07 18	WISCONSIN CHANGES

COMMERCIAL GENERAL LIABILITY

CG T0 01 11 03	COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS
CG U0 15 07 21	CONDO COMM ASSOC D&O LIAB DECLARATIONS
CG T0 07 04 09	DECLARATIONS PREMIUM SCHEDULE
CG T0 34 02 19	TABLE OF CONTENTS - COMMERCIAL GENERAL LIABILITY COVERAGE FORM CG T1 00 02 19
CG U0 16 07 21	CONDO COMM ASSOC D&O LIAB COV TOC
CG T1 00 02 19	COMMERCIAL GENERAL LIABILITY COVERAGE FORM
CG T1 38 07 21	CONDO COMM ASSOC D&O LIAB COV FORM
CG 20 04 11 85	ADDITIONAL INSURED - CONDOMINIUM UNIT OWNERS
CG D2 37 02 19	EXCLUSION - REAL ESTATE DEVELOPMENT ACTIVITIES - COMPLETED OPERATIONS
CG D9 10 09 21	AMENDMENT OF INTELLECTUAL PROPERTY EXCLUSION

---

POLICY NUMBER: BIP-7X62026A-26-42

EFFECTIVE DATE: 01/01/2026

ISSUE DATE: 11/21/2025

COMMERCIAL GENERAL LIABILITY (CONTINUED)

CG D2 03 12 97	AMEND - NON CUMULATION OF EACH OCC
CG D1 86 02 19	XTEND ENDORSEMENT
CG D0 76 01 25	EXCLUSION - LEAD
CG D2 43 09 24	FUNGI OR BACTERIA EXCLUSION
CG D4 21 07 08	AMEND CONTRAL LIAB EXCL - EXC TO NAMED INS
CG D6 18 10 11	EXCLUSION - VIOLATION OF CONSUMER FINANCIAL PROTECTION LAWS
CG D9 44 01 23	EXCLUSION - VIOLATION OF BIOMETRIC INFORMATION PRIVACY LAWS
CG D1 42 02 19	EXCLUSION - DISCRIMINATION

MULTIPLE SUBLINE ENDORSEMENTS

CG T3 33 11 03	LIMITATION WHEN TWO OR MORE POLICIES APPLY
CG 01 24 01 93	WISCONSIN CHANGES - AMENDMENT OF POLICY CONDITIONS

INTERLINE ENDORSEMENTS

IL T0 63 07 22	ACTUAL CASH VALUE
IL T3 68 01 21	FEDERAL TERRORISM RISK INSURANCE ACT DISCLOSURE
IL T4 12 03 15	AMNDT COMMON POLICY COND-PROHIBITED COVG
IL T4 14 01 21	CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM
IL T4 27 06 19	ADDITIONAL BENEFITS
IL T4 40 10 20	PROTECTION OF PROPERTY
IL 00 21 09 08	NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (BROAD FORM)
IL 02 83 11 18	WISCONSIN CHANGES - CANCELLATION AND NONRENEWAL

POLICY HOLDER NOTICES

PN T1 94 11 21	IMPORTANT NOTICE - LEAD EXCLUSION
PN UN WI 02 18	IMPORTANT NOTICE - COMPLAINTS - WISCONSIN
PN MP 38 01 11	IMPORTANT NOTICE - JURISDICTIONAL INSPECTIONS

# 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 or any Coverage Part 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. If the policy is cancelled, that date will become the end of the policy period. If a Coverage Part is cancelled, that date will become the end of the policy period as respects that Coverage Part only.
5. If this policy or any Coverage Part 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 as 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 but not obligated to:
  - a. Make inspections and surveys at any time;
  - b. Give you reports on the conditions we find; and
  - c. Recommend changes.
2. 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

1. The first Named Insured shown in the Declarations:
  - a. Is responsible for the payment of all premiums; and
  - b. Will be the payee for any return premiums we pay.
2. We compute all premiums for this policy in accordance with our rules, rates, rating plans, premiums and minimum premiums. The premium shown in the Declarations was computed based on rates and rules 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.

**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.

**G. TRAVELERS PROPERTY COVERAGE PART or COMMERCIAL GENERAL LIABILITY COVERAGE PART – REFERENCES TO FORMS AND ENDORSEMENTS**

In some instances, the Common Policy Declarations may list endorsements included in the Travelers Property Coverage Part or General Liability Coverage Part that reference:

1. The Commercial Property Coverage Part;
2. The Commercial General Liability or Liquor Liability Coverage Part;

3. Commercial Property forms including the following:
  - a. Building and Personal Property Coverage Form;
  - b. Business Income Coverage Form;
  - c. Commercial Property Conditions;
  - d. Condominium Association Coverage Form;
  - e. Condominium Commercial Unit-Owners Coverage Form;
  - f. Causes of Loss Special Form; and
  - g. Causes of Loss Earthquake Form.
4. Endorsements referencing the Commercial Property Coverage Part or Commercial Property Forms apply to the Travelers Property Coverage Forms in the same manner as they apply to the forms they reference.

Endorsements referencing the Commercial General Liability Coverage Part apply to the Commercial General Liability Coverage Forms in the same manner as they apply to the form they reference.

**H. INSURANCE UNDER TWO OR MORE COVERAGE PARTS**

If two or more of this policy's Coverage Parts apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

This policy consists of the Common Policy Declarations and the Coverage Parts and endorsements listed in that declarations form.

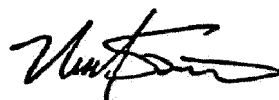
In return for payment of the premium, we agree with the Named Insured to provide the insurance afforded by a Coverage Part forming part of this policy. That insurance will be provided by the company indicated as insuring company in the Common Policy Declarations by the abbreviation of its name opposite that Coverage Part.

One of the companies listed below (each a stock company) has executed this policy, and this policy is countersigned by the officers listed below:

- Farmington Casualty Company (AFC)
- Fidelity and Guaranty Insurance Company (SFG)
- St. Paul Fire and Marine Insurance Company (SPF)
- St. Paul Guardian Insurance Company (SPG)
- St. Paul Mercury Insurance Company (SPM)
- The Standard Fire Insurance Company (ASF)



Secretary



President



## IMPORTANT INFORMATION FOR POLICYHOLDERS

Dear Policyholder:

Enclosed is your Travelers Renewal Certificate. An asterisk on the Listing of Forms, Endorsements and Schedule Numbers, IL T8 01, indicates forms that are included with this year's renewal. Any forms previously attached to your policy that are not shown on that listing no longer apply.

Please put the Certificate and the attached forms with your policy as soon as possible. If you have misplaced your policy, please contact your agent for a copy.

ADDITIONAL LOCATIONS  
CONDOMINIUM PACPOLICY NO.: BIP-7X62026A-26-42  
ISSUE DATE: 11/21/2025**THIS SCHEDULE OF LOCATIONS AND BUILDINGS APPLIES  
TO THE COMMON DECLARATIONS FOR THE PERIOD**

01/01/2026 to 01/01/2027

<b>PREMISES LOCATION NUMBER</b>	<b>BUILDING NUMBER</b>	<b>OCCUPANCY</b>	<b>ADDRESS</b>
001	ALL	PER LOCATION SCHEDULE	12443 N CRANE BAY CT THIENSVILLE WI 53092
002	001	Residential Condo	12470 N WOODS CT THIENSVILLE WI 53092
002	002	Residential Condo	12470 N WOODS CT THIENSVILLE WI 53092
003	001	Residential Condo	12452 N WOODS CT-12458 N WOODS CT MEQUON WI 53092

**TRAVELERS PROPERTY**



**TRAVELERS PROPERTY**

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

## **DIGITAL ASSETS EXCLUSIONS – DIGITAL CURRENCY AND NON-FUNGIBLE TOKENS**

This endorsement modifies insurance provided under the following:

### TRAVELERS PROPERTY COVERAGE PART

**A.** The following is added to Paragraph **2. Property Not Covered** of Section **A. COVERAGE** of the TRAVELERS PROPERTY COVERAGE FORM:

Covered Property also does not include:

- (1) Any "digital currency"; or
- (2) Any "non-fungible token".

**B.** The following is added to any definition of "money", "securities" and "fine arts":

This definition does not include:

- (1) Any "digital currency"; or
- (2) Any "non-fungible token".

**C.** The following exclusion is added to Paragraph **1. Exclusions** of Section **B. EXCLUSIONS AND LIMITATIONS** of the TRAVELERS BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM, if such coverage form is part of your policy:

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

- (1) Any "digital currency"; or
- (2) Any "non-fungible token".

**D.** The following is added to Section **G. DEFINITIONS** of the TRAVELERS PROPERTY COVERAGE FORM:

"Digital currency" means any exclusively digital, electronic or virtual currency, including crypto currency, that is a representation of value and may be used as a medium of exchange or held as an investment.

"Non-fungible token" means any unique or semi-unique unit of data, digital file or token or other digital identifier that is recorded in a digital ledger, such as a blockchain.

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

## **WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLE**

This endorsement modifies insurance provided under the following:

TRAVELERS PROPERTY COVERAGE FORM

Minimum Dollar Amount Deductible Per Occurrence: \$

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

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

As used in this endorsement, the terms "specific insurance" and "blanket insurance" have the following meanings:

1. Specific insurance covers each item of insurance (for example, each building or personal property in a building) under a separate Limit of Insurance;
2. Blanket insurance covers two or more items of insurance (for example, a building and personal property in that building, or two buildings) under a single Limit of Insurance. Items of insurance and corresponding Limits of Insurance are shown in the Declarations.

### **WINDSTORM OR HAIL DEDUCTIBLE CLAUSE**

#### **A. Calculation Of The Deductible – All Policies**

1. A Percentage (%) Windstorm or Hail Deductible is calculated separately for, and applies separately to:
  - a. Each building, if two or more buildings sustain loss or damage;
  - b. The building and to personal property in that building, if both sustain loss or damage;

- c. Personal property at each building, if personal property at two or more buildings sustains loss or damage;
- d. Personal property in the open;
- e. Any other property insured under this Coverage Form.

2. If, in addition to the Percentage Deductible, a Minimum Dollar Amount Deductible Per Occurrence is shown in this endorsement, the least we will deduct in any one occurrence for all buildings, property or premises that sustain loss or damage is the dollar amount shown in this endorsement.

3. We will not pay for loss or damage until the amount of loss or damage exceeds the applicable Deductible. We will then pay the amount of loss or damage in excess of that Deductible, up to the applicable Limits of Insurance, after any reduction required by any applicable coinsurance condition.

#### **B. Calculation Of The Deductible – Specific Insurance**

When specific insurance applies, we will calculate the deductible as follows. Subject to Paragraph **A.2.** above, in determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2%, 3%, 4%, 5% or 10% (as shown in the Windstorm Or Hail Deductible Schedule) of the Limits of Insurance applicable to the property that has sustained loss or damage.

#### **C. Calculation Of The Deductible – Blanket Insurance**

When blanket insurance applies, we will calculate the deductible as follows. Subject to Paragraph **A.2.** above, in determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2%, 3%, 4%, 5% or 10% (as shown in the Windstorm Or Hail Deductible Schedule) of the value of the proper-

ty that has sustained loss or damage. The values to be used are those shown in the most recent Statement of Values on file with us. If there is no Statement of Values on file with us or if the Statement of Values on file with us is dated more than two years before the date of loss, then the value used will be the value of the property at the time of loss.

**D. Calculation Of The Deductible – Property Covered Under The Newly Acquired or Constructed Property Additional Coverage**

The following applies when property is covered under the **Newly Acquired or Constructed Property Additional Coverage**:

Subject to Paragraph **A.2.** above, in determining the amount, if any, that we will pay for loss or damage to such property, we will deduct an amount equal to a percentage of the value(s) of the property at time of loss. The applicable percentage for Newly Acquired or Constructed Property is the highest percentage shown in the Windstorm Or Hail Deductible Schedule.

**EXAMPLES – APPLICATION OF DEDUCTIBLE**

**Example #1 – Specific Insurance**

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

The value of the damaged building at time of loss is \$1,000,000. The value of the business personal property in that building is \$800,000.

The **actual** Limits of Insurance on the damaged property are \$800,000 on the building and \$640,000 on the business personal property.

The Deductible is 2%.

The Minimum Dollar Amount Deductible Per Occurrence is \$25,000.

**Building**

Step (1):  $\$800,000 \times 2\% = \$16,000$

Step (2):  $\$60,000 - \$16,000 = \$44,000$

**Business Personal Property**

Step (1):  $\$640,000 \times 2\% = \$12,800$

Step (2):  $\$40,000 - \$12,800 = \$27,200$

Based on the calculation of the Percentage Deductible, the most we will pay is \$71,200 (\$44,000 + \$27,200).

The portion of the total loss that is not covered due to the application of the Percentage Deductible is \$28,800 (\$16,000 + \$12,800).

The application of the Minimum Dollar Amount Deductible Per Occurrence had no effect since the calculated Percentage Deductible exceeded \$25,000.

**Example #2 – Specific Insurance**

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

The **actual** Limits of Insurance on the damaged property are \$300,000 on the building and \$250,000 on the business personal property.

The Deductible is 2%.

The Minimum Dollar Amount Deductible Per Occurrence is \$25,000.

**Building**

Step (1):  $\$300,000 \times 2\% = \$6,000$

Step (2):  $\$60,000 - \$6,000 = \$54,000$

**Business Personal Property**

Step (1):  $\$250,000 \times 2\% = \$5,000$

Step (2):  $\$40,000 - \$5,000 = \$35,000$

Based on the calculation of the Percentage Deductible, the most we will pay is \$89,000 (\$54,000 + \$35,000).

The portion of the total loss that is not covered due to the application of the Percentage Deductible is \$11,000 (\$6,000 + \$5,000).

However, in this case, the Minimum Dollar Amount Deductible Per Occurrence is \$25,000, so the most we will pay is \$75,000 (\$60,000 + \$40,000 = \$100,000 – \$25,000).

**Example #3 – Specific Insurance**

The amount of loss to the damaged building is \$60,000.

The value of the damaged building at time of loss is \$100,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum Limit of Insurance needed to meet the Coinsurance requirement is \$80,000 (80% of \$100,000).

The **actual** Limit of Insurance on the damaged building is \$70,000.

The Deductible is 1%.

Step (1):  $\$70,000 \div \$80,000 = .875$

Step (2):  $\$60,000 \times .875 = \$52,500$

Step (3):  $\$70,000 \times 1\% = \$700$

Step (4):  $\$52,500 - \$700 = \$51,800$

The most we will pay is \$51,800. The remainder of

the loss, \$8,200, is not covered due to the Coinsurance penalty for inadequate insurance (Steps (1) and (2)) and the application of the Deductible (Steps (3) and (4)).

#### **Example #4 – Blanket Insurance**

The sum of the values of Building #1 (\$500,000), Building #2 (\$500,000) and Building #3 (\$1,000,000) as shown in the Declarations is \$2,000,000.

Buildings #1 and #2 have sustained damage; the amounts of loss to these buildings are \$40,000 (Building #1) and \$20,000 (Building #2).

The Deductible is 2%.

The Minimum Dollar Amount Deductible Per Occurrence is \$25,000.

#### **Building #1**

Step (1):  $\$500,000 \times 2\% = \$10,000$

Step (2):  $\$40,000 - \$10,000 = \$30,000$

#### **Building #2**

Step (1):  $\$500,000 \times 2\% = \$10,000$

Step (2):  $\$20,000 - \$10,000 = \$10,000$

Based on the calculation of the Percentage Deductible, the most we will pay is \$40,000 (\$30,000 + \$10,000). The portion of the total loss that is not covered due to the application of the Percentage Deductible is \$20,000.

However, in this case, the Minimum Dollar Amount Deductible Per Occurrence is \$25,000, so the most we will pay is \$35,000 (\$40,000 + \$20,000 =

\$60,000 – \$25,000).

#### **Example #5 – Blanket Insurance**

The sum of the values of Building #1 (\$500,000), Building #2 (\$500,000) and Building #3 (\$1,000,000), as shown in the most recent Statement of Values on file with us, is \$2,000,000.

The Coinsurance percentage shown in the Declarations is 90%; the minimum Blanket Limit of Insurance needed to meet the Coinsurance requirement is \$1,800,000 (90% of \$2,000,000).

The **actual** Blanket Limit of Insurance covering Buildings #1, #2 and #3, shown in the Declarations, is \$1,800,000. Therefore there is no Coinsurance penalty.

Buildings #1 and #2 have sustained damage; the amounts of loss to these buildings are \$40,000 (Building #1) and \$20,000 (Building #2).

The Deductible is 2%.

#### **Building #1**

Step (1):  $\$500,000 \times 2\% = \$10,000$

Step (2):  $\$40,000 - \$10,000 = \$30,000$

#### **Building #2**

Step (1):  $\$500,000 \times 2\% = \$10,000$

Step (2):  $\$20,000 - \$10,000 = \$10,000$

The most we will pay is \$40,000. The portion of the total loss not covered due to the application of the Deductible is \$20,000.

**WINDSTORM OR HAIL DEDUCTIBLE SCHEDULE**

<b>Prem/Loc No.</b>	<b>Building No.</b>	<b>Windstorm or Hail Deductible Percentage - enter 1%, 2%, 3%, 4%, 5% or 10%</b>
001	ALL	1.0 %
002	001	2.0 %
002	002	2.0 %
003	001	3.0 %

**TABLE OF CONTENTS**

**TRAVELERS PROPERTY COVERAGE PART**

The following indicates the contents of the principal Forms which may be attached to your policy. It contains no reference to the Declarations or Endorsements which also may be attached.

	<b>Begins on</b>
	<b>Page</b>
<b>TRAVELERS PROPERTY COVERAGE FORM</b>	
A. Coverage	1
B. Exclusions	22
C. Limits of Insurance	28
D. Deductible	28
E. Property Loss Conditions	29
F. Additional Conditions	33
G. Definitions	36
<b>BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM</b>	
A. Coverage	1
B. Exclusions and Limitations	6
C. Limits of Insurance	7
D. Loss Conditions	7
E. Optional Coverages	8
F. Definitions	9

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

## **AMENDATORY PROVISIONS CONDOMINIUM ASSOCIATION COVERAGE**

This endorsement modifies insurance provided under the following:

TRAVELERS PROPERTY COVERAGE FORM

- A. The following replaces Paragraph a. of A.1., Building(s):**
- a. Building(s)**, meaning the building or structure described in the Declarations, including:
- (1) Completed additions;
  - (2) Fixtures, outside of individual units, including outdoor fixtures;
  - (3) Foundations;
  - (4) Retaining walls, whether or not attached;
  - (5) Permanently attached:
    - (a) Machinery; and
    - (b) Equipment;
  - (6) 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) Lobby and hallway furnishings;
    - (d) Floor, wall and ceiling coverings;
    - (e) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering, that are not contained within individual units;
    - (f) Lawn maintenance or snow removal equipment;
    - (g) Personal property used for maintaining and servicing of pools and other recreational facilities on the premises; and
    - (h) Alarm systems;
  - (7) Outdoor swimming pools, associated structures and appurtenant structures and equipment, including pumps;
  - (8) Underground pipes, flues or drains;
  - (9) If not covered by other insurance:
    - (a) Additions under construction, alterations and repairs to the building or structure; and
    - (b) Materials, equipment, supplies and temporary structures, on or within 1,000 feet of the described premises, used for making additions, alterations or repairs to the building or structure; and
  - (10) Any of the following types of property contained within a unit, regardless of ownership, if your Condominium Association Agreement requires you to insure it:
    - (a) Fixtures, improvements and alterations that are part of the building or structure; and
    - (b) Appliances, such as those used for refrigerating, ventilating, cooking, dishwashing, laundering, security or housekeeping.
- But Building(s) 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 (10) above.
- B. The following replaces Paragraph b. of A.1., Business Personal Property:**
- b. Business Personal Property** located in or on the buildings or structure described in the Declarations or in the open (or in a vehicle) within 1,000 feet of the premises described in the Declarations, including:
- (1) 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; and
  - (3) Property of others that is in your care, custody or control; and

- (4) Leased personal property that you have a contractual responsibility to insure unless otherwise insured under Paragraph **A.1.b.(3)**.

Business Personal Property does not include personal property owned only by a unit-owner, unless it is in your care, custody or control as covered in Paragraph (3) above.

- C. The following is added to Paragraph **E., Property Loss Conditions**:

**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.

**Insurance Trustee**

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

- D. The following is added to Paragraph **F.9., Transfer of Rights of Recovery Against Others to Us**:

**Waiver of Rights of Recovery**

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

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

## **FEDERAL TERRORISM RISK INSURANCE ACT DISCLOSURE**

This endorsement modifies insurance provided under the following:

### COMMERCIAL PROPERTY COVERAGE PART

The federal Terrorism Risk Insurance Act of 2002 as amended ("TRIA") establishes a program under which the Federal Government may partially reimburse "Insured Losses" (as defined in TRIA) caused by "Acts Of Terrorism" (as defined in TRIA). "Act Of Terrorism" is defined in Section 102(1) of TRIA to mean any act that is certified by the Secretary of the Treasury – in consultation with the Secretary of Homeland Security and the Attorney General of the United States – to be an act of terrorism; 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.

The Federal Government's share of compensation for such Insured Losses is 80% of the amount of such Insured Losses in excess of each Insurer's "Insurer Deductible" (as defined in TRIA), subject to the "Program Trigger" (as defined in TRIA).

In no event, however, will the Federal Government

be required to pay any portion of the amount of such Insured Losses occurring in a calendar year that in the aggregate exceeds \$100 billion, nor will any Insurer be required to pay any portion of such amount provided that such Insurer has met its Insurer Deductible. Therefore, if such Insured Losses occurring in a calendar year exceed \$100 billion in the aggregate, the amount of any payments by the Federal Government and any coverage provided by this policy for losses caused by Acts Of Terrorism may be reduced.

The charge for such Insured Losses under this Coverage Part is included in the Coverage Part premium. The charge for such Insured Losses that has been included for this Coverage Part is indicated below, and does not include any charge for the portion of such Insured Losses covered by the Federal Government under TRIA:

- 7% of your total Commercial Property Coverage Part premium if your primary location is in a Designated City (as listed below).
- 3% of your total Commercial Property Coverage Part premium if your primary location is not in a Designated City (as listed below).

COMMERCIAL PROPERTY

<b>Designated Cities are:</b>			
Albuquerque, NM	El Paso, TX	Miami, FL	San Antonio, TX
Atlanta, GA	Fort Worth, TX	Milwaukee, WI	San Diego, CA
Austin, TX	Fresno, CA	Minneapolis, MN	San Francisco, CA
Baltimore, MD	Honolulu, HI	Nashville-Davidson, TN	San Jose, CA
Boston, MA	Houston, TX	New Orleans, LA	Seattle, WA
Charlotte, NC	Indianapolis, IN	New York, NY	St. Louis, MO
Chicago, IL	Jacksonville, FL	Oakland, CA	Tucson, AZ
Cleveland, OH	Kansas City, MO	Oklahoma City, OK	Tulsa, OK
Colorado Springs, CO	Las Vegas, NV	Omaha, NE	Virginia Beach, VA
Columbus, OH	Long Beach, CA	Philadelphia, PA	Washington, DC
Dallas, TX	Los Angeles, CA	Phoenix, AZ	Wichita, KS
Denver, CO	Memphis, TN	Portland, OR	
Detroit, MI	Mesa, AZ	Sacramento, CA	

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

## **POWER PAC PREMIER**

This endorsement modifies insurance provided under the following:

TRAVELERS PROPERTY COVERAGE FORM  
TRAVELERS BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

### **POWER PAC PREMIER SCHEDULE**

Blanket Coverage Limit of Insurance: \$ 250,000

Computer Fraud and Funds Transfer Fraud Limit of Insurance: \$ ~~NOT COVERED~~

Ordinance or Law Coverage B and Coverage C Limit of Insurance: \$ 10,000

**A.** The TRAVELERS PROPERTY COVERAGE FORM is changed as follows:

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

#### **Blanket Coverage Limit of Insurance**

We will pay in any one occurrence up to the Blanket Coverage Limit of Insurance in the Power Pac Premier Schedule for the sum of all covered loss at each described premises under the coverages described in paragraphs **a.** through **h.** of this Blanket Coverage Limit of Insurance Additional Coverage. You may apportion this limit among these coverages as you choose.

Unless otherwise stated, this Blanket Coverage Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for the following coverages.

#### **a. Accounts Receivable**

Within the Blanket Coverage Limit of Insurance in the Power Pac Premier Schedule, when a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, we will pay for direct physical loss of or damage to your records of accounts receivable (including those on electronic data processing media) on or away from each described premises, including while in transit, caused by or resulting from a Covered Cause of Loss. Credit card company media will be considered accounts receivable until delivered to the credit card company.

This coverage applies as described in Paragraphs **A.6.a.(2)** and **A.6.a.(3)** of this Coverage Form and is subject to the provisions that apply to those Paragraphs.

#### **b. Covered Leasehold Interest – Undamaged Improvements and Betterments**

**(1)** Within the Blanket Coverage Limit of Insurance in the Power Pac Premier Schedule, when a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, we will pay for direct physical loss of or damage to your interest as tenant in improvements and betterments, as defined in Section **A.1.b.(6)** of this Coverage Form, that are not damaged or destroyed, but that you lose due to the cancellation of your lease by your landlord. The cancellation of your lease by your landlord must:

- (a)** Result from direct physical loss of or damage to property at the described premises where your improvements and betterments are located, caused by or resulting from a Covered Cause of Loss; and
- (b)** Be permitted in accordance with the conditions of your written lease agreement.

**c. Electronic Data Processing Data and Media**

Within the Blanket Coverage Limit of Insurance in the Power Pac Premier Schedule, when a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, we will pay for direct physical loss of or damage to your "electronic data processing data and media" on or away from each described premises, including while in transit, caused by or resulting from a Covered Cause of Loss, but only if:

- (1) Owned by you; or
- (2) Owned by others but in your care, custody and control.

Worldwide coverage is provided under this Additional Coverage. The coverage territory as described in Paragraph **F.8.b.** does not apply to this Additional Coverage.

**d. Excess Debris Removal**

- (1) Within the Blanket Coverage Limit of Insurance in the Power Pac Premier Schedule, we will pay your expense to remove debris of Covered Property, other than outdoor property as included in the Outdoor Property Coverage Extension, when such debris is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- (2) This coverage applies as described in Paragraphs **A.5.d.(2)** of this Coverage Form and is subject to the provisions that apply to those Paragraphs.
- (3) When the debris removal expense exceeds the 25% limitation in the Debris Removal Additional Coverage under Paragraph **A.5.d.(3)** of this Coverage Form or when the sum of the debris removal expense and the amount we pay for the direct physical loss of or damage to Covered Property exceeds the applicable Limit of Insurance, we will

pay up to the Blanket Coverage Limit of Insurance in the Power Pac Premier Schedule for debris removal expense in any one occurrence, at each described premises.

**e. Leasehold Interest – Bonus Payments, Prepaid Rent, Sublease Profit, Tenants' Lease Interest**

Within the Blanket Coverage Limit of Insurance in the Power Pac Premier Schedule, we will pay for the loss of "bonus payment", "prepaid rent", "sublease profit" or "tenants' lease interest" you incur as a direct result of the cancellation of your written lease for the premises described in the Declarations. The cancellation of the lease must be by the lessor, by a valid condition of your lease, and due to direct physical loss or damage to a building at the premises described in the Declarations, caused by or resulting from a Covered Cause of Loss.

**f. Non-Owned Detached Trailers**

Within the Blanket Coverage Limit of Insurance in the Power Pac Premier Schedule, when a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, we will pay for direct physical loss or damage by a Covered Cause of Loss to trailers or semi-trailers that you do not own, provided that:

- (1) The trailer or semi-trailer is used in your business;
- (2) The trailer or semi-trailer is in your care, custody or control at the described premises; and
- (3) You have a contractual responsibility to pay for loss of or damage to the trailer or semi-trailer.

This coverage applies as described in Paragraphs **A.6.h.(2)** and **A.6.h.(4)** of this Coverage Form and is subject to the provisions that apply to those Paragraphs.

**g. Spoilage Coverage**

- (1) Within the Blanket Coverage Limit of Insurance in the Power Pac Premier Schedule, when a Limit of Insurance is shown in the Declarations for Business Personal Property at the

described premises, we will pay for direct physical loss of or damage to Perishable Stock caused by or resulting from a covered cause of loss described in Paragraph (4) and not excluded in Paragraph (5) of this coverage.

- (2) This coverage does not apply to Perishable Stock while located:
- (a) On buildings;
  - (b) In the open; or
  - (c) In vehicles.
- (3) With respect to this coverage, Perishable Stock means personal property:
- (a) Maintained under controlled conditions for its preservation; and
  - (b) Susceptible to loss or damage if the controlled temperature or humidity conditions change.
- (4) With respect to this coverage, covered cause of loss means the following:
- (a) **Breakdown or Contamination**, meaning:
    - (i) Change in temperature or humidity resulting from mechanical breakdown or failure of refrigerating, cooling or humidity control apparatus or equipment, only while such equipment or apparatus is at the described premises; or
    - (ii) Contamination by a refrigerant, only while the refrigerating apparatus or equipment is at the described premises; or
  - (b) **Power Outage**, meaning change in temperature or humidity resulting from complete or partial interruption of electrical power, either on or off the described premises, due to conditions beyond your control.
- (5) The following exclusions apply to this coverage:
- (a) We will not pay for loss or damage caused directly or

indirectly by any of the following, regardless of any other cause or event that contributes concurrently or in any sequence to the loss:

- (i) Manual disconnecting of any refrigeration, cooling, heating or humidity control system from the source of electric power;
- (ii) Terminating of electric power due to throwing or turning off any switch or other device usual to the shutting off of electric power, on the described premises; or
- (iii) Intentional decision of an electric utility company or other source of electric power not to provide sufficient power or the inability of such company or source to provide sufficient power, due to lack of fuel, governmental order or lack of generating capacity to meet the demand.

- (b) Paragraph **B.1.b.** Earth Movement;
- (c) Paragraph **B.1.d.** Governmental Action;
- (d) Paragraph **B.1.e.** Nuclear Hazard;
- (e) Paragraph **B.1.g.** War and Military Action;
- (f) Paragraph **B.1.h.** Water; and
- (g) Paragraph **B.1.i.** Neglect.

No other exclusions in Paragraph **B.** Exclusions apply to this coverage. However, if any exclusions are added by endorsement to this Coverage Part, such exclusions will apply to this coverage.

#### **h. Valuable Papers and Records – Cost of Research**

Within the Blanket Coverage Limit of Insurance in the Power Pac Premier Schedule, when a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, we will pay for direct physical

loss of or damage to "valuable papers and records" on or away from each described premises, including while in transit, that:

- (a) You own; or
  - (b) Are owned by others, but in your care, custody or control;
- caused by or resulting from a Covered Cause of Loss.

This coverage applies as described in Paragraphs **A.6.m.(2)** and **A.6.m.(3)** of this Coverage Form and is subject to the provisions that apply to those Paragraphs.

With respect to property of others covered under this coverage, the 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.

- 2. The limit applicable to the **Reward Coverage Additional Coverage** is increased by \$25,000.
- 3. The limit applicable to the **Claim Data Expense Additional Coverage** is increased by \$22,500.
- 4. The limit applicable to the **Expediting Expenses Additional Coverage** is increased by \$22,500.
- 5. The limit applicable to the **Fine Arts Additional Coverage** is increased by \$40,000.
- 6. The limit applicable to the **Fire Department Service Charge Additional Coverage** is increased by \$25,000.
- 7. The limit applicable to the **Fire Protective Equipment Discharge Additional Coverage** is increased by \$40,000.
- 8. The limit applicable to the **Green Building Alternatives – Increased Cost Additional Coverage** is increased by \$25,000.
- 9. The limit applicable to the **Newly Acquired or Constructed Property Additional Coverage** for Building is increased by \$1,500,000.
- 10. The limit applicable to the **Newly Acquired or Constructed Property Additional Coverage** for Business Personal Property is increased by \$750,000.

- 11. With respect to the **Ordinance or Law Additional Coverage**, coverage is extended to include tenant improvements and betterments as described in Paragraph **A.1.b.(6)** if:

- (1) You are a tenant; and
- (2) A Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises.

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

**Brands or Labels**

- (1) If a limit of insurance is shown in the Declarations for Business Personal Property and if branded or labeled merchandise that is Covered Property is damaged by a Covered Cause of Loss, we may take all or part of the property at an agreed or appraised value. If so, you may:

- (a) Stamp the word *Salvage* on the merchandise or its containers, if the stamp will not physically damage the merchandise; or
- (b) Remove the brands and labels, if doing so will not physically damage the merchandise or its containers to comply with the law.

- (2) We will pay the reasonable costs you incur to perform the activity described in Paragraphs (a) and (b) above.
- (3) Payments under this Additional Coverage are included in and do not increase the applicable Limit of Insurance.

**Contract Penalty Clause**

- (1) We will pay contract penalties you incur as a result of your failure to deliver your products or services within the time required under the terms of a written contract. But this Additional Coverage only applies if the failure is solely due to direct physical loss of or damage to property at the described premises caused by or resulting from a Covered Cause of Loss.
- (2) The most we will pay under this Additional Coverage is \$25,000 for the sum of all covered contract penalties arising out of all Covered Causes of

Loss occurring during each separate 12 month period of this policy (beginning with the effective date of the Power Pac Premier endorsement).

### Identity Fraud Expense

- (1) We will pay for Expenses incurred by an Insured Person as a direct result of any one Identity Fraud first discovered or learned of by such Insured Person during the policy period.

Any act or series of acts committed by one or more persons, or in which such person or persons are aiding or abetting others against an Insured Person, is considered to be one Identity Fraud, even if a series of acts continues into a subsequent policy period.

- (2) With respect to this Additional Coverage:

**(a) Expenses means:**

- (i) Costs for notarizing affidavits or similar documents attesting to fraud required by financial institutions or similar credit grantors or credit agencies;
- (ii) Costs for certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors;
- (iii) Lost income resulting from:
  - a) Time taken off work to complete fraud affidavits; or
  - b) Meeting with or talking to law enforcement agencies, credit agencies or legal counsel;
 up to a total payment of \$5,000, subject to a maximum of \$200 per day;
- (iv) Loan application fees for reapplying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information;

**(v) Reasonable attorney fees to:**

- a) Defend lawsuits brought against an Insured Person by merchants, vendors, suppliers, financial institutions or their collection agencies;

- b) Remove any criminal or civil judgments wrongly entered against an Insured Person; or

- c) Challenge the accuracy or completeness of any information in a consumer credit report;

- (vi) Charges for long distance telephone calls to:**

- a) Merchants;
- b) Law enforcement agencies;
- c) Financial institutions or similar credit grantors; or
- d) Credit agencies; or

- (vii) Reasonable fees for professional financial advice or professional credit advice.**

**(b) Identity Fraud means:**

The act of knowingly transferring or using, without lawful authority, a means of identification of an Insured Person with the intent to commit, or to aid or abet another to commit, any unlawful activity that constitutes a violation of federal law or a felony under any applicable state or local law; and

**(c) Insured Person means:**

- (i) For sole proprietorships;**

The individual who is the sole proprietor of the Named Insured shown in the Declarations;

- (ii) For partnerships;**

Any individual that is a partner of the Named Insured shown in the Declarations;

- (iii) For corporations or any other type of organization;**

The Chief Executive Officer, and any individual who has an ownership interest of at least 20% of the Named Insured shown in the Declarations; or

- (iv) For religious institutions;**

The individual who is the senior pastoral employee of the Named Insured shown in the Declarations.

- (3) The following additional exclusions apply to this Additional Coverage:

We will not pay for:

- (a) Expenses incurred due to any fraudulent, dishonest or criminal act by:
- (i) An Insured Person;
  - (ii) Any person aiding or abetting an Insured Person; or
  - (iii) Any authorized representative of an Insured Person;
- whether acting alone or in collusion with others;
- (b) Expenses incurred that are not related to the identity of an individual; or
- (c) Loss other than Expenses. Account balances which arise out of fraudulent or unauthorized charges would be one example of Loss other than Expenses.
- (d) An Identity Fraud discovered during such time that an individual was not an Insured Person.
- (4) This Additional Coverage does not apply to Expenses otherwise covered under the Unauthorized Business Card Use Additional Coverage.
- (5) Regardless of the amount of the Travelers Property Coverage Form Deductible shown in the Declarations, the most we will deduct from any claim for Expenses under this Additional Coverage for any one Identity Fraud is \$250.
- (6) The most we will pay under this Additional Coverage is \$15,000 for the sum of all covered Expenses arising out of all Identity Fraud against an Insured Person discovered during each separate 12 month period of this policy (beginning with the effective date of the Power Pac Premier endorsement).
- (7) In order for coverage to be provided under this Additional Coverage, you must:

Send to us, within 60 days after our request, receipts, bills or other records that support your claim for Expenses under Identity Fraud coverage.

### Lease Assessment

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, we will pay for your share of any assessment charged:
- (a) To all tenants by the building owner;
  - (b) Pursuant to a written lease agreement; and
  - (c) As a result of direct physical loss or damage by a Covered Cause of Loss to building property you occupy.
- (2) The most we will pay for loss under this Additional Coverage in any one occurrence is \$2,500.

### Lost Key Consequential Loss

- (1) We will pay for consequential loss to keys and locks if a master key to buildings, rooms or compartments that are Covered Property, or house Covered Property, at the described premises is lost or damaged by a Covered Cause of Loss. We will pay for the necessary costs you incur to:
- (a) Replace keys; and
  - (b) Either:
    - (i) Adjust existing locks to accept new keys; or
    - (ii) Replace existing locks, but only if necessary or less expensive than the cost of adjusting the existing locks.
- (2) Paragraph **B.2.h**. Dishonesty does not apply to this Additional Coverage, except with respect to any dishonest or criminal act by you or any of your partners, directors or trustees.
- (3) The missing property limitation under Paragraph **A.4.a.(4)** does not apply to this Additional Coverage.
- (4) The most we will pay under this Additional Coverage is \$25,000 in any one occurrence at each described premises.

### Unauthorized Business Card Use

- (1) We will pay for your loss of "money" or charges and costs you incur that result directly from the unauthorized use of

credit, debit or charge card accounts issued in your business name, including:

- (a) Fund transfer cards;
- (b) Charge plates; or
- (c) Telephone cards.

- (2) With respect to this Additional Coverage, paragraph a. of A.2. **Property Not Covered** does not apply.
- (3) With respect to this Additional Coverage, occurrence means an act or series of related acts involving one or more persons; or an act or event, or a series of related acts or events not involving any person is considered one occurrence.
- (4) The most we will pay under this Additional Coverage in any one occurrence is \$5,000.

#### Utility Services – Direct Damage

- (1) We will pay for loss of or damage to Covered Property caused by the interruption of utility services to the described premises. The interruption of utility service must result from direct physical loss or damage by a Covered Cause of Loss to the following property:
  - (a) "Water Supply Property";
  - (b) "Communication Supply Property"; or
  - (c) "Power Supply Property";
 if such property is:
  - (i) Located away from the described premises; or
  - (ii) Located at the described premises and used to supply the utility service to the described premises from a source away from the described premises.
- (2) The most we will pay for loss or damage under this Additional Coverage is \$25,000 at each described premises, but we will not pay more than \$100,000 in any one occurrence, regardless of the number of premises involved.
- (3) Payments under this Additional Coverage are included in and do not increase the applicable Limit of Insurance.

- 13. The following Additional Coverage is added, but only with respect to described premises

to which no Ordinance or Law – Coverage A applies other than as provided under Paragraph A.5.n.:

#### Ordinance or Law – Coverage A – Coverage For Loss to the Undamaged Portion of the Building

- (1) If a Limit of Insurance is shown in the Declarations for Building, in the event of covered direct physical loss or damage to a building that is Covered Property, we will pay for 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 the demolition of undamaged parts of the same building.
- (2) The coverage provided by this Additional Coverage applies only if both (2)(a) and (2)(b) below are satisfied and are then subject to the qualifications set forth in (3).
  - (a) The ordinance or law:
    - (i) Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
    - (ii) Is in force at the time of loss.
 But coverage under this Additional Coverage 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 Additional Coverage.
  - (b) The building either:
    - (i) Sustains direct physical loss or damage that is covered under this Coverage Part and such damage results in enforcement of the ordinance or law; or
    - (ii) Sustains both direct physical loss or damage that is covered under this Coverage Part and direct physical loss or damage that is not covered under this Coverage Part, and the building damage in its entirety results in enforcement of the ordinance or law.

If the building sustains direct physical loss or damage that is not covered under this Coverage Part, and such loss or damage is the subject of the ordinance or law, then there is no coverage under this Additional Coverage even if the building has also sustained covered direct physical loss or damage.

- (3) In the situation described in (2)(b)(ii) above, we will not pay the full amount of loss otherwise payable under the terms of this Additional Coverage. Instead, we will pay a proportion of such loss. The proportion of such loss that we will pay is the proportion that the covered direct physical loss or damage bears to the total direct physical loss or damage.

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 this Additional Coverage.

- (4) We will not pay under this Additional Coverage for:
- (a) Enforcement of or compliance with any ordinance or law that 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 rot or dry rot; or
  - (b) The costs associated with the enforcement of or compliance with any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet rot or dry rot.
  - (c) Loss due to any ordinance or law that:
    - (i) You were required by the ordinance or law to comply with before the loss, even if the building was undamaged; and
    - (ii) You failed to comply with.

**(5) Specific or Blanket Insurance**

**(a) Specific Insurance**

With respect to the building insured on a "specific insurance" basis that has sustained covered direct physical loss or damage, we will pay under this Additional Coverage for the loss in value of the undamaged portion of the building as a consequence of a requirement to comply with ordinance or law that requires demolition of undamaged parts of the same building as described in paragraph (6)(b)(i) and (6)(b)(ii) below.

**(b) Blanket Insurance**

With respect to the building insured on a "blanket insurance" basis that has sustained covered direct physical loss or damage, we will pay under this Additional Coverage 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 as described in paragraph (6)(c) and (6)(d) below.

- (c) As used in this Additional Coverage, the terms "specific insurance" and "blanket insurance" have the following meanings: Specific insurance covers each item of insurance (for example, each building) under a separate Limit of Insurance. Blanket insurance covers two or more items of insurance (for example, a building and personal property in that building, or two buildings) under a single Limit of Insurance.
- (d) This Additional Coverage is included in and does not increase the Limit of Insurance shown in the Declarations as applicable to the covered building.

**(6) Loss Payment**

- (a) The following loss payment provision is subject to the apportionment procedures set forth in Paragraphs (2) and (3) above.
- (b) When there is a loss in value of an undamaged portion of a building to which this Additional Coverage

applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:

**Specific Insurance**

(i) If Replacement Cost coverage applies on a "specific insurance" basis and the building is being repaired or replaced, on the same or another premises, we will not pay more than the lesser of:

a) The amount you actually spend to repair, 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

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

(ii) If Replacement Cost coverage applies on a "specific insurance" basis and the building is not repaired or replaced, or if the optional Actual Cash Value is applicable on a "specific insurance" basis to real property, we will not pay more than the lesser of:

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

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

**(c) Blanket Insurance**

If Replacement Cost coverage applies on a "blanket insurance" basis and the building is being repaired or replaced, on the same or another premises, we will not pay more than the lesser of:

(i) The amount you actually spend to repair, 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

(ii) The value individually stated for the covered building on the latest statement of values on file with us. If, at the time of loss, there is no statement of values on file with us or the value for the covered building or structure is not individually stated on the latest statement of values on file with us, the value of the building or structure will be determined by multiplying:

a) The total reported building and structure value; by

b) The proportion that the square footage of the individual building or structure bears to the total square footage of all buildings and structures contemplated in the total reported building and structure value.

(d) If Replacement Cost coverage applies on a "blanket insurance" basis and the building is not repaired or replaced, or if the optional Actual Cash Value is applicable on a "blanket insurance" basis to real property, we will not pay more than the lesser of:

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

(ii) The value individually stated for the covered building on the latest statement of values on file with us. If, at the time of loss, there is no statement of values on file with us or the value for the covered building or structure is not individually stated on the latest statement of values on file with us, the value of the building or structure will be determined by multiplying:

- a) The total reported building and structure value; by
  - b) The proportion that the square footage of the individual building or structure bears to the total square footage of all buildings and structures contemplated in the total reported building and structure value.
- (7) The terms of this Additional Coverage apply separately to each building to which this Additional Coverage applies.
- (8) Exclusion **B.1.a.**, Ordinance or Law, does not apply to this Additional Coverage.

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

**Ordinance or Law – Coverage B and C**

In the event of covered direct physical loss or damage to a building that is Covered Property, the following coverages apply, but only with respect to that lost or damaged building:

**(1) Coverage B – Demolition Cost Coverage**

We will pay under Coverage **B** the cost to demolish the building 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.

**(1) Coverage C – Increased Cost of Construction Coverage**

We will pay under Coverage **C** the increased cost to:

- (i) Repair or reconstruct damaged portions of that building; or
- (ii) 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.

This Coverage **C** 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. This Coverage **C** does not apply if the building is not repaired, reconstructed or remodeled.

- (3) The coverage provided by this Additional Coverage applies only if both (3)(a) and (3)(b) below are satisfied and are then subject to the qualifications set forth in (3)(c) below.

(a) The ordinance or law:

- (i) Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
- (ii) Is in force at the time of loss.

But coverage under this Additional Coverage 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 Additional Coverage.

(b) The building either:

- (i) Sustains direct physical loss or damage that is covered under this Coverage Part and such damage results in enforcement of the ordinance or law; or
- (ii) Sustains both direct physical loss or damage that is covered under this Coverage Part and direct physical loss or damage that is not covered under this Coverage Part, and the building damage in its entirety results in enforcement of the ordinance or law.

If the building sustains direct physical loss or damage that is not covered under this Coverage Part, and such loss or damage is the subject of the ordinance or law, then there is no coverage under this Additional Coverage even if the building has also sustained covered direct physical damage.

- (c) In the situation described in (3)(b)(ii) above, we will not pay the full

amount of loss otherwise payable under the terms of this Additional Coverage. Instead, we will pay a proportion of such loss. The proportion of such loss that we will pay is the proportion that the covered direct physical loss or damage bears to the total direct physical loss or damage.

However, if the covered direct physical loss or damage, alone, would have resulted in enforcement of the ordinance or law, then we will pay the full amount of loss otherwise payable under the terms of this Additional Coverage.

- (4) We will not pay under this Additional Coverage for:
- (a) Enforcement of or compliance with any ordinance or law that 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 rot or dry rot; or
  - (b) The costs associated with the enforcement of or compliance with 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", "fungus", wet rot or dry rot.
  - (c) Loss due to any ordinance or law that:
    - (i) You were required by the ordinance or law to comply with before the loss, even if the building was undamaged; and
    - (ii) You failed to comply with.
  - (5) This coverage applies as described in Paragraph **A.5.n.(5)(b)** through **A.5.n.(5)(d)** of this Coverage Form and is subject to the provisions that apply to those Paragraphs.
  - (6) The most we will pay for loss under this Additional Coverage in any one occurrence is the Ordinance or Law Coverage B and Coverage C Limit of

Insurance in the Power Pac Premier Schedule.

- (7) Exclusion **B.1.a.**, Ordinance or Law, does not apply to this Additional Coverage.
15. The following **Coverage Extensions** under Paragraph **A.6.** are changed as follows:
- a. The limit applicable to the **Green Business Personal Property Alternatives – Increased Cost Coverage Extension** is increased by \$25,000.
  - b. The limit applicable to the **Outdoor Property Coverage Extension** is increased by \$40,000, but we will not pay more than \$5,000 for any one tree, shrub, plant or lawn.
  - c. The limit applicable to the **Personal Effects Coverage Extension** is increased by \$15,000.
  - d. The limit applicable to the **Property Off Premises Coverage Extension** is increased by \$25,000. With respect to "electronic data processing equipment" under the Property Off Premises Coverage Extension, coverage applies worldwide. The coverage territory described in Paragraph **F.8.b.** does not apply to such equipment.
  - e. The limit applicable to the **Covered Property In Transit Coverage Extension** is increased by \$40,000. With respect to "electronic data processing equipment" under the Covered Property In Transit Coverage Extension, coverage applies worldwide. The coverage territory described in Paragraph **F.8.b.** does not apply to such equipment.
16. The following is added to Paragraph **A.6.**, **Coverage Extensions:**
- Business Personal Property at Client or Virtual Office Premises**
- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at any described premises, you may extend that insurance to apply to direct physical loss of or damage to Business Personal Property caused by or resulting from a Covered Cause of Loss while such property is located at a "client or virtual office premises".

(2) This Coverage Extension also applies to personal property that is:

- (a) Owned by an employee; and
- (b) Used for your business;

while such property is located at a "client or virtual office premises" and sustains direct physical loss or damage caused by or resulting from a Covered Cause of Loss.

(3) This Coverage Extension does not apply to property otherwise covered under the following:

- (a) Blanket Coverage Limit of Insurance – Accounts Receivable;
- (b) Blanket Coverage Limit of Insurance Valuable Papers and Records – Cost of Research;
- (c) Fine Arts Additional Coverage;
- (d) Accounts Receivable Coverage Extension;
- (e) Property Off Premises Coverage Extension;
- (f) "Electronic data processing equipment" and "electronic data processing data and media" covered under this coverage form;
- (g) Sales Representative's Samples Coverage Extension; or
- (h) Valuable Papers and Records – Cost of Research Coverage Extension.

(4) The most we will pay for loss or damage under this Coverage Extension in any one occurrence is \$25,000.

(5) Payments under this Coverage Extension are in addition to the applicable Limits of Insurance.

**Computer Fraud and Funds Transfer Fraud**

(1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to:

- (a) Loss of or damage to "money", "securities" and other personal property not otherwise excluded resulting directly from the use of any computer to fraudulently cause a transfer of that property from inside

the building at the described premises or "banking premises":

- (i) To a person (other than a "messenger") outside those premises; or
- (ii) To a place outside those premises.

(b) Loss of "money" and "securities" resulting directly from a "fraudulent instruction" directing a financial institution to transfer, pay or deliver "money" and "securities" from your "transfer account".

(2) With respect to the coverage provided by this Coverage Extension, Paragraph **B. EXCLUSIONS** is amended as follows:

(a) Paragraph **B.2.i.** Voluntary Parting does not apply.

(b) The following exclusion is added:  
We will not pay for loss or damage caused by or resulting from the use or purported use of credit, debit, charge, access, convenience, identification, stored-value or other cards or the information contained on such cards.

(3) The property that has been transferred limitation under Paragraph **A.4.a.(5)** does not apply to this Coverage Extension.

(4) With respect to this Coverage Extension, paragraph **a.** of **A.2. Property Not Covered** does not apply.

(5) With respect to this Coverage Extension, occurrence means an act or series of related acts involving one or more persons; or an act or event, or a series of related acts or events not involving any person is considered one occurrence.

(6) The most we will pay under this Coverage Extension in any one occurrence is the Computer Fraud and Funds Transfer Fraud Limit of Insurance shown in the Power Pac Premier Schedule.

**Deferred Payments**

(1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to

your interest in such business personal property that is sold by you under an installment plan, conditional sale, trust agreement or other deferred payment plan when, as a result of direct physical loss of or damage to such property:

(a) Occurring within the Coverage Territory at any location, or in transit, after delivery to buyers; and

(b) Caused by a Covered Cause of Loss;

the buyer refuses to continue payments owed to you for such property and, as a result, you repossess the remaining damaged property of value, if any.

(2) The value of your loss under this Coverage Extension will be determined as follows:

(a) In the event of partial loss to property, the value of your loss will be:

(i) The unpaid balance shown on your books as due from the buyer for such property, excluding any interest or fees due; minus

(ii) The actual cash value of the repossessed damaged property.

(b) In the event of a total loss to property, the value of your loss will be the unpaid balance shown on your books as due from the buyer for such property, excluding any interest or fees due.

(3) The following is added to **A.2. Property Not Covered**, but only with respect to this Coverage Extension.

Personal property sold by you under an installment plan, conditional sale, trust agreement or other deferred payment plan after delivery to the purchasers except as provided in the Deferred Payments Coverage Extension;

(4) The most we will pay in any one occurrence under this Coverage Extension is \$25,000.

#### **Limited Building Coverage – Tenant Obligation**

(1) If:

(a) You are a tenant;

(b) A Limit of Insurance is shown in the Declarations for Business Personal Property; and

(c) You are contractually obligated to repair or replace that part of a building you occupy as a tenant;

at the described premises, you may extend that insurance to apply to direct physical loss of or damage to that part of a building you occupy as a tenant caused by or resulting from a Covered Cause of Loss other than theft or attempted theft.

(2) This Coverage Extension does not apply to any otherwise covered:

(a) Building glass; or

(b) Tenants improvements and betterments as described in Paragraph **A.1.b.(6)**.

(3) The most we will pay under this Coverage Extension in any one occurrence is \$50,000 at each described premises.

#### **Personal Property In Transit Outside of the Coverage Territory**

(1) When the Declarations shows that you have coverage for Business Personal Property you may extend that insurance to apply to direct physical loss of or damage to Covered Property caused by or resulting from a Covered Cause of Loss in transit anywhere in the world outside of the Coverage Territory.

(2) If property covered under this Coverage Extension is not delivered, we cover the return of the property to you, including while the property is temporarily held by the receiver or the carrier while awaiting return shipment to you.

(3) Subject to the Limit of Insurance indicated in paragraph **(11)** below we will also pay for:

(a) Any general average or salvage charges you incur with respect to losses to covered waterborne shipments;

(b) Your interest in covered shipments sold Free On Board if you cannot collect payment for the loss or damage from the consignee; and

## TRAVELERS PROPERTY

- (c) Loss of or damage to Covered Property resulting from the unintentional acceptance of any fraudulent Bill of Lading, order or shipping receipt by you, your employees or authorized representatives or by your agent, customer or consignee from anyone representing themselves to be the proper person to receive goods for shipment or accept goods for delivery.
- (4) The following exclusion is added to paragraph **B.2.** but only with respect to coverage provided by this Coverage Extension:  
Electrical or mechanical derangement.
- (5) Paragraphs **B.1.b.** Earth Movement and **B.1.h.** Water do not apply to this Coverage Extension.
- (6) The following is added to Paragraph **B.2.h.** Dishonesty but only with respect to this Coverage Extension:  
This exclusion does not apply to property in the custody of a carrier for hire.
- (7) The following is added to the missing property limitation under Paragraph **A.4.a.(4)**, but only with respect to this Coverage Extension:  
This exclusion does not apply to property in the custody of a carrier for hire.
- (8) The following is added to Paragraph **B.2.i.** Voluntary parting, but only with respect to this Coverage Extension:  
This exclusion does not apply to insurance covered under this Coverage Extension if the loss to Covered Property is caused by your acceptance, in good faith, of false bills of lading or shipping receipts.
- (9) This Coverage Extension does not apply to property otherwise covered under the following:
  - (a) Overseas Fine Arts Additional Coverage;
  - (b) "Electronic data processing equipment" and "electronic data processing data and media" covered under this Coverage Form;
  - (c) Overseas Business Travel or Business Personal Property at Client or Virtual Office Premises Overseas Coverage Extension;
  - (d) Overseas Valuable Papers and Records Coverage Extension; or
  - (e) Personal Property In Transit Outside of the Coverage Territory Coverage Extension once the property has been accepted for delivery at its final destination.
- (10) The following is added to **A.2. Property Not Covered**, but only with respect to this Coverage Extension.  
Covered Property does not include:
  - (a) Export and import shipments while covered under an ocean marine cargo or other insurance policy;
  - (b) Property of others for which you are responsible while acting as a common or contract carrier, car-loader, freight forwarder, freight consolidator, freight broker, shipping association or similar arranger of transportation, or as a public warehouseman;
  - (c) Property while in the following areas: Afghanistan, Burma (Myanmar), Cuba, Iran, Iraq, Jordan, Kenya, Lebanon, Libya, Nigeria, North Korea, Pakistan, Republic of Yemen, Somalia, Sudan, Syria, Russia, the Commonwealth of Independent States (C.I.S.) and countries that formerly comprised the U.S.S.R.;
  - (d) Property in transit while over land in Mexico; or
  - (e) Shipments by a government postal service except by registered mail.
- (11) The most we will pay under this Coverage Extension is \$5,000 for the sum of all covered losses arising out of all Covered Causes of Loss occurring during each policy period (beginning with the effective date of this endorsement). This amount applies regardless of the number of locations involved.
- (12) Paragraph **E.4.e.(11)** with respect to this Coverage Extension is replaced with the following:  
Personal property in transit at:

- (a) The amount of invoice; or
  - (b) In the absence of an invoice, the least of the following:
    - (i) The value of the Covered Property;
    - (ii) The cost of reasonably restoring that property to its condition immediately before loss or damage; or
    - (iii) The cost of replacing that property with substantially the same property; plus
  - (c) The amount of any prepaid freight charges and other shipping costs or charges that are incurred while the property is in transit.
- (13) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

**Sales Representative's Samples**

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property, you may extend that insurance to apply to:
  - (a) Samples of your stock in trade (including containers); and
  - (b) Similar property of others;
 

while such property is in the custody of your sales representatives, or agents, or yourself while acting as a sales representative, including while in transit.
- (2) We will not pay for loss or damage caused by theft of Covered Property from an unattended vehicle. But we will pay for theft of Covered Property from an unattended vehicle if at the time of the theft, all the vehicle's doors, windows and compartments were closed and locked and there are visible signs that the theft was a result of forced entry.
- (3) The most we will pay for loss or damage for property in the custody of any one sales representative in any one occurrence is \$25,000.

**Undamaged Parts of Stock in Process**

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to the reduction in value of the undamaged

remaining parts of "stock" which becomes unmarketable when the reduction is caused by direct physical loss or damage from a Covered Cause of Loss to other parts of "stock".

- (2) The most we will pay under this Coverage Extension in any one occurrence is \$25,000.

**Water or Sewage Back Up and Sump Overflow**

- (1) When the Declarations shows that you have coverage for Building or Business Personal Property, you may extend that insurance to apply to direct physical loss of or damage to Covered Property at the described premises caused by or resulting from water or sewage that backs up or overflows from a sewer, drain or sump that is inside a building at the described premises.
- (2) When the Declarations shows that you have coverage for Business Income and Extra Expense, you may also extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur caused by or resulting from water or sewage that backs up or overflows from a sewer, drain or sump that is inside a building at the described premises.
- (3) Paragraph **B.1.h.(3)** does not apply to this Coverage Extension.
- (4) The most we will pay under this Coverage Extension in any one occurrence is \$25,000. Amounts payable under any coverage, including any Additional Coverage or Coverage Extension, do not increase this limit.

**B.** When the TRAVELERS BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM is attached to this policy, the coverage is changed as follows:

- 1. With respect to the **Extended Business Income Additional Coverage**, the number of days referenced in Paragraph **A.4.d.(1)(b)(ii)** and **A.4.d.(2)(b)(ii)** is increased by thirty consecutive days.
- 2. The following is added to Paragraph **A.4., Additional Coverages:**

**Dependent Property**

- (1) We will pay for:

- (a) The actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration"; and
    - (b) The actual Extra Expense you incur during the "period of restoration";  
caused by direct physical loss of or damage to property at the premises of a "dependent property" located anywhere in the world. The loss or damage to the property must be caused by or result from a Covered Cause of Loss.
  - (2) This Additional Coverage does not apply to "dependent property" for which you have more specific insurance under this or any other policy.
  - (3) The most we will pay in any one occurrence under this Additional Coverage is \$100,000.
  - (4) With respect only to the insurance provided under this Additional Coverage, the phrase, *at the described premises*, as used in the definition of "period of restoration" is replaced by the phrase *at the premises of a "dependent property"*. With respect to this Additional Coverage, the "period of restoration" begins 24 hours after the time of direct physical loss or damage by a Covered Cause of Loss at the premises of the Dependent Property.
  - (5) Payments made under this Additional Coverage are in addition to the applicable Limits of Insurance.
3. The following **Coverage Extensions** under Paragraph **A.5.** are changed as follows:
- a. The limit applicable to the **Claim Data Expense Coverage Extension** is increased by \$22,500.
  - b. The limit applicable to the **Newly Acquired Premises Coverage Extension** is increased by \$250,000.
  - c. The number of days mentioned in Paragraph **(4)(b)** of **A.5.b. Newly Acquired Premises Coverage Extension** is increased by 90 days.
4. The following is added to Paragraph **A.5., Coverage Extensions:**
- Business Income and Extra Expense at Client or Virtual Office Premises**
- (1) When the Declarations shows that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur due to the "suspension" of your business activities occurring at a "client or virtual office premises" during the "period of restoration". The "suspension" must be caused by direct physical loss or damage caused by or resulting from a Covered Cause of Loss at a "client or virtual office premises".
  - (2) With respect to this Coverage Extension, the "period of restoration" definition under Paragraph **F. DEFINITIONS** is replaced by the following:  
**"Period of Restoration"** means the period of time that:
    - (a) Begins 24 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the "client or virtual office premises"; and
    - (b) Ends on the earlier of:
      - (i) The date when the property at the "client or virtual office premises" should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
      - (ii) The date when "client or virtual office premises" is resumed at a new permanent location; and
    - (c) Does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:
      - (i) Regulates the construction, use or repair, or requires the tearing down of any property;
      - (ii) 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 "fungus", wet rot or dry rot, except as provided in the Fungus, Wet Rot or Dry Rot –

Amended Period of Restoration  
Additional Coverage; or

- (iii) 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".

- (3) This Coverage Extension applies to "client or virtual office premises" located within the Coverage Territory.
- (4) We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume your business activities at a "client or virtual office premises" in whole or in part, by using any other available:
  - (a) Source of materials; or
  - (b) Outlet for your products.
- (5) This Coverage Extension does not apply to loss caused by or resulting from loss or damage to property:
  - (a) At the premises of a "dependent property";
  - (b) At any location to which the Business Income and Extra Expense Newly Acquired Premises Coverage Extension applies; or
  - (c) In the due course of transit.
- (6) The most we will pay under this Coverage Extension for the sum of Business Income and Extra Expense you incur in any one occurrence is \$25,000 regardless of the number of "client or virtual office premises" involved.
- (7) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

#### **Civil Authority – Homicide or Suicide**

- (1) When the Declarations shows that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur caused by action of

civil authority that prohibits access to the described premises due to a homicide or suicide occurring at such premises.

- (2) The coverage for Business Income and Extra Expense will begin immediately after the time of that action and will apply for a period of one week after coverage begins.

#### **Ordinance or Law – Increased Period of Restoration**

- (1) If:

- (a) A Covered Cause of Loss occurs to property at the described premises; and
- (b) The Declarations shows that you have coverage for Business Income and Extra Expense;

you may extend that insurance to apply to the amount of actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur during the increased period of "suspension" of "operations" caused by or resulting from the enforcement of or compliance with any ordinance or law that:

- (i) Regulates the construction, repair or replacement of any property;
- (ii) Requires the tearing down or replacement of any parts of property not damaged by a Covered Cause of Loss; and

- (iii) Is in force at the time of loss.

- (2) This Coverage Extension applies only to the increased period that would be required, with reasonable speed, to reconstruct, repair or replace the property to comply with the minimum standards of the ordinance or law.
- (3) This Coverage Extension does not apply to any loss caused by or resulting from:
  - (a) The enforcement of or compliance with any ordinance or law that:
    - (i) You were required to comply with before the loss, even if the property was undamaged; and
    - (ii) You failed to comply with; or
  - (b) The enforcement of or compliance with any ordinance or law that requires:

- (i) 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 rot or dry rot; or
  - (ii) 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 rot or dry rot.
- (4) The most we will pay under this Coverage Extension in any one occurrence is \$50,000 at each described premises.
- (5) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.
- (6) Exclusion **B.1.a.**, Ordinance or Law, does not apply to this Coverage Extension.

**Property in Transit**

- (1) When the Declarations shows that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur due to the "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss or damage caused by or resulting from a Covered Cause of Loss to Covered Property while in the due course of transit at your risk within the Coverage Territory.
- (2) This Coverage Extension does not apply to loss caused by or resulting from loss or damage to:
- (a) Shipments by a government postal service, except by registered mail;
  - (b) Export shipments once:
    - (i) The shipment is loaded onboard the export conveyance; or
    - (ii) Coverage under an Ocean Marine or other insurance policy covering the shipment begins;

- whichever is earlier;
  - (c) Import shipments until:
    - (i) The shipment is unloaded from the importing conveyance; or
    - (ii) Coverage under an Ocean Marine or other insurance policy covering the property ends;whichever is later;
  - (d) Property of others for which you are responsible while acting as a common or contract carrier, freight forwarder, freight consolidator, or freight broker or public warehouseman;
  - (e) Property within a conveyance or container caused by theft while the conveyance or container is unattended unless the portion of the conveyance or container containing the property is fully enclosed and securely locked, and the theft is by forcible entry of which there is visible evidence; or
  - (f) The transporting conveyance.
- (3) With respect to this Coverage Extension, the "period of restoration" definition under Paragraph **F. DEFINITIONS** is replaced by the following:
- "Period of Restoration"** means the period of time that:
- (a) Begins 24 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss in the due course of transit;
  - (b) Ends on the date when the property in the due course of transit should be repaired, rebuilt or replaced with reasonable speed and similar quality; and
  - (c) Does not include any increased period required due to the enforcement of any ordinance or law that:
    - (i) Regulates the construction, use or repair, or requires the tearing down of any property;
    - (ii) 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 "fungus", wet rot or dry rot, except as provided in the Fungus, Wet Rot or Dry Rot – Amended Period of Restoration Additional Coverage; or

- (iii) 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) We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume your business activities in the due course of transit in whole or in part, by using any other available:
  - (a) Source of materials; or
  - (b) Outlet for your products.
- (5) This Coverage Extension does not apply to loss caused by or resulting from loss or damage to property:
  - (a) At the premises of a "dependent property";
  - (b) At any location to which the Business Income and Extra Expense at Client or Virtual Office Premises Coverage Extension applies; or
  - (c) At any location to which the Newly Acquired Premises Coverage Extension applies.
- (6) The most we will pay under this Coverage Extension for the sum of Business Income and Extra Expense you incur in any one occurrence is \$25,000. This limit applies regardless of the number of locations involved.
- (7) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

#### Utility Services – Time Element

- (1) When the Declarations shows that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the loss of Business Income or Extra Expense

caused by the interruption of utility service to the described premises. The interruption of utility service must result from direct physical loss or damage by a Covered Cause of Loss to the following property:

- (a) "Water Supply Property";
- (b) "Wastewater Removal Property";
- (c) "Communication Supply Property"; or

- (d) "Power Supply Property";

if such property is:

- (i) Located away from the described premises; or
- (ii) Located at the described premises and used to supply the utility service to the described premises from a source away from the described premises.

With respect to any "wastewater removal property", this Coverage Extension does not apply to an interruption in service caused by or resulting from a discharge of water or sewage due to heavy rainfall or flooding.

- (2) We will only pay for loss of Business Income you sustain and Extra Expense you incur after 48 consecutive hours following the direct physical loss or damage to the utility services property to which this Coverage Extension applies. This Coverage Extension does not apply to any reduction of income after service has been restored to your premises.
- (3) The most we will pay under this Coverage Extension is \$25,000 at each described premises, but we will not pay more than \$100,000 in any one occurrence, regardless of the number of premises involved.

- C. The following definitions are added to the **DEFINITIONS** Section, but only with respect to the Power Pac Premier endorsement:

**"Banking Premises"** means the interior of that portion of any building which is occupied by a banking institution or similar safe depository.

**"Bonus Payment"** means that portion of any cash bonus you paid based on the percentage of your lease remaining at the time of direct physical loss or damage. It does not mean rent,

securities or cash bonuses refunded to you, even if you prepaid the rent or security.

**"Client or Virtual Office Premises"** means the interior of that portion of any building occupied by an employee, including:

- (1) An employee's residence; or
- (2) A client's business location.

Client or virtual office premises does not include any location that is described in the Declarations or reported to or accepted by us for coverage under this Coverage Form.

**"Communication Supply Property"** means property supplying communication services, including telephone, radio, microwave or television services, to the described premises such as:

- (1) Communication transmission lines, including optic fiber transmission lines;
- (2) Coaxial cables; and
- (3) Microwave radio relays except satellites.

Transmission lines includes all lines that serve to transmit communication service, including lines that may be identified as distribution lines.

**"Fraudulent Instruction"** means:

- (1) An electronic, telegraphic, cable, teletype, telefacsimile or telephone instruction which purports to have been transmitted by you, but which was in fact fraudulently transmitted by someone else without your knowledge or consent;
- (2) A written instruction (other than those described in the Forgery or Alteration coverage as provided in the Crime Additional Coverages endorsement) issued by you, which was forged or altered by someone other than you without your knowledge or consent or which purports to have been issued by you, but was in fact fraudulently issued without your knowledge or consent; or
- (3) An electronic, telegraphic, cable, teletype, telefacsimile, telephone or written instruction initially received by you which purports to have been transmitted by an employee but which was in fact fraudulently transmitted by someone else without your or the employee's knowledge or consent.

**"Messenger"** means you, or a relative of yours, or any of your partners or "members", or any employee while having care and custody of property outside the premises.

**"Money"** means:

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

**"Power Supply Property"**, meaning the following types of property supplying electricity, steam or gas to the described premises:

- (1) Utility generating plants;
- (2) Switching stations;
- (3) Substations;
- (4) Transformers; and
- (5) Transmission Lines.

Transmission lines includes all lines that serve to transmit power, including lines that may be identified as distribution lines.

**"Prepaid Rent"** means that portion of any prepaid rent you paid based on the percentage of your lease remaining at the time of direct physical loss or damage. It does not mean the customary rent due at the beginning of any rental period.

**"Securities"** means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use, and evidences of debt issued in connection with credit or charge cards which are not of your own issue. But Securities does not include "money" or lottery tickets held for sale.

**"Sublease Profit"** means the net profit you earn through subleasing the building or portion of the building that you rent for the unexpired term of the cancelled lease or sublease, whichever would expire first. The amount is discounted based on the prime rate of interest at the time of direct physical loss or damage for the unexpired term of the cancelled lease or sublease.

**"Tenants' Lease Interest"** means:

- (a) The difference between the appraised rental value of the leased premises at the time of direct physical loss or damage for the unexpired term of the lease and the actual rent due for the same period, discounted by the prime rate of interest at the time of direct physical loss or damage, for the unexpired term of the cancelled lease; or
- (b) The difference between the rent due for the unexpired term of the cancelled lease and the rent due under the new lease for that

same time period, not to exceed the difference between the actual rent due for the unexpired term of the cancelled lease and the appraised rental value of the leased premises for that same period. This difference is discounted by the prime rate of interest at the time of direct physical loss or damage for the unexpired term of the cancelled lease.

**"Transfer Account"** means an account maintained by you at a financial institution from which you can initiate the transfer, payment or delivery of "money" and "securities":

- (1) By means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly through an electronic funds transfer system; or
- (2) By means of written instructions (other than those described in the Forgery or Alteration

coverage as provided in the Crime Additional Coverages endorsement) establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds transfer system.

**"Wastewater Removal Property"** means a utility system for removing wastewater and sewage from the described premises, other than a system designed primarily for draining storm water. The utility property includes sewer mains, pumping stations and similar equipment for moving the effluent to a holding, treatment or disposal facility and includes any such facilities.

**"Water Supply Property"** means the following types of property supplying water to the described premises:

- (1) Pumping Stations; and
- (2) Water mains.

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

## **ELECTRONIC VANDALISM LIMITATION AND OTHER CHANGES**

This endorsement modifies insurance provided under the following:

TRAVELERS PROPERTY COVERAGE PART

### **SCHEDULE**

#### **Electronic Vandalism Limit of Insurance,**

aggregate in any 12-month period of this policy:

\$10,000 unless a higher limit is shown: \$

This endorsement restricts the insurance provided under this Coverage Part for direct physical loss or damage caused by or resulting from "electronic vandalism" and for loss that is a consequence of such direct physical loss or damage.

#### **A. LIMITATION – ELECTRONIC VANDALISM**

The following LIMITATION is added:

The most we will pay for all loss or damage caused directly or indirectly by or resulting from "electronic vandalism" in any one policy year, commencing with the inception date of this endorsement, is the Electronic Vandalism Limit of Insurance shown in the Schedule of this endorsement. This Electronic Vandalism Limit of Insurance applies regardless of the number of locations, items or types of property or coverages or Coverage Forms involved, and is part of, and does not increase the Limits of Insurance provided under this policy.

But if "electronic vandalism" results in a "specified cause of loss", other than:

1. Vandalism that is "electronic vandalism"; or
2. Equipment breakdown when, and to the extent, it is otherwise specifically added as a "specified cause of loss" under this Coverage Part;

this Limitation will not apply to the resulting loss or damage caused by that "specified cause of loss".

This Limitation does not create coverage for any loss or damage that would not otherwise be covered under this Coverage Part, including any loss or damage subject to the exclusions in Section **B.** below.

The Limitation does not apply to any Computer Fraud Coverage Extension or Computer Fraud

and Funds Transfer Fraud Coverage Extension under this Coverage Part.

#### **B. UTILITY SERVICES AND SPOILAGE – ELECTRONIC VANDALISM CHANGES**

1. The following replaces the Utility Services Exclusion in Section **B.1.f.** of the TRAVELERS PROPERTY COVERAGE FORM:

##### **f. Utility Services**

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

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

Failure or fluctuation of any utility service includes lack of sufficient capacity and reduction in supply. Communication services include service relating to Internet access or access to any electronic, cellular or satellite network.

Exceptions:

- (1) If the failure or fluctuation of power, communication, water or other utility service results in a Covered Cause of Loss, other than "electronic vandalism", this exclusion does not apply to the loss or damage caused by that Covered Cause of Loss.

(2) This exclusion does not apply to the insurance provided under any Utility Service – Direct Damage, Utility Service – Time Element or Spoilage coverage for loss or damage caused by the failure or fluctuation of power, communication, water or other utility service supplied to the described premises when the failure or fluctuation:

- (a) Originates away from the described premises; or
- (b) Originates at the described premises and involves equipment used to supply the utility service to the described premises from a source away from the described premises.

But all other Exclusions and Limitations applicable to this Coverage Part, including the "Electronic Vandalism" Limitation in Section A. above and the below exclusions applicable to Utility Services and Spoilage coverages, continue to apply to such loss or damage to which these Exceptions apply.

- 2. Under any:
  - a. Utility Services – Direct Damage;
  - b. Utility Services – Time Element; and
  - c. Spoilage;

coverage provided under this Coverage Part the following exclusion is added:

We will not pay for loss or damage caused directly or indirectly by "electronic vandalism". This exclusion applies regardless of any other cause or event that contributes concurrently or in any sequence to the loss. This exclusion applies whether or not the loss event results in widespread damage or affects a substantial area.

C. The following are deleted:

- 1. The **Electronic Vandalism Additional Coverage** under Section A.5.e. of the TRAVELERS PROPERTY COVERAGE FORM;
- 2. The **Electronic Vandalism** exclusion under Section B.1.c. of the TRAVELERS PROPERTY COVERAGE FORM and the references to that exclusion under the following:

- a. Paragraph (3)(f) of the **Fine Arts Additional Coverage**;
- b. Paragraph (3)(e) of the **Accounts Receivable Coverage Extension**;
- c. Paragraph (4)(c) of the **Building Glass Coverage Extension**; and
- d. Paragraph (3)(c) of the **Valuable Papers and Records Coverage – Cost of Research Coverage Extension**; and

3. The **Electronic Vandalism Additional Coverage** under Section A.4.e. of the TRAVELERS BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM.

**D. ELECTRONIC VANDALISM MINIMUM DEDUCTIBLE**

The following deductible provision is added and applies to all coverages, including Extra Expense:

The DEDUCTIBLE provisions of this Coverage Part continue to apply. But in no event will the total of all applicable deductible amounts applied in any one occurrence of "electronic vandalism" to which insurance under this Coverage Part applies be less than \$1,000.

**E. ELECTRONIC VANDALISM DEFINED**

The following replaces the "Electronic Vandalism" Definition in Section G.3. of the TRAVELERS PROPERTY COVERAGE FORM:

"Electronic vandalism" means:

- a. Willful or malicious destruction of computer programs, content, instructions or other electronic or digital data stored within computer systems.
- b. Unauthorized computer code or programming that:
  - (1) Deletes, distorts, corrupts or manipulates computer programs, content, instructions or other electronic or digital data, or otherwise results in damage to computers or computer systems or networks to which it is introduced;
  - (2) Replicates itself, impairing the performance of computers or computer systems or networks;
  - (3) Gains remote control access to data and programming within computers or computer systems or networks to which it is introduced, for uses other than those intended for authorized users of the computers or computer systems or networks; or

- (4) Introduces a virus, harmful code or similar instruction 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.
- c. Any other unauthorized access to or use of computers or computer systems or networks, including data and programming within such computers or computer systems or networks.
- d. A denial of service attack that restricts, prevents or disrupts access to or use of any computer, computer system or network, or otherwise disrupts the normal functioning or operation of any computer, computer system or network

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

## **CAUSES OF LOSS – EQUIPMENT BREAKDOWN**

This endorsement modifies insurance provided under the following:  
TRAVELERS PROPERTY COVERAGE PART

### **A. ADDITIONAL COVERED CAUSE OF LOSS – EQUIPMENT BREAKDOWN**

Covered Causes of Loss and "specified causes of loss" are extended to include Equipment Breakdown, meaning a Breakdown to Covered Equipment as defined and limited in this endorsement.

#### **1. Breakdown**

- a. Breakdown means:**
- (1)** Failure of pressure or vacuum equipment;
  - (2)** Mechanical failure, including rupture or bursting caused by centrifugal force; or
  - (3)** Electrical failure, including arcing; that causes physical damage to Covered Equipment and necessitates its repair or replacement.
- b. Breakdown does not mean or include:**
- (1)** Malfunction, including but not limited to adjustment, alignment, calibration, cleaning or modification;
  - (2)** Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
  - (3)** Damage to any vacuum tube, gas tube, or brush;
  - (4)** Damage to any structure or foundation supporting the Covered Equipment or any of its parts;
  - (5)** The functioning of any safety or protective device; or
  - (6)** The cracking of any part on an internal combustion gas turbine exposed to the products of combustion.
- c. If an initial Equipment Breakdown causes other Equipment Breakdowns, all will be considered one Equipment**

Breakdown. All Equipment Breakdowns that manifest themselves at the same time and are the direct result of the same cause will also be considered one Equipment Breakdown.

#### **2. Covered Equipment**

- a. Covered Equipment means equipment of a type listed in paragraph 2.b. below that is:**

- (1)** At any of the following locations:
  - (a)** At or within 1,000 feet of the described premises; or
  - (b)** At any of the following locations, but only to the extent that coverage for direct physical loss or damage to Covered Property at such locations or for Business Income and/or Extra Expense resulting from direct physical loss or damage to property at such locations is otherwise specifically insured and limited under this Coverage Part:
    - (i)** Newly acquired or constructed property locations, or within 1,000 feet of such locations;
    - (ii)** Undescribed premises, meaning premises you do not own, lease or regularly operate at which Covered Property is temporarily located; or
    - (iii)** "Dependent property" locations;

and

- (2)** **(a)** Owned or leased by you or operated under your control; or
- (b)** Owned or leased by, or operated under the control of others who

## TRAVELERS PROPERTY

own, lease or operate the undescribed premises (as defined in (1) (b) (ii) above) or "dependent property" locations where the insurance provided under this Coverage Part applies;

and

(3) Not otherwise excluded under paragraph 2.c. below.

b. Covered Equipment includes the following types of equipment:

(1) Equipment designed and built to operate under internal pressure or vacuum other than weight of contents;

(2) Electrical or mechanical equipment that is used in the generation, transmission or utilization of energy; and

(3) Fiber optic cable.

c. Covered Equipment does not mean or include any:

(1) Electronic data processing, recording or storage media such as films, tapes, discs, drums or cells;

(2) Part of pressure or vacuum equipment that is not under internal pressure of its contents or internal vacuum;

(3) Insulating or refractory material;

(4) Non-metallic pressure or vacuum equipment, unless it is constructed and used in accordance with the American Society of Mechanical Engineers (A.S.M.E.) code or a Code that has been accepted by the National Board of Boiler and Pressure Vessel Inspectors;

(5) Catalyst;

(6) Pressure vessels and piping that are buried below ground and require the excavation of materials to inspect, remove, repair or replace;

(7) Structure, foundation, cabinet or compartment supporting or containing the Covered Equipment or part of the Covered Equipment including penstock, draft tube or well casing;

(8) Vehicle, aircraft, self-propelled equipment or floating vessel, including any equipment mounted on or used solely with any vehicle, aircraft, self-propelled equipment or floating vessel;

(9) Dragline, power shovel, excavation or construction equipment including any equipment mounted on or used solely with any dragline, power shovel, excavation or construction equipment;

(10) Felt, wire, screen, mold, form, pattern, die, extrusion plate, swing hammer, grinding disc, cutting blade, non-electrical cable, chain, belt, rope, clutch plate, brake pad, non-metal part or any part or tool subject to periodic replacement;

(11) Astronomical telescope, cyclotron, nuclear reactor, particle accelerator, satellites and/or spacecraft (including satellite or spacecraft contents and/or their launch sites);

(12) Computer equipment or electronic data processing equipment unless used to control or operate production-type machinery or other equipment that is Covered Equipment;

(13) Equipment or any part of such equipment manufactured by you for sale; or

(14) Equipment while in the due course of transit.

## B. EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS

### 1. Spoilage

a. Under the Travelers Property Coverage Form, the insurance that applies to Business Personal Property is extended to apply to direct physical loss or damage to such Covered Property that is:

(1) Maintained under controlled conditions for its preservation; and

(2) Susceptible to loss or damage if the controlled conditions change;

due to spoilage resulting from lack or excess of power, light, heat, steam or refrigeration that is caused solely by a Breakdown to Covered Equipment.

Insurance under this Coverage Extension includes the reasonable expense you incur to reduce or avert the spoilage loss or damage, but only to the extent the amount of loss otherwise payable under this Coverage Extension is reduced.

- b. The most we will pay for loss or damage under this Coverage Extension arising out of any one Equipment Breakdown is the Spoilage Limit of Insurance shown in the Equipment Breakdown Schedule. This limit is included in and does not increase the Limit of Insurance that applies to the lost or damaged Covered Property.
- c. We will not pay for any loss or damage under this Coverage Extension that results from your failure to use due diligence and dispatch and all reasonable means to protect the property from spoilage damage following a Breakdown to Covered Equipment.

## 2. Utility Services Property

- a. Subject to paragraph 2.b. below, Covered Equipment is extended to include equipment, wherever located within the Coverage Territory, that is:
  - (1) Owned, operated or controlled by a local public or private utility or distributor that directly generates, transmits, distributes or provides utility services to the described premises; and
  - (2) Used to supply water, communication or power services to the described premises.
- b. This Coverage Extension applies:
  - (1) Only with respect to; and
  - (2) Subject to the Limits of Insurance that apply to;

the insurance, if any, otherwise provided under this Coverage Part for loss or damage caused by an interruption of power or other utility service supplied to the described premises caused by or resulting from a Covered Cause of Loss to the utility services equipment described in paragraph 2.a. above.

- c. We will not pay under this Coverage Extension for loss or damage caused by or resulting from any of the following:
  - (a) Fire;
  - (b) Lightning;
  - (c) Windstorm or hail;
  - (d) Explosion (except for steam or centrifugal explosion);
  - (e) Smoke;
  - (f) Aircraft or vehicles;
  - (g) Riot or civil commotion;
  - (h) Vandalism;
  - (i) Sprinkler Leakage;
  - (j) Falling objects;
  - (k) Weight of snow, ice or sleet;
  - (l) Freezing; or
  - (m) Collapse.

## 3. Expediting Expense

In the event of covered direct physical loss or damage to Covered Property caused by or resulting from a Breakdown to Covered Equipment, we will pay for the reasonable additional expenses you necessarily incur to make temporary repairs to, or expedite the permanent repair or replacement of, the lost or damaged Covered Property.

Expediting expenses include overtime wages and the extra cost of express or other rapid means of transportation.

The most we will pay under this Coverage Extension for all Expediting Expenses arising out of any one Equipment Breakdown is the Expediting Expenses Limit of Insurance shown in the Equipment Breakdown Schedule. This limit is included in and does not increase the Limit of Insurance that applies to lost or damaged Covered Property.

## C. EQUIPMENT BREAKDOWN EXCLUSIONS

- 1. The following Exclusions contained in Paragraph B. of the Travelers Property Coverage Form do not apply:
  - a. Exclusion B.2.a. Electrical Damage or Disturbance;
  - b. Exclusion B.2.d. (6) mechanical breakdown under the Other Type of Losses Exclusion; and
  - c. Exclusion B.2.e. Explosion.

## TRAVELERS PROPERTY

All other Exclusions that apply to this Coverage Part apply to loss or damage under this endorsement.

2. The following additional Exclusions apply to the insurance provided by this endorsement:

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. Lack or excess of power, light, heat, steam or refrigeration. But this Exclusion does not apply to:
  - (1) Business Income coverage or Extra Expense coverage; or
  - (2) The Spoilage Coverage Extension or Utility Services Property Coverage Extension;
- b. Hydrostatic, pneumatic or gas pressure testing of any boiler, fired vessel or electrical steam generator; or
- c. Insulation breakdown testing of any type of electrical or electronic equipment.

### D. EQUIPMENT BREAKDOWN LIMITATIONS

1. Limitations (2) and (3) in Paragraph A.4.a. **Limitations** of the Travelers Property Coverage Form do not apply.

All other Limitations that apply to this Coverage Part apply to loss or damage under this endorsement.

2. The following additional Limitations apply to the insurance provided by this endorsement. Payments made under the following Limitations are included in and do not increase the applicable Limits of Insurance.

#### a. Ammonia Contamination Limitation

The most we will pay for loss or damage to property caused by ammonia contamination that directly results from a Breakdown to Covered Equipment is the Ammonia Contamination Limit of Insurance shown in the Equipment Breakdown Schedule.

This limitation does not apply to Business Income coverage or to Extra Expense coverage.

#### b. Hazardous Substance Limitation

If as a direct result of a Breakdown to Covered Equipment, property is damaged, contaminated or polluted by a

substance, other than ammonia, that is declared to be hazardous to health by a governmental agency, the Hazardous Substance Limit of Insurance shown in the Equipment Breakdown Schedule is the most we will pay for:

- (1) Any additional expenses you incur to clean up, repair, replace or dispose of any such property that is Covered Property under this Coverage Part; and
- (2) Any increase in loss of Business Income or Extra Expense due to the additional time required to clean up, repair, replace or dispose of the property, provided Business Income or Extra Expense loss resulting from damage to such property is otherwise insured against under this Coverage Part.

Subject to the Hazardous Substance Limit of Insurance, the term "period of restoration", as used in the Business Income and/or Extra Expense insurance provided under this Coverage Part is extended to include this additional period of time.

As used in this limitation, additional expenses and increase in loss mean expenses and loss incurred beyond the expenses and loss for which we would have been liable had no substance declared to be hazardous to health by a governmental agency been involved.

### E. EQUIPMENT BREAKDOWN LIMITS OF INSURANCE

1. The insurance provided under this endorsement for loss or damage caused by or resulting from Equipment Breakdown is included in and does not increase the Covered Property, Business Income, Extra Expense or other coverage Limits of Insurance that otherwise apply under this Coverage Part.
2. The most we will pay under this endorsement for loss or damage caused by or resulting from Equipment Breakdown to the following Specific Equipment:
  - (a) "Diagnostic Equipment";
  - (b) "Power Generating Equipment"; and
  - (c) "Production Equipment".

is the Specific Equipment Limit of Insurance indicated in the Equipment Breakdown Schedule. If there is no Specific Equipment limit indicated in the Equipment Breakdown Schedule, then the Specific Equipment is included in the applicable Limits of Insurance that otherwise apply under this Coverage Part.

3. Payments under the Equipment Breakdown Coverage Extensions will not increase the applicable Limit(s) of Insurance.

#### F. EQUIPMENT BREAKDOWN DEDUCTIBLE

1. Unless otherwise indicated in the Equipment Breakdown Schedule, the insurance provided under this endorsement for loss or damage caused by or resulting from Equipment Breakdown is subject to the deductibles that otherwise apply under this Coverage Part.
2. When one or more separate deductibles are shown in the Equipment Breakdown Schedule, each such deductible will be applied separately to the applicable coverage for which the deductible is shown, as follows:

##### a. Dollar Deductible

If a dollar deductible is shown in the Equipment Breakdown Schedule, we will not pay for loss or damage until the amount of loss or damage to which the deductible applies exceeds the applicable dollar deductible. We will then pay the amount of loss or damage in excess of the dollar deductible, up to the applicable Limit of Insurance.

##### b. Time Period Deductible

If a time period deductible is shown in the Equipment Breakdown Schedule, we will not pay for any loss to which the deductible applies that occurs during the specified time period immediately following a Breakdown to Covered Equipment.

##### c. Average Daily Value Deductible

If an average daily value deductible is shown in the Equipment Breakdown Schedule, this deductible will be calculated as follows:

- (1) For all of the described premises where you incur Business Income or Extra Expense loss due to a

Breakdown to Covered Equipment, determine the total amount of Business Income that would have been earned or incurred by you during the "period of restoration" had no Breakdown to Covered Equipment occurred.

- (2) Divide the amount determined in paragraph (1) by the number of days the business would have been open during the "period of restoration". The result is the average daily value.
- (3) Multiply the average daily value in paragraph (2) by the Multiple of Average Daily Value shown in the Equipment Breakdown Schedule. We will first subtract this deductible amount from any loss we would otherwise pay. We will then pay the amount of loss or damage in excess of the deductible, up to the applicable Limit of Insurance.

##### d. Percentage of Loss Deductible

If a deductible is expressed as a percentage of loss in the Equipment Breakdown Schedule, we will not be liable for the indicated percentage of the gross amount of loss or damage insured under the applicable coverage.

#### G. EQUIPMENT BREAKDOWN ADDITIONAL CONDITION

The following Additional Condition applies to the insurance provided under this endorsement:

##### Suspension

If any Covered Equipment is found to be in, or exposed to a dangerous condition, any of our representatives may immediately suspend the insurance provided by this endorsement for loss or damage caused by or resulting from a Breakdown to that Covered Equipment. This can be done by delivering or mailing a notice of suspension to:

1. Your last known address; or
2. The address where the Covered Equipment is located.

Once suspended in this way, such insurance can only be reinstated by a written endorsement issued by us. If we suspend your insurance, you will get a pro rata refund of premium for that Covered Equipment. But the suspension will be

effective even if we have not yet made or offered a refund.

- H. The following definitions are added to the **DEFINITIONS** Section, but only with respect to the Causes Of Loss – Equipment Breakdown endorsement:

**"Diagnostic Equipment"** means any:

- a. Equipment; or
- b. Apparatus;  
used solely for research, diagnostic, medical, surgical, therapeutic, dental or pathological purposes.

**"Power Generating Equipment"**

- a. Means the following types of equipment or apparatus:
  - (1) Pressure;
  - (2) Mechanical; or
  - (3) Electrical;

used in or associated with the generation of electric power; and

- b. Does not mean such equipment that is used solely to generate emergency power that is less than or equal to 1000KW.

**"Production Equipment"**

- a. Means any:
  - (1) Production machinery; or
  - (2) Process machinery;  
that processes, shapes, forms or grinds:
    - (1) Raw materials;
    - (2) Materials in process; or
    - (3) Finished products; and
- b. Includes Covered Equipment that is used solely with or forms an integral part of the:
  - (1) Production;
  - (2) Process; or
  - (3) Apparatus.

**EQUIPMENT BREAKDOWN SCHEDULE**

Premises Location No.	Building No.	Specific Equipment Limit of Insurance:
001	ALL	\$100,000
002	001	\$100,000
002	002	\$100,000
003	001	\$100,000

**Limits of Insurance:**

Spoilage:	\$25,000 unless a higher amount is shown:	\$
Expediting Expenses:	\$25,000 unless a higher amount is shown:	\$
Ammonia Contamination:	\$25,000 unless a higher amount is shown:	\$
Hazardous Substance:	\$25,000 unless a higher amount is shown:	\$

**Deductible Exceptions:** Travelers Property Coverage Part Deductibles apply to loss or damage under this endorsement, except as follows:

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

## **CRIME ADDITIONAL COVERAGES**

This endorsement modifies insurance provided under the following:

### TRAVELERS PROPERTY COVERAGE FORM

**A.** The following Crime Additional Coverages are added to Section **A.5., Additional Coverages**, if a Limit of Insurance is shown for the applicable Additional Coverage in the Crime Additional Coverage Schedule. Under Section **A.2., Property Not Covered, Paragraph a.** does not apply to these Crime Additional Coverages:

#### **Employee Theft**

- (1) We will pay for loss of or damage to "money", "securities" and other personal property not otherwise excluded, that you own, lease or hold for others, resulting directly from theft committed by an "employee", to your deprivation, whether the "employee" is identified or not and whether the "employee" is acting alone or in collusion with other persons.
- (2) Under this coverage, all loss caused by, or involving, one or more "employees", whether the result of a single act or series of acts, will be considered one occurrence.
- (3) This coverage applies only if you provide us with a detailed, sworn proof of loss within 120 days after you discover a loss or situation that may result in loss.
- (4) The most we will pay for loss in any one occurrence under this coverage is the Limit of Insurance shown in the Crime Additional Coverage Schedule for Employee Theft.

#### **Forgery or Alteration**

- (1) We will pay for loss resulting directly from "forgery" or alteration of, on or in any checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are:
  - (a) Made or drawn by or drawn upon you;
  - (b) Made or drawn by one acting as your agent;
 or that are purported to have been so made or drawn.
- (2) Under coverage, occurrence means all loss caused by any person or in which that person is involved, whether the loss involves

one or more instruments, will be considered one occurrence.

- (3) This coverage applies only if you provide us with a detailed, sworn proof of loss within 120 days after you discover a loss or situation that may result in loss.
- (4) The most we will pay for loss in any one occurrence under this coverage is the Limit of Insurance shown in the Crime Additional Coverage Schedule for Forgery or Alteration.
- (5) If you are sued for refusing to pay any instrument covered in Paragraph (1) of this coverage, on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount we will pay for such legal expenses is in addition to the Limit of Insurance applicable to this coverage. The Deductible applicable to this Additional Coverage does not apply to these legal expenses.

#### **Theft, Disappearance and Destruction of Money and Securities**

- (1) We will pay for loss resulting directly from theft, disappearance or destruction of "money" and "securities" that you own or hold for others:
  - (a) At the described premises or the premises of a bank or savings institution; or
  - (b) At any other location, or in transit, in your care and custody, in the care and custody of your partners or "employees", or in the care and custody of an armored motor vehicle company.
- (2) Under this coverage, all loss caused by an act or series of related acts involving one or more persons, or by an act or event or series of related acts or events not involving any person, will be considered a single occurrence.
- (3) This coverage applies only if you provide us with a detailed, sworn proof of loss within

## TRAVELERS PROPERTY

120 days after you discover a loss or situation that may result in loss to which this Additional Coverage applies.

- (4) The most we will pay in any one occurrence under this coverage for loss of "money" and "securities":
- (a) At the described premises or the premises of a bank or savings institution is the Limit of Insurance shown in the Crime Additional Coverage Schedule for Theft, Disappearance and Destruction of Money and Securities – Inside Premises;
  - (b) At any other location, or in transit, is the Limit of Insurance shown in the Crime Additional Coverage Schedule for Theft, Disappearance and Destruction of Money and Securities – Outside Premises.
- (5) The insurance provided under this Additional Coverage for "money" and "securities" in the care and custody of an armored motor vehicle company applies only to the amount of loss that you cannot recover:
- (a) Under your contract with the armored motor vehicle company; and
  - (b) From any insurance or indemnity carried by, or for the benefit of customers of, the armored motor vehicle company.

### Money Orders and Counterfeit Paper Currency

- (1) We will pay for loss resulting directly from your acceptance in good faith of the following in exchange for merchandise, "money" or services:
- (a) Money orders, including counterfeit money orders, of any post office, express company or bank that are not paid upon presentation; and
  - (b) Counterfeit paper currency that is acquired during the regular course of business.
- (2) Under this coverage, all loss caused by an act or series of related acts involving one or more persons, or by an act or event or series of related acts or events not involving any person, will be considered a single occurrence.
- (3) This coverage applies only if you provide us with a detailed, sworn proof of loss within 120 days after you discover a loss or situation that may result in loss.

- (4) The most we will pay for loss in any one occurrence under this coverage is the applicable Limit of Insurance shown in the Crime Additional Coverage Schedule for Money Orders and Counterfeit Paper Currency.

**B.** The following exclusions apply to the Crime Additional Coverages provided in Section **A.** of this endorsement. Except as provided in exclusion **1.a.** below, none of the Paragraph **B.**, **Exclusions** or Paragraph **A.4.**, **Limitations** of the Travelers Property Coverage Form apply to the Crime Additional Coverages.

1. We will not pay under any of the Crime Additional Coverages for:
- a. Loss caused by or resulting from any of the following to the extent these causes of loss are otherwise excluded under the exclusions in Paragraph **B.** of the Travelers Property Coverage Form:
    - (1) Certain Computer-related Losses;
    - (2) Governmental Action;
    - (3) Nuclear Hazard; and
    - (4) War and Military Action.
  - b. Loss caused by or resulting from any dishonest or criminal act by you or any of your partners, whether acting alone or in collusion with others.
  - c. Loss caused by or resulting from any dishonest or criminal act by any of your "employees", directors, trustees or authorized representatives:
    - (1) Whether acting alone or in collusion with others; or
    - (2) While performing services for you or otherwise;except as provided under the Employee Theft Crime Additional Coverage.
  - d. Indirect loss including any loss resulting from:
    - (1) Your inability to realize income that you would have realized had there been no loss of, or loss from damage to, the property;
    - (2) Payment of damages of any type for which you are legally liable. But we will pay for compensatory damages arising directly from a loss covered under the Crime Additional Coverages; or

- (3) Payment of costs, fees or other expenses you incur in establishing either the existence or amount of loss under the Crime Additional Coverages.
- e. Legal expenses, except as provided under the Forgery or Alteration Crime Additional Coverage.
2. We will not pay under the Employee Theft Crime Additional Coverage for:
- a. Loss caused by any "employee" of yours, or predecessor in interest of yours, for whom similar prior insurance has been cancelled and not reinstated since the last such cancellation.
- b. Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon an inventory computation or a profit and loss computation. However, where you establish wholly apart from such computations that you have sustained a loss, then you may offer your inventory records and actual physical count of inventory in support of the amount of loss claimed.
- c. Loss resulting directly or indirectly from trading, whether in your name or in a genuine or fictitious account.
- d. Loss resulting from the fraudulent or dishonest signing, issuing, cancelling or failing to cancel, a warehouse receipt or any papers connected with it.
3. We will not pay under the Theft, Disappearance and Destruction of Money and Securities Crime Additional Coverage for:
- a. Loss caused by or resulting from accounting or mathematical errors or omissions.
- b. Loss caused by or resulting from the giving or surrendering of the property in any exchange or purchase.
- c. Loss of or damage to property after the property has been transferred or surrendered to a person or place outside the described premises or the premises of a banking or savings institution:
- (1) On the basis of unauthorized instructions; or
- (2) As a result of a threat to do bodily harm to any person or damage to any property.
- But this exclusion does not apply to loss of "money" or "securities" outside of the described premises or the premises of a banking or savings institution in your care and custody or the care and custody of your partners or "employees" if:
- (3) You had no knowledge of any threat at the time the conveyance began; or
- (4) You had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.
- d. Loss caused by you or anyone acting on your express or implied authority voluntarily parting with possession of or title to the property.
- e. Loss of "money" 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. Section **D. DEDUCTIBLES** is amended by the addition of the following, but only with respect to the Crime Additional Coverages endorsement:
- We will not pay for loss in any one occurrence under the Crime Additional Coverages until the amount of loss exceeds the applicable Deductible shown in the Crime Additional Coverage Schedule. We will then pay the amount of loss in excess of the Deductible, up to the applicable Limit of Insurance.
- D. In addition to the conditions that apply to the Travelers Property Coverage Form:
1. The following conditions apply to the Crime Additional Coverages provided in Section **A.** of this endorsement:
- a. **Cancellation as to any Employee**
- The insurance provided under the Crime Additional Coverages is cancelled as to any "employee":
- (1) Immediately upon discovery by:
- (a) You; or
- (b) Any of your partners, members, managers, officers, directors or trustees not in collusion with the "employee";

of theft or any other dishonest act committed by the "employee" whether before or after becoming employed by you.

- (2) On the date specified in a notice mailed or delivered to the first Named Insured. That date will be at least 30 days after the date of mailing or delivery. We will mail or deliver our notice to the first Named Insured at the last mailing known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

**b. Amended Duties in the Event of Loss or Damage Condition**

Under the Duties in the Event of Loss or Damage Condition in Section **E.3.** of the Travelers Property Coverage Form, the duty to notify the police if a law has been broken does not apply to the Employee Theft or the Forgery or Alteration Crime Additional Coverages.

**c. Extended Period to Discover Loss**

We will pay for loss that you sustain prior to the date this insurance terminates or is cancelled which is discovered by you no later than one year from the date of that termination or cancellation. However, this extended period to discover loss terminates immediately upon the effective date of any other insurance obtained by you replacing in whole or in part the insurance afforded hereunder, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

**d. Amended Legal Action Against Us Condition**

The Legal Action Against Us Additional Condition in Section **F.4.** of the Travelers Property Coverage Form is amended as follows:

The time period during which a legal action involving loss under the Crime Additional Coverages may be brought against us will not begin until the date on which the loss is discovered. In addition, no one may bring a legal action against us involving loss under the Crime Additional Coverages until 90 days after you have filed proof of loss with us.

**e. Loss Sustained During Prior Insurance**

- (1) If you, or any predecessor in interest, sustained loss during the period of any prior crime coverage insurance that you or the predecessor in interest could have recovered under that insurance, except that the time within which to discover loss had expired, we will pay for it under the applicable Crime Additional Coverage provided in Section **A.** of this endorsement, provided:

- (a) The Crime Additional Coverage became effective at the time of cancellation or termination of the prior insurance; and
- (b) The loss would have been covered under the Crime Additional Coverage had it been in effect when the acts or events causing the loss were committed or occurred.

- (2) The insurance under this condition is included in and does not increase the Limits of Insurance applying to the Crime Additional Coverages and is limited to the lesser of the amount recoverable under:

- (a) The applicable Crime Additional Coverage as of its effective date; or
- (b) The prior crime coverage insurance had it remained in effect.

**f. Amended Policy Period, Coverage Territory Condition**

The following is added to the Policy Period, Coverage Territory Additional Condition in Section **F.8.** of the Travelers Property Coverage Form:

Subject to the above Loss Sustained During Prior Insurance Condition, we will pay for loss under the Crime Additional Coverages that you sustain through acts committed or events occurring:

- (1) During the policy period and discovered by you:
  - (a) During the policy period; or
  - (b) During the period of time provided in the Extended Period

To Discover Loss Condition above;

and

(2) Within the Coverage Territory. However:

(a) Under the Employee Theft Crime Additional Coverage, we will pay for loss caused by any "employee" while temporarily outside of the Coverage Territory for a period of not more than 90 days.

(b) Under the Forgery or Alteration Crime Additional Coverage, the Coverage Territory is extended to include anywhere in the world.

**g. Loss Covered Under a Crime Additional Coverage and Prior Crime Insurance Issued by the Company or any Affiliate**

If any loss is covered:

(1) Partly by a Crime Additional Coverage provided in Section A. of this endorsement; and

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

the most we will pay is the larger of the amount recoverable under the Crime Additional Coverage or the prior insurance.

**h. Non-Cumulation of Limit of Insurance**

Regardless of the number of years the Crime Additional Coverages remain in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.

**i. Amended Other Insurance Condition**

With respect only to the Crime Additional Coverages, the Other Insurance Additional Condition in Section F.7. of the Travelers Property Coverage Form is replaced by the following:

The Crime Additional Coverages do not apply to loss recoverable or recovered under other insurance or indemnity. However, if the limit of the other insurance or indemnity is insufficient to cover the entire amount of the loss, this insurance provided under the applicable

Crime Additional Coverage will apply to that part of the loss, other than that falling within any deductible amount, not recoverable or recovered under the other insurance or indemnity. However, this insurance will not apply to the amount of loss that is more than the Limit of Insurance that applies to that Crime Additional Coverage.

**j. Amended Transfer of Rights of Recovery Against Others To Us Condition**

The Transfer of Rights of Recovery Against Others to Us Additional Condition in Section F.9. of the Travelers Property Coverage Form applies to the Crime Additional Coverages except you may not, at any time, waive your rights to recover damages from another party for any loss you sustained and for which we have paid or settled under the Crime Additional Coverages.

**k. Amended Valuation Condition**

The following is added to the Loss Payment – Building and Personal Property Condition in Section E.4. of the Travelers Property Coverage Form

In the event of loss, we will determine the value of:

(1) "Money" at its face value. We may, at our option, pay for loss of "money" issued by any country other than the United States of America:

(a) At face value in the "money" issued by that country; or

(b) In the United States of America dollar equivalent determined by the rate of exchange on the day the loss was discovered.

(2) "Securities" at their value at the close of business on the day the loss was discovered. We may, at our option:

(a) Pay the value of such "securities" or replace them in kind, in which event you must assign to us all of your rights, title and interest in and to those "securities"; or

(b) Pay the cost of any Lost Securities Bond required in connection with issuing

duplicates of the "securities". However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:

- (i) Value of the "securities" at the close of business on the day the loss was discovered; or
- (ii) Limit of Insurance.

**I. Sole Benefit**

The insurance provided under the Crime Additional Coverages is for your sole benefit only. It provides no rights or benefits to any other person or organization. Any claim for loss that is covered under this insurance must be presented by you.

- 2. The following additional conditions apply to the Forgery or Alteration Crime Additional Coverage:

**a. Electronic and Mechanical Signatures**

We will treat signatures that are produced or reproduced electronically, mechanically or by other means the same as handwritten signatures.

**b. Proof of Loss**

You must include with your proof of loss any instrument involved in that loss, or, if that is not possible, an affidavit setting forth the amount and cause of loss.

- 3. The following additional conditions apply to Employee Theft Additional Coverage if such options are indicated by an "X" in the Crime Additional Coverage Schedule:

**a. Non-compensated Officers**

The definition of "employee" under Paragraph E. of this endorsement includes your non-compensated officers.

**b. Property Manager**

The definition of "employee" under paragraph E. of this endorsement includes:

- (1) Each natural person, partnership or corporation you appoint in writing to act as your agent in the capacity of Property Manager for Covered Property, but only while acting on your behalf or while in possession of

Covered Property. These natural persons, partnerships or corporations are not covered for faithful performance of duty, even in the event that this insurance may have been amended by endorsement to provide such coverage on other "employees" as defined in Paragraph E. of this endorsement. The only Covered Cause of Loss for any agent is Employee Theft.

- (2) Each such agent and the partners, officers and employees of that agent are considered to be, collectively, one "employee" for the purposes of this insurance. However, the Cancellation As To Any Employee Condition under Paragraph D.1.a of this endorsement applies individually to each of them.

- (3) The most we will pay under this insurance for loss in any one occurrence caused by an agent included as an "employee" is the Limit of Insurance applicable to Employee Theft.

- (4) Payments under this insurance are included in and do not increase the applicable Limits of Insurance for Employee Theft

**c. Volunteer Workers**

The definition of "employee" under Paragraph E. of this endorsement is changed to include any non-compensated natural person:

- (1) Other than one who is a fund solicitor, while performing services for you that are usual to the duties of an "employee"; or
- (2) While acting as a fund solicitor during fund raising campaigns.

- E. The following definitions are added to the **DEFINITIONS** Section, but only with respect to the Crime Additional Coverages provided under this endorsement:

**"Employee"**

- a. "Employee" means:

- (1) Any natural person:
  - (a) While in your service and for 30 days after termination of service; and

- (b) Who you compensate directly by salary, wages or commissions; and
  - (c) Who you have the right to direct and control while performing services for you;
- (2) Any natural person who is furnished temporarily to you:
- (a) To substitute for a permanent "employee" as defined in paragraph (1) above, who is on leave; or
  - (b) To meet seasonal or short-term work load conditions;
- while that person is subject to your direction and control and performing services for you excluding, however, any such person while having care and custody of property outside the described premises.
- (3) Any natural person who is leased to you under a written agreement, between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in paragraph (2) above;
- (4) Any natural person who is:
- (a) A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any employee benefit plan insured under this insurance; or
  - (b) Your director or trustee while that person is handling funds or other property of any "employee benefit plan" insured under this insurance.

- (5) Any natural person who is a former "employee", director, partner, member, manager, representative or trustee retained as a consultant while performing services for you; or
  - (6) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside the premises.
- b. But "employee" does not mean any:
- (1) Agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
  - (2) Manager, director or trustee except while performing acts coming within the scope of the usual duties of an "employee".

**"Forgery"** means the signing of the name of another person or organization with intent to deceive. It does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.

**"Money "** means:

- a. Currency, coins and bank notes in current use; and
- b. Traveler's checks, register checks and money orders held for sale to the public.

**"Securities"** means negotiable and non-negotiable instruments or contracts representing either "Money" or other property and includes tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use, and evidences of debt issued in connection with credit or charge cards which are not of your own issue. But Securities does not include "Money" or lottery tickets held for sale.

**CRIME ADDITIONAL COVERAGES SCHEDULE**

<b>Crime Additional Coverage</b>	<b>Limit of Insurance</b>
Employee Theft:	\$50,000
Non-compensated Officers Included	
Property Managers Included	
Volunteer Workers Included	
Forgery or Alteration:	\$50,000
Theft, Disappearance and Destruction of Money and Securities:	
• Inside Premises:	\$50,000
• Outside Premises:	\$50,000
Money Orders and Counterfeit Paper Currency:	\$25,000
Deductible: \$10,000	

# TRAVELERS PROPERTY COVERAGE FORM

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

Throughout this 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 Paragraph G – 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 Paragraph A.1., and limited in Paragraph A.2., Property Not Covered, if a Limit of Insurance is shown in the Declarations for that type of property.

**a. Building(s)**, meaning the building or structure described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Foundations;
- (4) Retaining walls, whether or not attached;
- (5) Permanently attached:
  - (a) Machinery; and
  - (b) Equipment;
- (6) Outdoor swimming pools;
- (7) 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;
  - (d) Lobby and hallway furnishings;
  - (e) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
  - (f) Lawn maintenance and snow removal equipment;

(g) Building systems and equipment, including alarm, communication, security and monitoring devices; and

(h) Heating, air conditioning and ventilation equipment;

(8) Underground pipes, flues or drains; and

(9) If not covered by other insurance:

(a) Additions under construction, alterations and repairs to the building or structure; and

(b) Materials, equipment, supplies and temporary structures, on or within 1,000 feet of the described premises, used for making additions, alterations or repairs to the building or structure.

**b. Business Personal Property** consisting of the following located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 1,000 feet of the premises described in the Declarations, unless otherwise specified in the Declarations:

- (1) Furniture and fixtures;
- (2) Machinery and equipment (including "electronic data processing equipment");
- (3) "Stock";
- (4) All other personal property owned by you and used in your business;
- (5) Property of others that is in your care, custody or control;
- (6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:

- (a) Made a part of the building or structure you rent, lease or occupy but do not own; and
  - (b) You acquired or made at your expense but are not permitted to legally remove; and
- (7) Leased personal property that you have a contractual responsibility to insure unless otherwise insured under Paragraph **A.1.b.(5)**.

## 2. Property Not Covered

Covered Property does not include:

- a. Accounts, bills, currency, food stamps or other evidences of debt, money, notes, checks, drafts or securities, except as provided in the Accounts Receivable Coverage Extension. Lottery tickets held for sale are not securities;
- b. Automobiles, motorcycles, motor trucks, motor homes and similar vehicles held for sale, lease, loan or rent;
- c. Vehicles or self-propelled machines (including watercraft) that are:

- (1) Operated principally away from the described premises; or
- (2) Licensed for use on public roads.

This paragraph does not apply to:

- (a) Vehicles or self-propelled machines or autos you manufacture, process or warehouse; or
- (b) Vehicles or self-propelled machines you hold for sale, lease, loan or rent other than those excluded under **A.2.b.** above.
- d. Aircraft, except unmanned aircraft that is not in flight. In flight includes takeoff and landing;
- e. Watercraft (including motors, equipment and accessories) while afloat;
- f. Dams or dikes;
- g. Contraband, or property in the course of illegal transportation or trade;
- h. The cost of excavating, grading, backfilling or filling. This paragraph does not apply to costs necessarily incurred to repair or replace covered loss or damage to Covered Property, but any costs associated with land stabilization and land reconstruction are excluded;

- i. Land whether in its natural state or otherwise (including land on which the property is located), land improvements or the cost of restoring or stabilizing land;
- j. "Electronic data processing data and media" that is obsolete or no longer used by you;
- k. The following property while outside of buildings:

- (1) Bridges, walks, roadways, patios or other paved surfaces;
- (2) Artificial turf and associated underlayment;
- (3) Trees, shrubs and plants (other than trees, shrubs or plants that are "stock" or are part of a vegetated roof), or lawns (including fairways, greens and tees), other than lawns that are part of a vegetated roof;
- (4) Radio or television antennas, (including microwave or satellite dishes) and including their lead-in wiring, masts or towers; or
- (5) Fences;

except as provided in the Outdoor Property Coverage Extension;

- l. Harvested grain, hay, straw or other crops while outside of buildings, growing crops or standing timber;
- m. The cost to research, replace or restore the information on "valuable papers and records", except as provided in the Valuable Papers and Records – Cost of Research Coverage Extension;
- n. Property that is covered under another Coverage Form of 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;
- o. "Fine arts", except as provided in the Fine Arts Additional Coverage;  
This paragraph does not apply to "stock".
- p. "Electronic data processing data and media" except as provided in the Electronic Data Processing Data and Media Coverage Extension or in the Accounts Receivable Coverage Extension;

- q. Outdoor signs, except as provided in the Signs Coverage Extension;
- r. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;
- s. Human body parts and fluids, including organs, tissue, blood and cells;
- t. Water, whether in its natural state or otherwise, and whether above or below ground or the cost of reclaiming or restoring water.

This paragraph does not apply to:

- (1) Water contained in storage tanks used in your manufacturing or processing operations as specifically insured under the Stored Water Additional Coverage; or

- (2) Bottled water.

- u. Trailers or semi-trailers operated principally away from the described premises or licensed for use on public roads, except as provided in the Non-Owned Detached Trailers Coverage Extension.

### 3. Covered Causes of Loss

Covered Causes of Loss means RISKS OF DIRECT PHYSICAL LOSS unless the loss is:

- a. Limited in Paragraph A.4., Limitations; or
- b. Excluded in Paragraph B., Exclusions.

### 4. Limitations

- a. 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.

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

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

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

- (2) 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.

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

- (4) 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.

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

- (6) Lawns, trees, shrubs or plants that are part of a vegetated roof or "stock" of outdoor trees, shrubs and plants caused by or resulting from:

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

- (b) Changes in or extremes of temperature;

- (c) Disease;

- (d) Frost or hail; or

- (e) Rain, snow, sand, dust, ice or sleet.

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

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

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

- (a) Glass that is part of the exterior or interior of a building or structure;
- (b) Containers of property held for sale; or
- (c) Photographic or scientific instrument lenses.

c. The theft limit shown for each category, Paragraphs (1) through (4) below, is the total limit for loss of or damage by theft to all property in each category. The theft 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 theft limits are:

- (1) \$2,500 for all furs, fur garments and garments trimmed with fur.
- (2) \$5,000 for all 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.
- (3) \$2,500 for all patterns, dies, molds and forms.
- (4) \$1,000 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

These theft limits are included in and do not increase the Limit of Insurance applicable to the Covered Property.

d. We will not pay for any loss or damage caused by any of the following, even if they are Covered Causes of Loss, if the building where loss or damage occurs has been "vacant" for more than 60 consecutive days before that loss or damage occurs:

- (1) Vandalism;
- (2) Sprinkler Leakage, unless you have protected the system against freezing;
- (3) Building glass breakage;
- (4) Discharge or leakage of water;
- (5) Theft; or

(6) Attempted theft.

With respect to Covered Causes of Loss other than those listed in Paragraphs (1) through (6) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

## 5. Additional Coverages

Each of the following Additional Coverages applies subject to the applicable Limit of Insurance stated in the Additional Coverage unless a revised Limit of Insurance or *Not Covered* is indicated in the Declarations.

Unless otherwise stated, payments made under the following Additional Coverages are in addition to the applicable Limits of Insurance.

### a. Reward Coverage

We will reimburse you for rewards you have incurred for information leading to:

- (1) The successful return of undamaged stolen Covered Property to a law enforcement agency; or
- (2) The arrest and conviction of any person who has damaged or stolen any of your Covered Property.

We will pay 25% of the covered loss (prior to the application of any applicable deductible and recovery of undamaged stolen Covered Property) up to a maximum of \$10,000 in any one occurrence for the payments of rewards you make. These reward payments must be documented. No deductible applies to this Additional Coverage.

### b. Claim Data Expense

(1) We will pay the reasonable expenses you incur in preparing claim data when we require such data to show the extent of loss. This includes the cost of taking inventories, making appraisals and preparing other documentation.

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

- (a) Any expenses incurred, directed, or billed by or payable to attorneys, insurance adjusters or their associates or subsidiaries;
- (b) Any costs in connection with Paragraph E.2., Appraisal; or

(c) Any expenses incurred, directed or billed by or payable to insurance brokers or agents, or their associates or subsidiaries, without our written consent prior to such expenses being incurred.

(3) The most we will pay under this Additional Coverage in any one occurrence is \$2,500.

**c. Abrupt Collapse**

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

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

(2) We will pay for direct physical loss of or damage to Covered Property caused by abrupt 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 such collapse is caused by one or more of the following:

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

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

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

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

if the collapse is caused in part by:

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

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

(iii) Breakage of building glass;

(iv) Weight of people or personal property; or

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

(3) This Additional Coverage does not apply to:

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

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

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

(4) With respect to the following property:

(a) Awnings, gutters and downspouts;

(b) Outdoor radio or television antennas (including microwave or satellite dishes) and their lead-in wiring, masts or towers;

(c) Fences;

(d) Piers, wharves and docks;

(e) Beach or diving platforms or appurtenances;

(f) Retaining walls;

(g) Walks, roadway and other paved surfaces;

(h) Yard fixtures; or

(i) Outdoor swimming pools;

if an abrupt collapse is caused by a cause of loss listed in Paragraphs **(2)(a)** through **(2)(d)** above, we will pay for loss or damage to that property only if such loss or damage

is a direct result of the abrupt collapse of a building insured under this Coverage Form and the property is Covered Property under this Coverage Form.

- (5) If personal property abruptly falls down or caves in and such collapse is not the result of abrupt collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:
- (a) The collapse of personal property was caused by a cause of loss listed in Paragraphs (2)(a) through (2)(d) of this Additional Coverage;
  - (b) The personal property that collapses is inside a building; and
  - (c) The property that collapses is not of a kind listed in Paragraph (4) above, regardless of whether that kind of property is considered to be personal property or real property.

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

- (6) This Additional Coverage does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- (7) Payments under this Additional Coverage are included in and do not increase the applicable Limit of Insurance.
- (8) The term Covered Cause of Loss includes the Additional Coverage as described and limited in Paragraphs c.(1) through c.(7).

**d. Debris Removal**

- (1) We will pay your expense to remove debris of Covered Property and other debris that is on the described premises, other than outdoor

property as included in the Outdoor Property Coverage Extension, when such debris is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.

- (2) This Additional Coverage does not apply to costs to:
- (a) Remove debris of property of yours that is not insured under this policy, or property in your possession that is not Covered Property;
  - (b) Remove debris of property owned by or leased to the landlord of the building where your described premises are located, unless you have a contractual responsibility to insure such property and it is insured under this policy;
  - (c) Remove any property that is Property Not Covered, including property addressed under the Outdoor Property Coverage Extension;
  - (d) Remove property of others of a type that would not be Covered Property under this Coverage Form;
  - (e) Remove deposits of mud or earth from the grounds of the described premises;
  - (f) Extract "pollutants" from land or water; or
  - (g) Remove, restore or replace polluted land or water.
- (3) Except as provided in Paragraph (4) below, payment for Debris Removal is included within the applicable Covered Property Limit of Insurance shown in the Declarations. The most we will pay under this Additional Coverage is 25% of:
- (a) The amount we pay for the direct physical loss or damage to Covered Property; plus

**(b)** The deductible in this Coverage Part applicable to that loss or damage.

However, if no Covered Property has sustained direct physical loss or damage, the most we will pay for removal of debris of other property (if such removal is covered under this Additional Coverage) is \$5,000 at each location.

**(4)** When the debris removal expense exceeds the 25% limitation in Paragraph **(3)** above or when the sum of the debris removal expense and the amount we pay for the direct physical loss of or damage to Covered Property exceeds the applicable Covered Property Limit of Insurance, we will pay up to an additional \$25,000 for debris removal expense in any one occurrence, at each described premises.

**e. Electronic Vandalism**

**(1)** As used in this Coverage Form, the terms Covered Cause of Loss and "specified cause of loss" are amended to include "electronic vandalism".

**(2)** This Additional Coverage does not apply to or modify any limits or deductibles that apply to:

**(a)** The insurance otherwise provided under this Coverage Form for loss or damage by a "specified cause of loss", other than "electronic vandalism", that results from "electronic vandalism"; or

**(b)** Any other insurance provided under this Coverage Form to which the Electronic Vandalism exclusion does not apply.

**(3)** The most we will pay for the total of all loss or damage under this Additional Coverage and any applicable Electronic Vandalism Additional Coverage under the Travelers Business Income (And Extra Expense) Coverage Form arising out of all occurrences of "electronic vandalism" occurring during each separate 12-month

period of this policy (beginning with the effective date of this policy) is \$10,000. This shared limit:

**(a)** Is included in and does not increase, the otherwise applicable Limits of Insurance, including any limit applicable to loss under any coverage that is attributable to "electronic vandalism" to which this Additional Coverage applies and that would not have been covered in the absence of this Additional Coverage; and

**(b)** Applies regardless of the number or types of coverages or the number of premises involved.

**(4)** This Additional Coverage is subject to the otherwise applicable Deductible provisions except that, in no event will the total deductible amount applied to loss in any one occurrence under this Additional Coverage and the Electronic Vandalism Additional Coverage in the Travelers Business Income (And Extra Expense) Coverage Form, be less than \$1,000.

**f. Expediting Expenses**

**(1)** In the event of direct physical loss of or damage to Covered Property caused by or resulting from a Covered Cause of Loss, we will pay for the reasonable and necessary additional expenses you incur to make temporary repairs, expedite permanent repairs, or expedite permanent replacement, at the premises sustaining loss or damage. Expediting expenses include overtime wages and the extra cost of express or other rapid means of transportation. Expediting expenses do not include expenses you incur for the temporary rental of property or temporary replacement of damaged property.

**(2)** The most we will pay in any one occurrence under this Additional Coverage is \$2,500.

**g. Fine Arts**

(1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at any described premises, we will pay for direct physical loss of or damage to "fine arts", including "stock" of "fine arts", that are :

- (a) Owned by you; or
- (b) Owned by others and in your care, custody or control;

caused by or resulting from a Covered Cause of Loss, including while in transit or on exhibit, anywhere within the Coverage Territory.

(2) The following Limitations do not apply to this Additional Coverage:

- (a) Breakage limitation under Paragraph **A.4.b.(2)**;
- (b) Missing property limitation under Paragraph **A.4.a.(4)**.

(3) The following exclusions apply to this Additional Coverage:

- (a) We will not pay for loss or damage caused by or resulting from wear and tear, any quality in the property that causes it to damage or destroy itself, gradual deterioration, insects, birds, rodents or other animals;
- (b) We will not pay for loss or damage caused by or resulting from dampness or dryness of atmosphere, or changes in or extremes of temperature;
- (c) We will not pay for loss or damage caused by or resulting from any repairing, restoration or retouching process;
- (d) We will not pay for loss or damage caused by or resulting from faulty packing;
- (e) Paragraph **B.1.b.** Earth Movement;
- (f) Paragraph **B.1.c.** Electronic Vandalism;
- (g) Paragraph **B.1.d.** Governmental Action;

(h) Paragraph **B.1.e.** Nuclear Hazard;

(i) Paragraph **B.1.g.** War and Military Action;

(j) Paragraph **B.1.h.** Water;

(k) Paragraph **B.1.i.** Neglect; and

(l) Paragraph **B.2.g.** Freezing.

No other exclusions in Paragraph **B.** Exclusions apply to this Additional Coverage. However, if any exclusions are added by endorsement to this Coverage Part, such exclusions will apply to this Additional Coverage.

(4) The most we pay for loss or damage under this Additional Coverage in any one occurrence is \$10,000.

**h. 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 \$25,000 for service at each premises described in the Declarations. Such limit is the most we will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed.

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

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

No deductible applies to this Additional Coverage.

**i. Fire Protective Equipment Discharge**

(1) If fire protective equipment discharges accidentally or to control a Covered Cause of Loss we will pay your cost to:

- (a) Refill or recharge the system with the extinguishing agents that were discharged; and
- (b) Replace or repair faulty valves or controls that caused the discharge.

(2) The most we will pay under this Additional Coverage in any one occurrence is \$10,000.

No deductible applies to this Additional Coverage.

**j. Limited Coverage Fungus, Wet Rot or Dry Rot**

(1) The coverage provided in Paragraph (2) below only applies when "fungus", wet rot or dry rot is the result of any of the "specified causes of loss", other than fire or lightning, that occurs during the policy period, and only if all reasonable means have been used to save and preserve the property from further damage at the time of and after the occurrence of such "specified causes of loss".

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

(2) We will pay for direct physical loss of or damage to Covered Property caused by "fungus", wet rot or dry rot, including:

(a) The cost of removal of the "fungus", wet rot or dry rot;

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

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

(3) The most we will pay for the total of all loss or damage under this Additional Coverage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) occurring during each separate 12-month period of this policy (beginning with the effective date of this policy) is \$15,000.

(4) The coverage provided under this Additional Coverage is included in and does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence

results in loss or damage by "fungus", wet rot or dry rot, and other loss or damage, we will not pay more for the total of all loss or damage than the applicable Limit of Insurance on the Covered Property.

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

**k. Green Building Alternatives – Increased Cost**

(1) If direct physical loss or damage by a Covered Cause of Loss occurs to a building that is Covered Property, we will pay for:

(a) The reasonable additional cost you incur to repair or replace the lost or damaged portions of the building using products or materials that:

(i) Are "green" alternatives to the products or materials of the lost or damaged property, in accordance with the documented standards of a "green authority"; and

(ii) Are otherwise of comparable quality and function to the damaged property;

and

(b) The reasonable additional cost you incur to employ "green" methods or processes of construction, disposal or recycling in the course of the repair and replacement of the lost or damaged building, in accordance with the documented standards of a "green authority".

(2) The insurance provided under this Additional Coverage applies only if replacement cost valuation applies to the lost or damaged building and then only if the building is actually repaired or replaced as soon as

reasonably possible after the loss or damage.

- (3) The insurance provided under this Additional Coverage does not apply to any building that has been "vacant" for more than 60 consecutive days before the loss or damage occurs.
- (4) This Additional Coverage does not apply to property covered under the New Acquired or Constructed Property Additional Coverage.
- (5) The most we will pay for the additional cost incurred with respect to each building in any one occurrence under this Additional Coverage is determined by:
  - (a) Multiplying 5%; times
  - (b) The amount we would otherwise pay for the direct physical loss of or damage to the building, prior to application of any applicable deductible.
- (6) However, the most we will pay for the additional cost incurred in any one occurrence, regardless of the number of buildings involved, is \$25,000.

#### **I. Green Building Reengineering and Recertification Expense**

- (1) If, as a result of direct physical loss or damage by a Covered Cause of Loss to a building that is Covered Property, the pre-loss level of "green" building certification by a "green authority" on the building is lost, we will pay for the following reasonable additional expenses you incur to re-attain the pre-loss level of "green" building certification from that "green authority":
  - (a) The reasonable additional expense you incur to hire a qualified engineer or other professional required by the "green authority" to be involved in:
    - (i) Designing, overseeing or documenting the repair or replacement of the lost or damaged building; or

- (ii) Testing and recalibrating the systems and mechanicals of the lost or damaged building to verify that the systems and mechanicals are performing in accordance with the design of such systems and mechanicals or the specifications of the manufacturer;

and

- (b) The reasonable registration and recertification fees charged by the "green authority".
- (2) This Additional Coverage applies to the additional expenses described above that you incur to achieve the pre-loss level of "green" building certification in accordance with the standards of the "green authority" that exist at the time of repair or replacement, even if the standards have changed since the original certification was achieved.
- (3) The insurance provided under this Additional Coverage does not apply to any building that has been "vacant" for more than 60 consecutive days before the loss or damage occurs.
- (4) This Additional Coverage does not apply to property covered under the Newly Acquired or Constructed Property Additional Coverage.
- (5) The most we will pay in any one occurrence under this Additional Coverage for:
  - (a) All expenses incurred with respect to each building is 5% of the sum of:
    - (i) The amount we pay for the direct physical loss of or damage to the building, including any amount paid under the Green Building Alternatives – Increased Cost Additional Coverage; and
    - (ii) The deductible amount applied to the loss payment for direct physical loss or damage to the building;

- (b) All expenses incurred, regardless of the number of buildings involved, is \$25,000.

**m. Newly Acquired or Constructed Property**

**(1) Buildings**

- (a) We will pay for direct physical loss of or damage to the following property caused by or resulting from a Covered Cause of Loss:
  - (i) Your new buildings or additions while being built on the described premises or newly acquired premises including materials, equipment, supplies and temporary structures, on or within 1,000 feet of the premises;
  - (ii) Buildings you acquire at locations other than the described premises; and
  - (iii) Buildings that you become newly required to insure under a written contract.
- (b) The most we will pay for loss or damage to newly constructed buildings or newly acquired buildings under this Additional Coverage in any one occurrence is \$500,000 at each premises.

**(2) Business Personal Property**

- (a) When a Limit of Insurance is shown in the Declarations for Business Personal Property at any described premises, we will pay for direct physical loss of or damage to the following property caused by or resulting from a Covered Cause of Loss:
  - (i) Business Personal Property at a building you newly acquire or construct at a location described in the Declarations; and
  - (ii) Business Personal Property at any other location you acquire by purchase or lease (other than at fairs, trade shows or exhibitions).

- (b) The most we will pay for loss or damage to Business Personal Property under this Additional Coverage in any one occurrence is \$250,000 at each premises.

- (3) Insurance provided under this Additional Coverage for each newly acquired or constructed property will end when any of the following first occurs:

- (a) This policy is cancelled or expires;
- (b) 180 days expire after you acquire or begin to construct the property;
- (c) You report values to us; or
- (d) The property is more specifically insured.

We will charge you additional premium for values reported from the date construction begins or you acquire the property.

**n. Ordinance or Law**

- (1) In the event of covered direct physical loss or damage to a building that is Covered Property, the following coverages apply, but only with respect to that lost or damaged building:

**(a) Coverage A – Coverage For Loss To The Undamaged Portion of The Building**

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.

**(b) Coverage B – Demolition Cost Coverage**

We will pay under Coverage B the cost to demolish the building 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.

**(c) Coverage C – Increased Cost of Construction**

We will pay under Coverage C the increased cost to:

- (i) Repair or reconstruct damaged portions of that building; or
- (ii) 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.

This Coverage C 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. This Coverage C does not apply if the building is not repaired, reconstructed or remodeled.

- (2)** The coverages described in **(1)** above apply only if the provisions in Paragraphs **(a)** and **(b)** below are satisfied and are then subject to the qualifications set forth in Paragraph **(c)** below:

**(a)** The ordinance or law:

- (i) Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
- (ii) Is in force at the time loss.

But this Additional Coverage 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.

**(b)** The building either:

- (i) Sustains direct physical loss or damage that is covered under this Coverage Part and such damage results in enforcement of the ordinance or law; or
- (ii) Sustains both direct physical loss or damage that is covered under this Coverage Part and direct physical loss or damage that is not covered under this Coverage Part and the building damage in its entirety results in enforcement of the ordinance or law.

If the building sustains direct physical loss or damage that is not covered under this Coverage Part, and such damage is the subject of the ordinance or law, then there is no coverage under this Additional Coverage even if the building has also sustained covered direct physical loss or damage.

- (c)** In the situation described in **(b)** **(ii)** above, we will not pay the full amount of loss otherwise payable under the terms of Coverage **A**, **B** or **C** of this Additional Coverage. Instead, we will pay a proportion of such loss. The proportion of such loss that we will pay is the proportion that the covered direct physical loss or damage bears to the total direct physical loss or damage.

However, if covered direct physical loss or 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 Coverage **A**, **B**, or **C** of this Additional Coverage.

- (3)** We will not pay under this Additional Coverage for:

- (a)** Enforcement of or compliance with any ordinance or law that 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 rot or dry rot;

(b) The costs associated with the enforcement of or compliance with 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", "fungus", wet rot or dry rot; or

(c) Loss due to any ordinance or law that:

(i) You were required by the ordinance or law to comply with before the loss, even if the building was undamaged; and

(ii) You failed to comply with.

(4) Exclusion **B.1.a.**, Ordinance or Law, does not apply to this Additional Coverage.

**(5) Loss Payment**

Subject to the limit described in Paragraph (6) below and the apportionment procedures set forth in the Ordinance or Law Additional Coverage of this Coverage Form:

(a) The insurance provided under this Additional Coverage for Coverage A loss in value to the undamaged portion of the building is limited as follows:

(i) If Replacement Cost Coverage applies and the building is repaired or replaced on the same or another premises, we will not pay more than the lesser of:

a) The amount you actually spend to repair, rebuild or reconstruct the undamaged portion of the building that was necessarily demolished

as a consequence of the ordinance or law; or

b) The amount it would cost to restore the undamaged portion of the building on the same premises and to the same height, floor area, style and comparable quality of the original undamaged portion of the building.

(ii) If Replacement Cost Coverage applies and the building is not repaired or replaced, or if Replacement Cost Coverage does not apply, we will not pay more than the actual cash value of the undamaged portion of the building at the time of loss.

(b) We will not pay more for Coverage B demolition costs than the amount you actually spend to demolish and clear the site of the described premises.

(c) We will not pay for Coverage C increased construction costs under this Additional Coverage:

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

(d) The insurance provided under this Additional Coverage for increased cost of construction is limited as follows:

(i) 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 is the increased cost of construction at the same premises; or

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

(6) The most we will pay for loss under this Additional Coverage for the total of all coverages described in Paragraph (1) above in any one occurrence is \$25,000 at each described premises.

**o. Pollutant Cleanup and Removal**

(1) We will pay your necessary and reasonable 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:

- (a) At the described premises;
- (b) To Covered Property; and
- (c) During the policy period.

(2) 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.

(3) 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 that is performed in the course of extracting the "pollutants" from the land or water.

(4) The most we will pay under this Additional Coverage is \$25,000 for the sum of all covered expenses arising out of all Covered Causes of Loss occurring during each separate 12-month period of this policy (beginning with the effective date of this policy).

**p. Preservation of Property**

If it is necessary to temporarily move Covered Property from the described premises to preserve it from the threat of imminent loss or damage by a Covered Cause of Loss:

(1) We will pay for the reasonable and necessary expenses actually incurred by you to remove the

Covered Property from the described premises, temporarily store the Covered Property at another location and move the Covered Property back to the described premises within a reasonable time after the threat of imminent loss or damage to the property by the Covered Cause of Loss passes. The most we will pay for the sum of all such expenses that you incur due to the threat of loss or damage from any one occurrence is the lesser of the applicable Covered Property Limit of Insurance or \$100,000, subject to the following:

(a) When the Causes of Loss – Earthquake endorsement or Causes of Loss – Earthquake Sprinkler Leakage endorsement is included in this Coverage Part, our payment for the sum of all expenses incurred due to the threat of loss or damage to Covered Property from all threatened occurrences of all such Covered Causes of Loss in any one policy year will not exceed \$100,000. This limit is not included in, and does not reduce, the Limits of Insurance that apply to loss or damage to which the Causes of Loss – Earthquake endorsement or the Causes of Loss – Earthquake Sprinkler Leakage endorsement applies.

(b) When the Causes of Loss – Broad Form Flood endorsement is included in this Coverage Part, our payment for the sum of all expenses incurred due to the threat of loss or damage to Covered Property from all threatened occurrences of such Covered Cause of Loss in any one policy year will not exceed \$100,000. This limit is not included in, and does not reduce, the Limits of Insurance that apply to loss or damage to which the Causes of Loss – Broad Form Flood endorsement applies.

- (c) If the threat of imminent direct physical loss or damage to Covered Property from the same occurrence spans over multiple policy years, only the limit that applies to this Coverage in the policy year in which the expenses are first incurred by you will apply to the total of the expenses incurred due to the threat of loss or damage from that occurrence.

This coverage is subject to the deductible that applies to loss or damage to the Covered Property by the Covered Cause of Loss from which the property is being preserved.

- (2) We will also pay for any direct physical loss of or damage to the Covered Property while it is being moved from the described premises, while temporarily stored at another location or while being moved back to the described premises, subject to the following:

- (a) This coverage is included in and does not increase the applicable Covered Property Limit of Insurance.
- (b) This coverage will only apply if the loss or damage occurs within 90 days after the Covered Property is first moved and will end when any of the following first occurs:
  - (i) The policy is amended to provide insurance at the new location;
  - (ii) The Covered Property is returned to the original location; or
  - (iii) This policy expires.

**q. Temporary Relocation of Property**

- (1) If Covered Property is removed from the described premises and stored temporarily at a location you own, lease or operate while the described premises is being renovated or remodeled, we will pay for direct physical loss of or damage to that stored property:

- (a) Caused by or resulting from a Covered Cause of Loss;
  - (b) Up to \$50,000 at each temporary location in any one occurrence; and
  - (c) During the storage period of up to 90 consecutive days but not beyond expiration of this policy.
- (2) This Additional Coverage does not apply if the stored property is more specifically insured.

**r. Stored Water**

- (1) We will pay the cost you incur to replace water that is used in your manufacturing or processing operations that is contained in any:

- (a) Above-ground storage tank; or
- (b) Manufacturing or processing equipment (including related piping) at the described premises;

when the water has been released or rendered unusable for its intended purpose due to direct physical loss of or damage to such tank, equipment or piping by a Covered Cause of Loss.

- (2) This Additional Coverage does not apply to costs to restore or replace water contained in any fire suppression system.
- (3) The most we will pay in any one occurrence under this Additional Coverage is \$25,000.

**s. Water or Other Substance Loss – Tear Out and Replacement Expense**

In the event of covered loss or damage caused by or resulting from water (or steam), other liquid, powder or molten material, we will also pay:

- (1) The necessary cost of tearing out and replacing any part of a covered building or structure to repair damage to the system or appliance from which the water (or steam), other liquid, powder or molten material escapes; and
- (2) The cost to repair or replace damaged parts of fire extinguishing equipment if:

- (a) The damage results in discharge of any substance from an automatic fire protective system; or

- (b) Is directly caused by freezing.

Except as provided under (2) above, we will not pay the cost to repair any defect in a system or appliance from which the water (or steam), other liquid, powder or molten material escapes.

Payments under this Additional Coverage are included in and do not increase the applicable Limit of Insurance.

## 6. Coverage Extensions

Each of the following Coverage Extensions applies subject to the applicable Limit of Insurance stated in the Coverage Extension, unless a revised Limit of Insurance or *Not Covered* is indicated in the Declarations.

Unless otherwise stated, payments made under the following Coverage Extensions are included in and do not increase the applicable Limits of Insurance.

### a. Accounts Receivable

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to loss, as described in Paragraph (2) below, due to direct physical loss of or damage to your records of accounts receivable (including those on electronic data processing media) caused by or resulting from a Covered Cause of Loss. Credit card company media will be considered accounts receivable until delivered to the credit card company.

- (2) We will pay for:

- (a) All amounts due from your customers that you are unable to collect;
- (b) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
- (c) Collection expenses in excess of your normal collection expenses that are made necessary by the loss or damage; and

- (d) Other reasonable expenses that you incur to re-establish your records of accounts receivable.

- (3) The following exclusions apply to this Coverage Extension:

- (a) We will not pay for loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions;

- (b) We will not pay for any loss or damage that requires any audit of records or any inventory computation to prove its factual existence;

- (c) We will not pay for loss or damage caused by or resulting from alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of money, securities or other property. But this exclusion applies only to the extent of the wrongful giving, taking or withholding;

- (d) Paragraph **B.1.b.** Earth Movement;

- (e) Paragraph **B.1.c.** Electronic Vandalism;

- (f) Paragraph **B.1.d.** Governmental Action;

- (g) Paragraph **B.1.e.** Nuclear Hazard;

- (h) Paragraph **B.1.g.** War and Military Action;

- (i) Paragraph **B.1.h.** Water;

- (j) Paragraph **B.1.i.** Neglect;

- (k) Paragraph **B.2.g.** Freezing;

- (l) Paragraph **B.2.h.** Dishonesty;

- (m) Paragraph **B.2.i.** Voluntary Parting; and

- (n) The Exclusions listed in Paragraph **B. 3.**

No other exclusions in Paragraph **B.** Exclusions apply to this Coverage Extension. However, if any exclusions are added by endorsement to this Coverage Part,

such exclusions will apply to this Coverage Extension.

- (4) The most we will pay under this Coverage Extension for loss of or damage to records of accounts receivable in any one occurrence while in transit or at a premises other than the described premises is \$25,000.
- (5) The most we will pay under this Coverage Extension for loss of or damage to records of accounts receivable in any one occurrence at each described premises is \$25,000.
- (6) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

**b. Appurtenant Buildings and Structures**

- (1) When a Limit of Insurance is shown in the Declarations for Building at the described premises, you may extend that insurance to apply to direct physical loss of or damage to incidental appurtenant buildings or structures, within 1,000 feet of that described premises, caused by or resulting from a Covered Cause of Loss.
- (2) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to Business Personal Property within incidental appurtenant buildings or structures within 1,000 feet of that described premises, caused by or resulting from a Covered Cause of Loss.
- (3) Incidental appurtenant buildings or structures include:
  - (a) Storage buildings including portable storage units;
  - (b) Carports;
  - (c) Garages;
  - (d) Pump houses; or
  - (e) Above ground tanks;that have not been specifically described in the Declarations.  
But incidental appurtenant buildings and structures do not include:

- (a) Outside signs, whether or not attached to buildings or structures;
- (b) Any property to which the Outdoor Property Coverage Extension applies; or
- (c) Any property excluded under **A.2. Property Not Covered.**

- (4) The most we will pay under this Coverage Extension in any one occurrence for any combination of loss of or damage to Building and Business Personal Property is \$50,000.
- (5) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

**c. Building Glass**

- (1) If:
  - (a) You are the building owner; and
  - (b) A Limit of Insurance is shown in the Declarations for Building at the described premises;you may extend that insurance to apply to direct physical loss of or damage to all exterior and interior building glass caused by or resulting from a Covered Cause of Loss, including glass breakage and damage to glass by chemicals accidentally or maliciously applied to glass.
- (2) If:
  - (a) You are a tenant;
  - (b) A Limit of Insurance is shown in the Declarations for Building or Business Personal Property at the described premises; and
  - (c) You are contractually obligated to insure, repair or replace building glass at the described premises;you may extend that insurance to apply to direct physical loss of or damage to all exterior and interior building glass caused by or resulting from a Covered Cause of Loss, including glass breakage and damage to glass by chemicals accidentally or maliciously applied to glass.

(3) We will also pay for necessary expenses in connection with loss or damage covered in Paragraphs (1) or (2) above, incurred by you to:

- (a) Put up temporary plates or board up openings;
- (b) Repair or replace encasing frames; and
- (c) Remove or replace obstructions.

(4) The following exclusions apply to this Coverage Extension:

- (a) We will not pay for loss or damage caused by or resulting from:
  - (i) Wear and tear;
  - (ii) Hidden or latent defect;
  - (iii) Corrosion; or
  - (iv) Rust;
- (b) Paragraph B.1.b. Earth Movement;
- (c) Paragraph B.1.c. Electronic Vandalism;
- (d) Paragraph B.1.d. Governmental Action;
- (e) Paragraph B.1.e. Nuclear Hazard;
- (f) Paragraph B.1.g. War and Military Action; and
- (g) Paragraph B.1.h. Water.

No other exclusions in Paragraph B. Exclusions apply to this Coverage Extension. However, if any exclusions are added by endorsement to this Coverage Part, such exclusions will apply to this Coverage Extension.

#### d. Property Off Premises

(1) When a Limit of Insurance is shown in the Declarations for Covered Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to such property caused by or resulting from a Covered Cause of Loss while such property is temporarily away from the described premises:

- (a) At any fair, trade show or exhibition within the Coverage

Territory at a premises you do not own, lease or regularly operate;

(b) At installation premises or temporary storage premises while awaiting installation within the Coverage Territory that you do not own, lease or regularly operate. This coverage applies only to such property that will or has become a permanent part of an installation project being performed for others by you or on your behalf. This coverage will end when any of the following first occurs:

- (i) Your interest in the property ceases;
- (ii) The installation is accepted;
- (iii) The installation is abandoned;
- (iv) The property is more specifically insured; or
- (v) This policy is cancelled or expires, whichever occurs first; or

(c) At any other premises within the Coverage Territory that you do not own, lease or regularly operate.

(2) This Coverage Extension does not apply to property:

(a) Sold by you under an installment plan, conditional sale, trust agreement or other deferred payment plan after delivery to the purchasers.

(b) Otherwise covered under the following Additional Coverages:

- (i) Fine Arts; or
- (ii) Temporary Relocation of Property; or

(c) Otherwise covered under the following Coverage Extensions:

- (i) Accounts Receivable;
- (ii) Electronic Data Processing Data and Media; or
- (iii) Valuable Papers and Records – Cost of Research.

- (d) In due course of transit.
  - (3) The most we will pay in any one occurrence under this Coverage Extension is \$25,000.
  - (4) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.
- e. Covered Property In Transit**
- (1) When a Limit of Insurance is shown in the Declarations for Covered Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to such property caused by or resulting from a Covered Cause of Loss while in due course of transit at your risk within the Coverage Territory.
  - (2) Paragraph **B.1.b.** and **B.1.h.** do not apply to this Coverage Extension.
  - (3) This Coverage Extension does not apply to:
    - (a) Property within 1,000 feet of the described premises;
    - (b) Property while in the custody of the United States Postal Service;
    - (c) Property while waterborne, except in regular ferry operations in the course of being moved by other means of transportation, and then to include General Average and Salvage Charges for which you become liable;
    - (d) Export shipments once:
      - (i) The shipment is loaded on board the export conveyance; or
      - (ii) Coverage under an Ocean Marine or other insurance policy covering the shipment begins;
 whichever is earlier;
    - (e) Import shipments prior to:
      - (i) The shipment being unloaded from the import conveyance; or
      - (ii) Coverage under an Ocean Marine or other insurance policy covering the shipment ends;
 whichever is later;
    - (f) Property of others for which you are responsible while acting as a common or contract carrier, freight forwarder, freight consolidator, freight broker or public warehouseman;
    - (g) Property sold by you under an installment plan, conditional sale, trust agreement or other deferred payment plan after delivery to the purchasers; or
    - (h) Tools, equipment, supplies and materials all used for service or repair in your business that are in a motor vehicle. However, this does not apply to property in the care, custody or control of your sales representatives.
    - (i) Property otherwise covered under the Fine Arts Additional Coverage; or
    - (j) Property otherwise covered under the following Coverage Extensions:
      - (i) Accounts Receivable;
      - (ii) Electronic Data Processing Data and Media; or
      - (iii) Valuable Papers and Records – Cost of Research.
  - (4) We will not pay for loss or damage by theft from a conveyance or container while unattended unless the portion of the conveyance or container containing the Covered Property is fully enclosed and securely locked, and the theft is by forcible entry of which there is visible evidence.
  - (5) The most we will pay in any one occurrence under this Coverage Extension is \$10,000.
  - (6) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

**f. Electronic Data Processing Data and Media**

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to "electronic data processing data and media", caused by or resulting from a Covered Cause of Loss.
- (2) The most we will pay under this Coverage Extension for loss of or damage to "electronic data processing data and media", while in transit or at premises other than the described premises, in any one occurrence, is \$10,000.
- (3) The most we will pay under this Coverage Extension for loss of or damage to duplicates of your "electronic data processing data and media" while stored at a separate premises from where your original "electronic data processing data and media" are kept, in any one occurrence, is \$10,000.
- (4) The most we will pay under this Coverage Extension for loss of or damage to "electronic data processing data and media", at each described premises in any one occurrence is \$10,000.
- (5) Payments under this Coverage Extension are in addition to the applicable Limits of Insurance.

**g. Green Business Personal Property Alternatives – Increased Cost**

- (1) If:
  - (a) The Declarations shows that you have coverage for Business Personal Property; and
  - (b) Direct physical loss or damage by a Covered Cause of Loss occurs to covered Business Personal Property at the described premises; and
  - (c) Such loss or damage requires replacement of such property, or with respect to improvements and betterments, requires repair or replacement;

you may extend that insurance to apply to the reasonable additional cost you incur to replace the lost or damaged Business Personal Property, or with respect to improvements and betterments, to repair or replace the lost or damaged portions of such improvements and betterments, using products or materials that:

- (i) Are "green" alternatives to the products or materials of the lost or damaged property, in accordance with the documented standards of a "green authority"; and
  - (ii) Are otherwise of comparable quality and function to the damaged property.
- (2) With respect to improvements and betterments you may also extend that insurance to apply to the reasonable additional cost you incur to employ "green" methods or processes of construction, disposal or recycling in the course of the repair and replacement of the lost or damaged building, in accordance with the documented standards of a "green authority".
- (3) The insurance provided under this Coverage Extension applies only if replacement cost valuation applies to the lost or damaged property and then only if the property is actually repaired or replaced as soon as reasonably possible after the loss or damage.
- (4) This Coverage Extension does not apply to "stock" or property of others that is in your care, custody or control.
- (5) The insurance provided under this Coverage Extension does not apply to Business Personal Property at any building that has been "vacant" for more than 60 consecutive days before the loss or damage occurs.
- (6) This Coverage Extension does not apply to property covered under the Newly Acquired or Constructed Property Additional Coverage.

(7) The most we will pay in any one occurrence under this Coverage Extension for the increased cost incurred with respect to the damaged property to which this Coverage Extension applies is determined by:

(a) Multiplying 5%; times

(b) The amount we would otherwise pay for the direct physical loss of or damage to the business personal property, prior to application of any applicable deductible.

(8) However, the most we will pay for the additional cost incurred in any one occurrence is \$25,000.

#### **h. Non-Owned Detached Trailers**

(1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss or damage by a Covered Cause of Loss to trailers or semi-trailers that you do not own, provided that:

(a) The trailer or semi-trailer is used in your business;

(b) The trailer or semi-trailer is in your care, custody or control at the described premises; and

(c) You have a contractual responsibility to pay for loss of or damage to the trailer or semi-trailer.

(2) We will not pay for loss or damage that occurs:

(a) While the trailer or semi-trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion; or

(b) During hitching or unhitching operations, or when a trailer or semi-trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.

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

(4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

(5) Payments under this Coverage Extension are in addition to the applicable Limits of Insurance.

#### **i. Outdoor Property**

(1) When a Limit of Insurance is shown in the Declarations for Covered Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to the following types of outdoor property at that described premises caused by or resulting from a Covered Cause of Loss as described in (a) and (b) below:

(a) Fences, bridges, walks, roadways, patios and other paved surfaces, lawns (including fairways, greens and tees), other than lawns that are part of a vegetated roof, trees, shrubs and plants, (other than trees, shrubs, or plants that are "stock" or are part of a vegetated roof) and artificial turf (including underlayment), if they are a Covered Cause of Loss:

(i) Fire;

(ii) Lightning;

(iii) Explosion;

(iv) Riot or civil commotion;

(v) Aircraft;

(vi) Falling objects;

(vii) "Sinkhole collapse" or

(viii) Volcanic action.

(b) Radio or television antennas (including microwave or satellite dishes) and their lead-in wiring, masts or towers, if they are a Covered Cause of Loss:

(i) A cause of loss listed in (1)(a)(i) through (1)(a)(viii) above;

(ii) Windstorm or hail;

(iii) Vehicles; or

(iv) Vandalism.

- (2) We will also pay your reasonable and necessary expense that you incur to remove debris of your Outdoor Property listed above and similar property of others at your described premises caused by a Cause of Loss listed in (a) and (b) above that occurs during the policy period. Such expenses will be paid only if they are reported to us in writing within 180 days of the direct physical loss or damage. Such payment will not increase the Limit of Insurance that applies to this Coverage Extension.
- (3) The most we will pay for loss or damage and debris removal expense in any one occurrence under this Coverage Extension is \$10,000, but we will not pay more than \$1,000 for any one tree, shrub or plant.
- (4) Payments under this Coverage Extension are in addition to the applicable Limits of Insurance.

**j. Personal Effects**

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to personal effects owned by:
  - (a) You; or
  - (b) Your officers, partners, "members", "managers", employees, directors or trustees; caused by or resulting from a Covered Cause of Loss.
- (2) Such property must be located at a described premises.
- (3) The most we will pay under this Coverage Extension in any one occurrence is \$10,000 at each described premises. Our payment for loss of or damage to personal effects of others will only be for the account of the owner of the property.
- (4) Payments under this Coverage Extension are in addition to the applicable Limits of Insurance.

**k. Signs**

- (1) If:
  - (a) You are the building owner; and
  - (b) A Limit of Insurance is shown in the Declarations for Building;
 

at the described premises, you may extend that insurance to apply to direct physical loss of or damage to outdoor signs attached to the building, or on or within 1,000 feet of the described premises, caused by or resulting from a Covered Cause of Loss.
- (2) If:
  - (a) You are a tenant;
  - (b) A Limit of Insurance is shown in the Declarations for Business Personal Property; and
  - (c) You own or are contractually obligated to repair or replace outdoor signs;
 

at the described premises, you may extend that insurance to apply to direct physical loss of or damage to outdoor signs attached to the building, or on or within 1,000 feet of the described premises, caused by or resulting from a Covered Cause of Loss.

**l. Theft Damage to Rented Property**

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to the following caused by or resulting by theft or attempted theft to:
  - (a) That part of a building you occupy, but do not own, that contains Covered Property; and
  - (b) Property within such non-owned building used for maintenance or service of such non-owned building.
- (2) We will not pay under this Coverage Extension for loss or damage:
  - (a) Caused by or resulting from fire or explosion; or

- (b) To glass (other than glass building blocks) or to any lettering, ornamentation or burglar alarm tape on glass.
- (3) This Coverage Extension applies only if you are a tenant and you are contractually obligated to insure this exposure.

**m. Valuable Papers and Records – Cost of Research**

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to "valuable papers and records", that:
  - (a) You own; or
  - (b) Are owned by others, but in your care, custody or control;
 caused by or resulting from a Covered Cause of Loss.
- (2) This Coverage Extension includes the cost to research, replace or restore the lost information on "valuable papers and records" for which duplicates do not exist.
- (3) The following exclusions apply to this Coverage Extension:
  - (a) We will not pay for any loss or damage to "valuable papers and records" caused by or resulting from any errors or omissions in processing or copying. But if errors or omissions in processing or copying results in fire or explosion, we will pay for the resulting loss or damage caused by that fire or explosion.
  - (b) Paragraph **B.1.b.** Earth Movement;
  - (c) Paragraph **B.1.c.** Electronic Vandalism
  - (d) Paragraph **B.1.d.** Governmental Action;
  - (e) Paragraph **B.1.e.** Nuclear Hazard;
  - (f) Paragraph **B.1.g.** War and Military Action;
  - (g) Paragraph **B.1.h.** Water;

- (h) Paragraph **B.1.i.** Neglect;
- (i) Paragraph **B.2.g.** Freezing;
- (j) Paragraph **B.2.h.** Dishonesty;
- (k) Paragraph **B.2.i.** Voluntary Parting; and
- (l) The Exclusions listed in Paragraph **B.3.**

No other exclusions in Paragraph **B.** Exclusions apply to this Coverage Extension. However, if any exclusions are added by endorsement to this Coverage Part, such exclusions will apply to this Coverage Extension.

- (4) The most we will pay under this Coverage Extension for loss of or damage to "valuable papers and records" in any one occurrence while in transit or at a premises other than the described premises is \$25,000.
- (5) The most we will pay under this Coverage Extension for loss of or damage to "valuable papers and records" in any one occurrence at each described premises is \$25,000.
- (6) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

**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. Exclusions **B.1.a.** through **B.1.m.** apply whether or not the loss event results in widespread damage or affects a substantial area.
  - a. **Ordinance or Law**
    - (1) The enforcement of or compliance with any ordinance or law:
      - (a) Regulating the construction, use or repair of any property; or
      - (b) Requiring the tearing down of any property, including the cost of removing its debris.
    - (2) This exclusion, Ordinance or Law, applies whether the loss results from:

- (a) An ordinance or law that is enforced even if the property has not been damaged; or
- (b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

**b. Earth Movement**

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

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

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

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

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

- (c) Lava flow.

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

Volcanic Action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss of or damage to the described property.

This exclusion applies regardless of whether any of the above, in Paragraphs **(1)** through **(5)**, is naturally occurring or due to man-made or other artificial causes.

**c. Electronic Vandalism**

"Electronic vandalism".

If "electronic vandalism" results in a "specified cause of loss", other than vandalism, this exclusion will not apply to the resulting loss caused by that "specified cause of loss".

This exclusion does not apply to the extent coverage is provided under the Electronic Vandalism Additional Coverage.

**d. 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.

**e. 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.

**f. Utility Services**

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

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

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

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

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

Communication services include service relating to Internet access or access to any electronic, cellular or satellite network.

This exclusion does not apply to loss or damage to "electronic data processing equipment" or "electronic data processing data and media".

**g. 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.

**h. Water**

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

- (3) Water or sewage that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;
- (4) Water under the ground surface pressing on, or flowing or seeping through:
  - (a) Foundations, walls, floors or paved surfaces;
  - (b) Basements, whether paved or not; or
  - (c) Doors, windows or other openings; or
- (5) Waterborne material carried or otherwise moved by any of the water referred to in (1), (3), or (4), or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs (1) through (5), is naturally occurring or due to man-made or other artificial causes. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

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

**i. Neglect**

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

**j. Intentional Loss**

Any act an insured commits or conspires to commit with the intent to cause a loss.

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

**k. Fungus, Wet Rot or Dry Rot**

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

But if "fungus", wet rot or dry rot results in any of the "specified causes of loss", we will pay for the loss or damage caused by such "specified causes of loss".

This exclusion does not apply:

- (1) When "fungus", wet rot or dry rot results from fire or lightning; or
- (2) To the extent that coverage is provided under the Limited Coverage Fungus, Wet Rot or Dry Rot Additional Coverage.

#### **I. Certain Computer-related Losses**

(1) Failure, malfunction or inadequacy of:

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

(i) Computer hardware, including microprocessors;

(ii) Computer application software;

(iii) Computer operating systems and related software;

(iv) Computer networks;

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

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

or

(b) Any other products and services, data or functions, that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph (1)(a) above;

due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times.

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

If an excluded Cause of Loss as described in Paragraphs (1) and (2)

above results in any of the "specified causes of loss", or in elevator collision resulting from mechanical breakdown, we will pay only for the loss or damage caused by such "specified causes of loss" or elevator collision.

We will not pay for repair, replacement or modification of any items in Paragraphs (1) and (2) above to correct any deficiencies or change in features.

#### **m. Virus or Bacteria**

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

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

##### **a. Electrical Damage or Disturbance**

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

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

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

Electrical, magnetic or electromagnetic energy includes:

(1) Electrical current, including arcing;

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

(3) Pulse of electromagnetic energy;

(4) Electromagnetic waves or microwaves.

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

This exclusion does not apply to loss or damage to "electronic data processing equipment" or "electronic data processing data and media".

##### **b. Consequential Loss**

Delay, loss of use or loss of market.

##### **c. Smoke, Vapor or Gas**

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

This exclusion does not apply to emissions or puff backs of smoke, soot,

fumes or vapors from a boiler, furnace or related equipment.

**d. Other Types of Losses**

- (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;

This exclusion does not apply to loss or damage to "electronic data processing equipment" or "electronic data processing data and media".

- (7) The following causes of loss to personal property:
  - (a) Dampness or dryness of atmosphere;
  - (b) Changes in or extremes of temperature;
  - (c) Marring or scratching;
  - (d) Changes in flavor, color, texture or finish;
  - (e) Evaporation or leakage; or
- (8) Contamination by other than "pollutants".

But if an excluded cause of loss that is listed in Paragraphs (1) through (8) above results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.

**e. Explosion**

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. Liquid Seepage or Leakage**

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

**g. Freezing**

Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning, ventilation, or other equipment (except fire protection 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. Dishonesty**

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**

Voluntary parting with any property by you or anyone else to whom you have entrusted the property, regardless of whether induced to do so by any

fraudulent scheme, trick, device or false pretense.

**j Exposed Property**

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

**k. Pollution**

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, **k.** does not apply to damage to glass caused by chemicals applied to the glass.

**l. Collapse**

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

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

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

(2) This exclusion **I.** does not apply:

- (a) To an abrupt collapse, to the extent that coverage is provided under the Abrupt Collapse Additional Coverage; or
- (b) To collapse caused by one or more of the following:
  - (i) Any of the "specified causes of loss" or breakage of

building glass, all only as insured against in this Coverage Part;

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

(iii) Weight of people or personal property.

**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.** and **3.b.** results in a Covered Cause of Loss, we will pay for the resulting 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 **B.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.

If an excluded cause of loss that is listed in **3.c.** above results in a Covered Cause of Loss, we will pay for the resulting loss or damage caused by that Covered Cause of Loss. But we will not pay for:

- (1) Any cost of correcting or making good the fault, inadequacy or defect itself, including any cost incurred to tear down, tear out, repair or replace any part of any property to correct the fault, inadequacy or defect; or
- (2) Any resulting loss or damage by a Covered Cause of Loss to the property that has the fault,

inadequacy or defect until the fault, inadequacy or defect is corrected.

#### 4. Special Exclusion

The following exclusion applies only with respect to "electronic data processing equipment" and "electronic data processing data and media".

##### **Electronic Data Processing Equipment and Electronic Data Processing Data and Media**

(1) We will not pay for loss of or damage to "electronic data processing equipment", any other programmable electronic machines, "electronic data processing data and media" or other electronic data caused by or resulting from the following. In addition, we will not pay for any loss that is a consequence of such loss or damage.

(a) Programming errors, omissions or incorrect instructions to a machine. But if programming errors, omissions or incorrect instructions to a machine result in any of the "specified causes of loss" or result in mechanical breakdown of "electronic data processing equipment", we will pay for the loss or damage caused by that "specified cause of loss" or mechanical breakdown of "electronic data processing equipment";

(b) Unauthorized viewing, copying or use of "electronic data processing data and media" by any person, even if such activity is characterized as theft;

(c) Errors or deficiency in design, installation, maintenance, repair or modification of your electronic data processing system or any electronic data processing system or network to which your system is connected or on which your system depends (including the electronic data in such system or network). But if errors or deficiency in design, installation, maintenance, repair or modification of your electronic data processing system or any electronic data processing system or network to which your system is connected or on which your system depends (including the electronic data in such

system or network) results in any of the "specified causes of loss" or results in mechanical breakdown of "electronic data processing equipment", we will pay for the loss or damage caused by that "specified cause of loss" or mechanical breakdown of "electronic data processing equipment"; or

(d) Unexplained or indeterminable failure, malfunction or slowdown of any electronic data processing system or network, including the electronic data in such system or network, and the inability to access or properly manipulate the electronic data.

(2) We will not pay for loss of or damage to "electronic data processing data and media" or other electronic data while being sent electronically. In addition, we will not pay for any loss that is a consequence of such loss or damage.

#### 5. Additional Exclusion

The following exclusion applies only to loss or damage to the specified property and to loss that is a consequence of such loss or damage to the specified property.

##### **Loss or Damage To Products**

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

#### C. LIMITS OF INSURANCE

1. The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations, this Coverage Form or any Endorsement.

## 2. Inflation Guard

- a. When a percentage for Inflation Guard is shown in the Declarations, the Limit of Insurance for property to which this coverage applies will automatically increase by that annual percentage.
- 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, multiplied by
  - (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), multiplied by
  - (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 Building limit is \$100,000  
The annual percentage increase is 8%  
The number of days since the beginning of the policy year (or last policy change) is 146  
The amount of increase is  
 $\$100,000 \times .08 \times (146/365) = \$3,200$

## 3. Business Personal Property Limit – Seasonal Increase

- a. The Limit of Insurance for Business Personal Property shown in the Declarations will automatically increase by 25% to provide for seasonal variations.
- b. This increase will apply only if the Limit of Insurance shown for Business Personal Property in the Declarations is at least 100% of your average monthly values during the lesser of:
  - (1) The 12 months immediately preceding the date the loss or damage occurs; or
  - (2) The period of time you have been in business as of the date the loss or damage occurs.

## D. DEDUCTIBLES

Unless otherwise stated:

1. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of covered loss or damage in excess of that Deductible, up to the applicable Limit of Insurance.
2. Regardless of the amount of the Deductible, the most we will deduct from any loss or damage under the Building Glass Coverage Extension in any one occurrence is the Building Glass Deductible shown in the Declarations.
3. If more than one deductible applies to loss or damage in any one occurrence, we will apply each deductible separately. But the total of all deductible amounts applied in any one occurrence will not exceed the largest applicable deductible.

## E. PROPERTY LOSS CONDITIONS

The following conditions apply in addition to the Common Policy 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 and 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 – Building and Personal Property

- 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 Paragraph **b.** below;
  - (3) Take all or any part of the property at an agreed or appraised value; or
  - (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to Paragraph **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 Paragraph **e.** below or any applicable provision that amends or supersedes these valuation conditions.

- b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property, except as provided in the Ordinance or Law Additional Coverage.
- c. We will give notice of our intentions within 30 days after we receive the proof of loss.
- d. We will not pay you more than your financial interest in the Covered Property.
- e. We will determine the value of Covered Property in the event of covered loss or damage as follows:
- (1) At replacement cost (without deduction for depreciation), except as otherwise stated or as provided in Paragraphs (2) through (15) below.
    - (a) You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the

event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim on a replacement cost basis if you notify us of your intent to do so within 180 days after the loss or damage.

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

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

**(ii)** Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

Instead, we will pay on an actual cash value basis. This restriction does not apply to losses less than \$5,000.

With respect to tenants' improvements and betterments, the following also applies:

**a)** If the conditions in Paragraphs **(i)** and **(ii)** above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost, as set forth under Paragraph **e.(7)** below; and

**b)** We will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement.

**(c)** We will not pay more for loss or damage on a replacement cost basis than the least of Paragraphs **(i)**, **(ii)** or **(iii)** subject to Paragraph **(d)** below:

**(i)** The Limit of Insurance applicable to the lost or damaged property;

**(ii)** The cost to replace the lost or damaged property with other property:

**a)** Of comparable material and quality; and

**b)** Used for the same purpose; or

**(iii)** 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 Paragraph **(ii)** above is limited to the cost that would have been incurred if the building had been rebuilt at the original premises.

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

**(2)** If the Declarations indicates that Actual Cash Value applies to Buildings or Business Personal Property, Paragraph **(1)** above does not apply to the property for which Actual Cash Value is indicated.

**(3)** Personal Property of others at the amount for which you are liable, not to exceed the replacement cost.

**(4)** The following property at actual cash value:

**(a)** Used or second-hand merchandise held in storage or for sale;

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

**(c)** Personal effects.

**(5)** "Fine arts" as follows:

**(a)** If there is a schedule of "fine arts" on file that includes a description and value of the lost or damaged item, we will pay the value as stated in the schedule for that item if there is a total loss to that item. If there is a partial loss to an item, we will pay the cost of reasonably restoring or repairing that item.

**(b)** For "fine arts" without a schedule on file as described in Paragraph **(a)** above, the value

of "fine arts" will be the least of the following amounts:

- (i) The market value of the lost or damaged item at the time and place of loss;
  - (ii) The cost of reasonably restoring the lost or damaged item; or
  - (iii) The cost of replacing that lost or damaged item with property that is substantially the same.
- (6) Glass at the cost of replacement with safety glazing material if required by law.
- (7) Tenants' Improvements and Betterments at:
- (a) Replacement cost if you make repairs promptly.
  - (b) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
    - (i) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
    - (ii) Divide the amount determined in Paragraph (i) above by the number of days from the installation of improvements to the expiration of the lease.
- If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.
- (c) Nothing, if others pay for repairs or replacement.
- (8) "Valuable papers and records" at the cost of restoration or replacement. To the extent that the contents of the "valuable papers and records" are not restored or replaced, the "valuable papers and records" will be valued at the cost of replacement with blank material of substantially identical type.

- (9) "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.
- (10) "Stock" in process at the cost of raw materials, and labor, plus the proper proportion of overhead charges.
- (11) Property in transit (other than "stock" you have sold) at the amount of invoice, including your prepaid or advanced freight charges and other charges that may have accrued or become legally due from you since the shipment. If you have no invoice, actual cash value will apply.
- (12) Accounts Receivable as follows:
  - (a) If you cannot accurately establish the amount of Accounts Receivable outstanding as of the time of loss, we will:
    - (i) Determine the total of the average monthly amounts of Accounts Receivable for the 12 months immediately preceding the month in which the loss occurs; and
    - (ii) Adjust that total for any normal fluctuations in the amount for Accounts Receivable for the month in which the loss occurred or for any demonstrated variance from the average for that month.
  - (b) If you can accurately establish the amount of Accounts Receivable outstanding, that amount will be used in the determination of loss.
  - (c) The following will be deducted from the total amount of Accounts Receivable, however that amount is established:
    - (i) The amount of the accounts for which there was no loss;
    - (ii) The amount of the accounts that you are able to reestablish or collect;

- (iii) An amount to allow for probable bad debts that you are normally unable to collect; and
  - (iv) All unearned interest and service charges.
- (13)** "Electronic data processing equipment" will be valued at replacement cost as of the time and place of loss, in accordance with the replacement cost provisions contained in paragraph e.(1) above. However, in the event replacement of "electronic data processing equipment" with comparable property is impossible, the replacement cost will be the cost of items that are similar to the damaged or destroyed equipment and intended to perform the same function, but may include technological advances.
- In no event will the value determined for:
- (1) "Electronic data processing equipment" owned by others exceed the amount for which you are liable; or
  - (2) "Electronic data processing equipment" that is obsolete or no longer used by you exceed the actual cash value of such equipment at the time of loss.
- (14)** "Electronic data processing data and media" for which duplicates do not exist will be valued as follows:
- (a) The cost of blank media; and
  - (b) Your cost to research, replace or restore the lost electronic data on lost, damaged or destroyed "electronic data processing data and media" but only if the lost electronic data is actually replaced or restored.
- (15)** Duplicate "electronic data processing data and media" at the cost of:
- (a) Blank media; and
  - (b) Labor to copy the electronic data, but only if the electronic data is actually copied.

- f. Our payment for loss of or damage to personal property of others will only be for the account of the owners of the property. We may adjust losses with the owners of lost or damaged property, if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- g. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- h. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss provided you have complied with all of the terms of this policy; and
  - (1) We have reached agreement with you on the amount of loss; or
  - (2) An appraisal award has been made.
- i. At our option, we may make a partial payment toward any claim, subject to the policy provisions and our normal adjustment process. To be considered for partial claim payment, you must submit a partial sworn proof of loss with supporting documentation. Any applicable policy deductibles must be satisfied before any partial payments are made.
- j. A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance and all other provisions of this Loss Payment Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of

the Transfer of Rights of Recovery Against Others to Us condition in this policy.

**k. Pairs, Sets, or Parts**

- (1) In case of loss to any part of a pair or set we may at our option:
  - (a) Repair or replace any part to restore the pair or set to its value before the loss; or
  - (b) Pay the difference between the value of the pair or set before and after the loss.
- (2) In case of loss to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

**l. Except as specifically provided under the:**

- a. Green Building Alternatives – Increased Cost Additional Coverage; and
- b. Green Building Reengineering and Recertification Expense Additional Coverage; and
- c. Green Business Personal Property Alternatives – Increased Cost Coverage Extension;

the cost to repair, rebuild or replace does not include any increased cost incurred to re-attain a pre-loss level of "green" building certification from a "green authority".

**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.

- a. We will pay:
  - (1) Recovery expense; and
  - (2) Costs to repair the recovered property.
- b. But the amount we pay will not exceed the least of the following:
  - (1) The total of a.(1) and a.(2) above;
  - (2) The value of the recovered property; or

**(3) The Limit of Insurance.**

**F. ADDITIONAL CONDITIONS**

The following conditions apply in addition to the Common Policy Conditions:

**1. 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:

- a. This Coverage Part;
- b. The Covered Property;
- c. Your interest in the Covered Property; or
- d. A claim under this Coverage Part.

**2. Control of Property**

The breach of any condition of this Coverage Part as a result of 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 locations where, at the time of loss or damage, the breach of condition does not exist.

**3. Insurance Under Two or More Coverages**

If two or more coverages under this Coverage Part apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

**4. Legal Action Against Us**

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

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

**5. Liberalization**

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 60 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

**6. No Benefit to Bailee**

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

**7. Other Insurance**

- a. 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.
- b. If there is other insurance covering the same loss or damage, other than that described in Paragraph a. 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.

**8. Policy Period, Coverage Territory**

Under this Coverage Part:

- a. We cover loss or damage commencing:
  - (1) During the policy period shown in the Declarations; and
  - (2) Within the coverage territory.
- b. Except as otherwise specifically provided, the Coverage Territory is:
  - (1) The United States of America (including its territories and possessions);
  - (2) Puerto Rico; and
  - (3) Canada.

**9. 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:

- a. Prior to a loss under this Coverage Part.
- b. After a loss under this Coverage Part only if, at time of loss, that party is one of the following:
  - (1) Someone insured by this insurance;
  - (2) A business firm:

- (a) Owned or controlled by you; or
- (b) That owns or controls you; or
- (3) Your tenant.

This will not restrict your insurance.

**10. 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 multiplied by 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 the covered 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 (Under insurance):

When:

The value of the property is	\$250,000
The Coinsurance percent for it is	90%
The Limit of Insurance for it is	\$112,500
The Deductible is	\$250
The amount of loss is	\$40,000
Step (1): $\$250,000 \times 90\%$	$= \$225,000$
(the minimum amount of insurance to meet your Coinsurance requirements)	
Step (2): $\$112,500 / \$225,000$	$= .50$
Step (3): $\$40,000 \times .50$	$= \$20,000$
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 90%  
The Limit of Insurance for it is \$225,000  
The Deductible is \$250  
The amount of loss is \$40,000  
The minimum amount of insurance to meet your Coinsurance requirement is \$225,000 (\$250,000 x 90%).

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. Coinsurance does not apply to:
- (1) Additional Coverages;
  - (2) Coverage Extensions; or
  - (3) Loss or damage in any one occurrence totaling less than \$5,000.

## 11. 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 or 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 rights to recover the full amount of the mortgageholder's claim will not be impaired.

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

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

## 12. Unintentional Errors In Description

Your error in how you describe the address of a location in the Location Schedule will not prejudice coverage afforded by this policy, provided such error is not intentional. Any such error will be reported and corrected when discovered and appropriate premium charged.

### 13. Currency

The amounts used within this Coverage Part are in the currency of the United States of America and all premium and losses are payable in United States currency. In the event of a loss adjustment involving currency other than United States currency, the conversion into United States currency will be at the published rate of exchange as of the date of the loss.

## G. DEFINITIONS

### 1. "Electronic Data Processing Data and Media" means the following:

#### a. "Electronic data processing data and media" means:

- (1) Data stored on, created or used on, or transmitted to or from computer software (including systems and applications software) on electronic data processing recording or storage media such as hard or floppy disks, CDs, DVDs, flash memory, tapes, drives, cells, data processing devices or any other repositories of computer software that are used with electronically controlled equipment;
- (2) The electronic media on which the data is stored; and
- (3) Programming records and instructions used with "electronic data processing equipment".

#### b. "Electronic data processing data and media" does not mean:

- (1) Prepackaged software;
- (2) Property that you manufacture or hold for sale;
- (3) Property that is licensed, leased, or rented to others; or
- (4) Electronic data that is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system.

### 2. "Electronic Data Processing Equipment" means the following:

#### a. "Electronic data processing equipment" means any of the following equipment used in your data processing operations:

- (1) Electronic data processing equipment, facsimile machines, word processors, multi-functional

telephone equipment and laptop and portable computers; and

- (2) Any component parts or peripherals of such equipment, including related surge protection devices.

#### b. "Electronic data processing equipment" does not mean:

- (1) Property that is in the course of manufacture, or held for sale or distribution by you;
- (2) Property that is leased or rented to others; or
- (3) Equipment that is used to control or operate production-type machinery or equipment.

### 3. "Electronic Vandalism" means the following:

#### a. Willful or malicious destruction of computer programs, content, instructions or other electronic or digital data stored within computer systems.

#### b. Unauthorized computer code or programming that:

- (1) Deletes, distorts, corrupts or manipulates computer programs, content, instructions or other electronic or digital data, or otherwise results in damage to computers or computer systems or networks to which it is introduced;
- (2) Replicates itself, impairing the performance of computers or computer systems or networks;
- (3) Gains remote control access to data and programming within computers or computer systems or networks to which it is introduced, for uses other than those intended for authorized users of the computers or computer systems or networks;
- (4) Introduces a virus, harmful code or similar instruction 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. "Fine Arts"**

- a. Means paintings, etchings, pictures, tapestries, art glass windows, valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass, bric-a-brac, and similar property of rarity, historical value, or artistic merit; and
- b. Does not mean any glass that is part of a building or structure.

**5. "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.

**6. "Green"** means products, materials, methods and processes that conserve natural resources, reduce energy or water consumption, avoid toxic or other polluting emissions or otherwise minimize environmental impact.

**7. "Green Authority"** means a recognized authority on green building or green products, materials or processes.

**8. "Interior of any Building or Structure"** means all portions of the building or structure that are within the exterior facing surface material of the building or structure.

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

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

**11. "Pollutants"** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, waste and any unhealthful or hazardous building materials (including asbestos and lead products or materials containing lead). Waste includes materials to be recycled, reconditioned or reclaimed.

**12. "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:

- a. The cost of filling sinkholes; or

- b. Sinking or collapse of land into man-made underground cavities.

**13. "Specified Causes of Loss"** means the following:

Fire; lightning; explosion; windstorm or hail; smoke (including the emission or puff back of smoke, soot, fumes or vapors from a boiler, furnace or related equipment); aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; "sinkhole collapse"; volcanic action; falling objects as limited below; weight of snow, ice or sleet; "water damage"; all only as otherwise insured against in this Coverage Part.

Falling objects does not include loss or damage to:

- a. Personal Property in the open; or
- b. 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.

When the Causes of Loss – Earthquake endorsement, Causes of Loss – Earthquake Sprinkler Leakage endorsement, or Causes of Loss – Broad Form Flood endorsement is included in this policy, "specified cause of loss" also includes such cause of loss, but only to the extent such cause of loss is insured against under this Coverage Part.

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

**15. "Vacant"** means the following:

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:

- (1) Rented to a lessee or sub-lessee and used by the lessee or sub-

lessee to conduct its customary operations; or

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

c. Buildings under construction or renovation are not considered vacant.

**16. "Valuable Papers and Records"**

a. Means inscribed, printed or written:

(1) Documents;

(2) Manuscripts; or

(3) Records;

including abstracts, books, deeds, drawings, films, maps or mortgages; and

b. Does not mean money or securities or "electronic data processing data and media".

**17. "Water Damage"** means the following:

a. Accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) that is located on the described premises and contains water or steam; and

b. Accidental discharge or leakage of water or waterborne material as the direct

result of the breaking apart or cracking of a water or sewer pipe that is located off the described premises and is part of a potable water supply system or sanitary sewer system if the breakage or cracking is caused by wear and tear.

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

To the extent that accidental discharge or leakage of water falls within the criteria set forth in **a.** or **b.** of this definition, such water is not subject to the provisions of exclusion **B.1.h.**, Water, which precludes coverage for surface water or water under the surface of the ground.

# TRAVELERS 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 Paragraph F. – DEFINITIONS in this Coverage Form and Paragraph G. – DEFINITIONS in the Travelers Property Coverage Form.

## A. COVERAGE

We will pay for:

(1) The actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration"; and

(2) The actual Extra Expense you incur during the "period of restoration";

caused by direct physical loss of or damage to property at premises that are described in the Declarations and for which a Business Income and Extra Expense Limit of Insurance 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 includes the area within 1,000 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:

- (1) The portion of the building that you rent, lease or occupy; and
- (2) 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.

### 1. Business Income

a. Business Income means the sum of the:

- (1) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; plus
- (2) Continuing normal operating expenses incurred, including payroll.

For manufacturing risks, Net Income includes the net sales value of production.

b. The coverage provided for Business Income is based on the entry shown in the Declarations for "rental value". When:

- (1) *Included* is shown, the term Business Income includes "rental value";
- (2) *Excluded* is shown, the term Business Income excludes "rental value";
- (3) *Only* is shown, the term Business Income means "rental value" only.

If Limits of Insurance are shown under more than one of the above options, the provisions of this Coverage Part apply separately to each.

### 2. Extra Expense

Extra Expense means reasonable and necessary expenses, described in **a.**, **b.** and **c.** below, that you incur during the "period of restoration" and that you would not have incurred if there had been no direct physical loss of or damage to property caused by or resulting from a Covered Cause of Loss:

- a. Expenses to avoid or minimize the "suspension" of business and to continue "operations" at:
- (1) The described premises; or
  - (2) Replacement premises or temporary locations, including:
    - (a) Relocation expenses; and
    - (b) Costs to equip and operate the replacement premises or temporary locations;

- b. Expenses to minimize the "suspension" of business if you cannot continue "operations"; or
- c. Expenses to repair or replace property, but only to the extent the amount of loss that otherwise would have been payable under this Coverage Form is reduced.

### 3. Covered Causes of Loss

Covered Causes of Loss means RISKS OF DIRECT PHYSICAL LOSS unless the loss is excluded or limited in:

- a. Paragraph **B. Exclusions** or Paragraph **A.4. Limitations** of the Travelers Property Coverage Form; or
- b. Paragraph **B. Exclusions** and **Limitations** of this Coverage Form.

### 4. Additional Coverages

Each of the following Additional Coverages applies subject to the applicable Limit of Insurance stated in the Additional Coverage, unless a revised Limit of Insurance or *Not Covered* is indicated in the Declarations.

Unless otherwise stated, payments made under the following Additional Coverages are included in and do not increase the applicable Limits of Insurance.

#### a. Alterations and New Buildings

We will pay for the actual loss of Business Income you sustain and the actual Extra Expense you incur due to direct physical loss or damage at the described premises caused by or resulting from a 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 1,000 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. This change in the start of the "period of restoration" does not apply to Extra Expense.

#### b. Dependent Property

(1) We will pay for:

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

caused by direct physical loss of or damage to property at the premises of a "dependent property" located anywhere in the world. The loss or damage to the property must be caused by or result from a Covered Cause of Loss.

(2) This Additional Coverage does not apply to "dependent property" for which you have more specific insurance under this or any other policy.

(3) The most we will pay in any one occurrence under this Additional Coverage for loss of Business Income and Extra Expense arising out of damage to property at the premises of a "dependent property" located:

- (a) Within the Coverage Territory is \$10,000; and
- (b) Anywhere in the world outside of the Coverage Territory is the Limit of Insurance indicated in the Declarations, unless *Not Covered* is shown in the Declarations.

(4) With respect only to the insurance provided under this Additional Coverage, the phrase, *at the described premises*, as used in the definition of "period of restoration" is replaced by the phrase *at the premises of a "dependent property"*. With respect to this Additional Coverage, the "period of restoration" begins 24 hours after the time of

direct physical loss or damage by a Covered Cause of Loss at the premises of the "dependent property".

- (5) Payments made under this Additional Coverage are in addition to the applicable Limits of Insurance.

**c. Civil Authority**

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

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

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

- (2) Civil authority coverage for Business Income will begin 72 hours after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to 30 consecutive days from the date on which such coverage began.

- (3) Civil authority coverage for Extra Expense will begin immediately after the time of the first action of civil authority that prohibits access to the described premises and will end:

(a) 30 consecutive days after the date of that action; or

(b) When your civil authority coverage for Business Income ends;

whichever is later.

**d. 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 Coverage Part, 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 that would generate the Business Income amount that would have existed if no direct physical loss or damage had occurred; or

(ii) 60 consecutive days after the date determined in (1)(a) above, unless otherwise stated in the Declarations.

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

Loss of Business Income must be caused by direct physical loss of or damage to property at the described premises caused by or resulting from a Covered Cause of Loss.

**(2) Rental Value**

If the necessary "suspension" of your "operations" produces a "rental value" loss payable under this Coverage Part, 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 that would generate the "rental value" that would have existed if no direct physical loss or damage had occurred; or
  - (ii)** 60 consecutive days after the date determined in **(2)(a)** above, unless otherwise stated in the Declarations.

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 a Covered Cause of Loss.

**e. Electronic Vandalism**

- (1)** As used in this Coverage Form, the terms Covered Cause of Loss and "specified cause of loss" are amended to include "electronic vandalism".
- (2)** This Additional Coverage does not apply to or modify any limits or deductibles that apply to:
  - (a)** The insurance otherwise provided under this Coverage Form for loss or damage by a "specified cause of loss", other than "electronic vandalism", that results from "electronic vandalism"; or
  - (b)** Any other insurance provided under this Coverage Form to which the Electronic Vandalism exclusion does not apply.
- (3)** The most we will pay for the total of all loss under this Additional Coverage and the Electronic Vandalism Additional Coverage under the Travelers Property Coverage Form arising out of all occurrences of "electronic

vandalism" occurring during each separate 12-month period of this policy (beginning with the effective date of this policy) is \$10,000. This shared limit:

- (a)** Is included in, and does not increase, the otherwise applicable Limits of Insurance, including any limit applicable to loss under any coverage that is attributable to "electronic vandalism" to which this Additional Coverage applies and that would not have been covered in the absence of this Additional Coverage; and
- (b)** Applies regardless of the number or types of coverages or the number of premises involved.

- (4)** This Additional Coverage is subject to the otherwise applicable Deductible provisions except that, in no event will the total deductible amount applied to loss in any one occurrence under this Additional Coverage, including Extra Expense, and under the Electronic Vandalism Additional Coverage in the Travelers Property Coverage Form, be less than \$1,000.

**f. Fungus, Wet Rot or Dry Rot – Amended Period of Restoration**

- (1)** The coverage described in **f.(2)** and **f.(3)** below only applies when "fungus", wet rot or dry rot is the result of any of the "specified causes of loss", other than fire or lightning, that occurs at the described premises during the policy period, and only if all reasonable means have been used to save and preserve the property from further damage at the time of and after that occurrence.
- (2)** If the cause of loss at the described premises that results in "fungus", wet rot or dry rot does not, in itself, necessitate a "suspension" of "operations", but such "suspension" of "operations" is necessary due to loss or damage to property at the described premises caused by "fungus", wet rot or dry rot, then our

payment for loss of Business Income and Extra Expense is limited to the actual amount of such loss and expense sustained during a period of not more than 30 days. The days need not be consecutive.

- (3) If a covered "suspension" of "operations" is caused by a cause of loss at the described premises other than "fungus", wet rot or dry rot, but remediation of resulting loss by "fungus", wet rot or dry rot prolongs the "period of restoration", we will pay for the actual loss of Business Income and the actual Extra Expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to a period of not more than 30 days. The days need not be consecutive.
- (4) The Fungus, Wet Rot or Dry Rot Exclusion in Paragraph **B.1.k.** of the Travelers Property Coverage Form does not apply to the insurance specifically provided under this Additional Coverage.

**g. Interruption of Computer Operations**

- (1) We will pay for:
  - a. The actual loss of Business Income you sustain due to the "suspension" of your "operations" during the "period of restoration" and Extended Business Income; and
  - b. The actual Extra Expense you incur during the "period of restoration" and Extended Business Income;

caused by direct physical loss or damage to "electronic data processing data and media" at the described premises by a Covered Cause of Loss.

- (2) The most we will pay for the total of all loss sustained and expense incurred under this Additional Coverage in any one policy year (beginning with the effective date of this policy) is \$25,000, 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 limit, 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 that begins in one policy year and continues or results in additional loss or expense in a subsequent policy year, all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.

- (3) This Additional Coverage 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 (2) above has not been exhausted.
- (4) Payments made under this Additional Coverage are in addition to the applicable Limits of Insurance.

**h. Green Building and Business Personal Property Alternatives – Increased Period of Restoration**

- (1) If direct physical loss or damage by a Covered Cause of Loss occurs to a building at the described premises or Business Personal Property at the described premises to which the Green Business Personal Property Alternatives – Increased Cost Coverage Extension applies, we will pay for the actual loss of Business Income you sustain and the actual Extra Expense you incur during the increase in the "period of restoration" that is reasonably necessary to:
  - (a) Repair or replace the lost or damaged portions of the building or Business Personal Property (as described in Green Business Personal Property Alternatives – Increased Cost Coverage Extension) using products or materials that:
    - (i) Are "green" alternatives to the products or materials of the lost or damaged

property, in accordance with the documented standards of a "green authority"; and

- (ii) Are otherwise of comparable quality and function to the damaged property;

and

- (b) Employ "green" methods or processes of construction, disposal or recycling in the course of the repair and replacement of the lost or damaged building or Business Personal Property (as described in Green Business Personal Property Alternatives – Increased Cost Coverage Extension), in accordance with the documented standards of a "green authority";

subject to a maximum of 30 additional days from the date the "period of restoration" would otherwise have ended.

- (2) This coverage does not apply to property covered under the Newly Acquired or Constructed Property Additional Coverage.

## 5. Coverage Extensions

Each of the following Coverage Extensions applies subject to the applicable Limit of Insurance stated in the Coverage Extensions, unless a different Limit of Insurance or *Not Covered* is indicated in the Declarations.

Unless otherwise stated, payments made under the following Coverage Extensions are included in and do not increase the applicable Limits of Insurance.

### a. Claim Data Expense

- (1) You may extend the insurance provided by this Coverage Form to apply to the reasonable expenses you incur in the preparation of claim data when we require it to adjust a covered loss. This includes the cost of preparing income statements and other documentation to show the extent of loss.

- (2) We will not pay for:

- (a) Any expenses incurred, directed or billed by or payable to

attorneys, insurance adjusters or their associates or subsidiaries;

- (b) Any costs as provided in the Appraisal Loss Condition; or

- (c) Any expenses incurred, directed or billed by or payable to insurance brokers or agents, or their associates or subsidiaries, without our written consent prior to such expenses being incurred.

- (3) The most we will pay in any one occurrence under this Coverage Extension is \$2,500.

- (4) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

### b. Newly Acquired Premises

- (1) You may extend the insurance provided by this Coverage Form for:

- (a) The actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration"; and

- (b) The actual Extra Expense you incur during the "period of restoration";

to apply to the actual amount of such loss of Business Income and Extra Expense that you incur caused by direct physical loss or damage by a Covered Cause of Loss to property (including property under construction) at any location you newly acquire by purchase, lease or otherwise, other than at exhibitions.

- (2) The most we will pay under this Coverage Extension for the sum of Business Income loss sustained and Extra Expense incurred at each newly acquired location is:

- (a) \$250,000 in any one occurrence; or

- (b) If a fraction is shown in the Declarations for Monthly Period of Indemnity, the most we will pay for loss in each period of 30 consecutive days is the fraction shown in the Declarations multiplied by \$250,000.

- (3) With respect only to the insurance provided under this Coverage Extension, the phrase, *at the described premises*, as used in the definition of "period of restoration" is replaced by the phrase *at a newly acquired location*.
- (4) Insurance under this Coverage Extension for each newly acquired location will end when any of the following first occurs:
  - (a) This policy expires;
  - (b) 90 days expire after you acquire or begin to construct the property;
  - (c) You report the location to us; or
  - (d) Coverage for Business Income and Extra Expense at the location is more specifically insured.

We will charge you additional premium for values reported from the date you acquire the property.

- (5) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

## B. EXCLUSIONS AND LIMITATIONS

The following exclusions and limitations apply in addition to the exclusions and limitations contained in the Travelers Property Coverage Form.

### 1. Exclusions

We will not pay for:

- a. Any loss caused by or resulting from:
  - (1) Damage or destruction of "finished stock"; or
  - (2) The time required to reproduce "finished stock".

This exclusion does not apply to Extra Expense.
- b. Any loss caused by or resulting from direct physical loss of or damage to the following property:
  - (1) Harvested grain, hay, straw or other crops while outside of buildings;
  - (2) Outdoor trees, shrubs, plants, lawns (including fairways, greens and tees), artificial turf and associated underlayment, growing crops, land or water;

- (3) Communication, radio or television antennas (including satellite dishes), and their lead-in wiring, masts or towers;
  - (4) Animals, unless the loss is caused by or results from a "specified cause of loss", and then only if, as a direct result of the "specified cause of loss", the animals are killed or their death or destruction is made necessary; or
  - (5) Human body parts and fluids, including organs, tissues, blood and cells.
- c. Any increase of loss caused by or resulting from:
- (1) 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
  - (2) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage or any variation thereof.

- d. Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".
- e. Any other consequential loss including fines and penalties.

### 2. Limitations

Coverage for Business Income and Extra Expense does not apply to any loss or increase in loss caused by direct physical loss of or damage to "electronic data processing data and media", except as provided in the Interruption of Computer Operations Coverage Extension. This Limitation does not apply when loss or damage to electronic data involves only electronic data that is integrated in and

operates or controls a building's elevator, lighting, heating, ventilation, air conditioning or security system.

### C. LIMITS OF INSURANCE

The most we will pay for loss or damage in any one occurrence is the:

1. Applicable Limit of Insurance; or
2. Actual loss for the number of consecutive months;

shown in the Declarations, Coverage Form or any Endorsement.

### D. LOSS CONDITIONS

The following conditions apply in addition to the Common Policy Conditions, the Loss Condition – Duties in the Event of Loss in the Travelers Property Coverage Form and the Additional Conditions in the Travelers Property Coverage Form:

#### 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 – Additional Duty

The following duty applies in addition to the duties specified in the Loss Condition – Duties in the Event of Loss in the Travelers Property Coverage Form:

If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.

#### 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 occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business as a result of 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.

b. The amount of Extra Expense will be determined based on:

- (1) All reasonable and necessary expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period or 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) All reasonable and necessary expenses that reduce the Extra

Expense 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 and, with respect to the Dependent Property Additional Coverage, by using any other available source of materials or outlet for your products.

(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:

- a. You have complied with all of the terms of this Coverage Part; and
- b. We have reached agreement with you on the amount of loss or an appraisal award has been made.

**E. OPTIONAL COVERAGES**

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item.

**1. Monthly Limit of Indemnity**

The most we will pay for loss of Business Income, including the Extended Business Income Additional Coverage, in each period of 30 consecutive days after the beginning of the "period of restoration" is:

- a. The Limit of Insurance, multiplied by
- b. 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	<u>\$30,000</u>
	\$90,000

We will pay:

Days 1 – 30	\$30,000
Days 31 – 60	\$20,000
Days 61 – 90	<u>\$30,000</u>
	\$80,000

The remaining \$10,000 is not covered.

**2. Ordinary Payroll Exclusion or Limitation**

a. When the Declarations shows:

(1) Ordinary Payroll is excluded, the Business Income coverage provided for continuing normal operating expenses incurred does not include Ordinary Payroll;

(2) Ordinary payroll is limited to a specified number of days, the Business Income coverage provided for continuing normal operating expenses incurred only includes Ordinary Payroll for the specified number of days. The number of days may be used in two separate periods during the "period of restoration".

b. Ordinary payroll expenses mean payroll expenses for all your employees except:

- (1) Officers;
- (2) Executives;
- (3) Department managers;
- (4) Employees under contract; and
- (5) Additional Exemptions, shown by endorsement as:
  - (a) Job Classifications; or
  - (b) Employees.

c. Ordinary payroll expenses include:

- (1) Payroll;
- (2) Employee benefits, if directly related to payroll;
- (3) FICA payments you pay;
- (4) Union dues you pay; and
- (5) Worker's compensation premiums.

## F. DEFINITIONS

1. **"Dependent Property"** means property operated by others you directly depend on to:

a. Deliver materials or services to you, or to others for your account (Contributing Locations). But any property that delivers the following services is not a Contributing Location with respect to such services:

- (1) Water supply services;
- (2) Power supply services; or
- (3) Communication services, including services relating to internet access or access to any electronic, cellular or satellite 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. **"Finished Stock"** means "stock" you have manufactured.

"Finished Stock" also includes whiskey and alcoholic products being aged.

"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.

3. **"Operations"** means:

a. Your business activities occurring at the described premises even if such activities would not have produced income during the "period of restoration", such as research and development activities; and

b. The tenantability of the described premises, if coverage for Business Income including "rental value" or "rental value" only applies.

4. **"Period of Restoration"** means the period of time after direct physical loss or damage caused by or resulting from a Covered Cause of Loss at the described premises that:

a. Begins:

(1) Unless a different time period is indicated in the Declarations, 72 hours after the time of direct physical loss or damage for Business Income coverage; or

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

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.

c. "Period of restoration" does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:

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

(2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "fungus", wet rot or dry rot, except as provided in the Fungus, Wet Rot or Dry Rot – Amended Period of Restoration Additional Coverage; or

(3) 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".

d. "Period of restoration" does not include any increased period required to attain a pre-loss level of "green" building certification from a "green authority". But this does not apply to any increase in the "period of restoration" otherwise insured under the Green Building and Business Personal Property Alternatives –

Increased Period of Restoration  
Additional Coverage.

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

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 such described premises that is occupied by you; and

b. Continuing normal operating expenses incurred in connection with such premises, including:

(1) Payroll; and

(2) The amount of charges that are the legal obligation of the tenant(s) but would otherwise be your obligations.

6. **"Suspension"** means:

a. The partial or complete cessation of your business activities; or

b. That a part or all of the described premises is rendered untenable, if coverage for Business Income including "rental value" or "rental value" only applies.

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

This endorsement modifies insurance provided under the following:

BUILDING 1: • UNIT 1 - 5951 W WOODS CT, THIENSVILLE, WI 53092 • UNIT 2 - 12448 N CRANE BAY CT, THIENSVILLE, WI 53092  
BUILDING 2: • UNIT 1 - 12438 N CRANE BAY CT, THIENSVILLE, WI 53092 • UNIT 2 - 12430 N CRANE BAY CT, THIENSVILLE, WI 53092  
BUILDING 3: • UNIT 1 - 12414 N CRANE BAY CT, THIENSVILLE, WI 53092 • UNIT 2 - 12409 N CRANE BAY CT, THIENSVILLE, WI 53092  
BUILDING 4: • UNIT 1 - 12417 N CRANE BAY CT, THIENSVILLE, WI 53092 • UNIT 2 - 12425 N CRANE BAY CT, THIENSVILLE, WI 53092  
BUILDING 5: • UNIT 1 - 12443 N CRANE BAY CT, THIENSVILLE, WI 53092 • UNIT 2 - 6033 W WOODS CT, THIENSVILLE, WI 53092  
BUILDING 6: • UNIT 1 - 6051 W WOODS CT, THIENSVILLE, WI 53092 • UNIT 2 - 6063 W WOODS LN, THIENSVILLE, WI 53092  
BUILDING 7: • UNIT 1 - 6095 W WOODS LN, THIENSVILLE, WI 53092 • UNIT 2 - 6115 W WOODS LN, THIENSVILLE, WI 53092  
BUILDING 8: • UNIT 1 - 6141 W WOODS LN, THIENSVILLE, WI 53092 • UNIT 2 - 6153 W WOODS LN, THIENSVILLE, WI 53092  
BUILDING 9: • UNIT 1 - 6030 W WOODS CT, THIENSVILLE, WI 53092 • UNIT 2 - 6018 W WOODS CT, THIENSVILLE, WI 53092  
BUILDING 10: • UNIT 1 - 6042 W WOODS CT, THIENSVILLE, WI 53092 • UNIT 2 - 12442 N WOODS CT, THIENSVILLE, WI 53092  
BUILDING 11: UNIT 1 - 6100 W WOODS LN, THIENSVILLE, WI 53092 • UNIT 2 - 12421 N WOODS CT, THIENSVILLE, WI 53092  
BUILDING 12: UNIT 1 - 12451 N WOODS CT., THIENSVILLE, WI 53092 ; UNIT 2 - 12457 N WOODS CT, THIENSVILLE, WI 53092

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

## **WISCONSIN CHANGES**

This endorsement modifies insurance provided under the following:

### COMMERCIAL PROPERTY COVERAGE PART

- A. The **Concealment, Misrepresentation Or Fraud** Condition in this Coverage Part or Policy is replaced by the following:**

#### **CONCEALMENT, MISREPRESENTATION OR FRAUD**

1. No misrepresentation and no breach of affirmative warranty made by you or on your behalf in the negotiation for or procurement of this Coverage Part affects our obligations unless, if a misrepresentation, the person knew or should have known that the representation was false, and unless:
  - a. We rely on the misrepresentation or affirmative warranty and the misrepresentation or affirmative warranty is either material or made with intent to deceive; or
  - b. The facts misrepresented or falsely warranted contribute to the loss.
2. No failure of a condition before a loss and no breach of a promissory warranty affects our obligation under this Coverage Part unless such failure or breach exists at the time of loss and either:
  - a. Increases the risk at the time of loss; or
  - b. Contributes to the loss.

**B. Legal Action Against Us**

1. The **Legal Action Against Us** Commercial Property Condition is replaced by the following:

#### **LEGAL ACTION AGAINST US**

No one may bring a legal action against us under this Coverage Part unless the action is brought within 2 years after the date on which the direct physical loss or damage occurred.

2. Paragraph (1) of Additional Condition **H.5.g. Legal Action Against Us** in the Mortgageholders Errors And Omissions Coverage Form is replaced by the following:

No one may bring a legal action against us under Coverages **A**, **B** and **E** unless the action is brought within 2 years after you discover the error or accidental omission.

3. The following are deleted:

- a. The **Legal Action Against Us** Loss Condition in the Legal Liability Coverage Form; and
- b. Paragraph (2) of Additional Condition **H.5.g Legal Action Against Us** in the Mortgageholders Errors And Omissions Coverage Form.

- C. The following exclusion and related provisions are added to Paragraph **B.2. Exclusions** in the Causes Of Loss Forms and to any Coverage Form or policy to which a Causes Of Loss Form is not attached:**

1. We will not pay for loss or damage arising out of any act committed:
  - a. By or at the direction of any insured; and
  - b. With the intent to cause a loss.
2. However, this exclusion will not apply to deny coverage to an insured who did not cooperate in or contribute to the creation of the loss, provided the loss is otherwise covered under this Coverage Part and:
  - a. The loss arose out of an act or pattern of abuse or domestic abuse; and
  - b. The perpetrator of the loss is criminally prosecuted for the act or acts causing the loss.
3. If we pay a claim pursuant to Paragraph **C.2.**, our payment to the innocent insured is limited to that insured's ownership interest in the property less any payments we first made to a mortgagee or other party with a legal secured interest in the property. In no event will we pay more than the Limit of Insurance.

- D. The following applies to the **Transfer Of Rights Of Recovery Against Others To Us** Condition in this Coverage Part or Policy:**

If we pay an insured for a loss described in Paragraph **C.2.** of this endorsement, the rights of the insured to recover damages from the perpetrator are transferred to us to the extent of our payment. Following the loss, the insured may not waive such rights to recover against the perpetrator.

## COMMERCIAL PROPERTY

We will be entitled to a recovery only after you have been fully compensated for damages.

### E. The following are added:

#### 1. Knowledge And Acts Of Agents

a. If any of our agents knows any fact that breaches a condition of this policy, we will be considered to know it also if that fact:

(1) Is known to the agent at the time the policy is issued or an application made; or

(2) Later becomes known to the agent in the course of his or her dealings as an agent with you.

b. Any fact that breaches a condition of this policy and is known to the agent before the loss will not:

(1) Void this policy; or

(2) Prevent a recovery in the event of loss.

2. The **Ordinance Or Law** Exclusion in the Basic, Broad and Special – Causes Of Loss Forms, or in any endorsement, does not apply to dwelling properties occupied as a residence by you.

#### 3. Conformity To Statute Or Rule

Any provision of this Coverage Part (including endorsements which modify the Coverage Part) that is in conflict with a Wisconsin statute or rule is hereby amended to conform to that statute or rule.

The term rule means a valid rule promulgated by the Commissioner of Insurance in accordance with the rule-making authority conferred under Wis. Stat. Ann. s. 227.11(2) and published in the Wisconsin Administrative Code.

### F. The following is added to the **Loss Payment** Condition in the Commercial Property Coverage Part:

If a municipality, which is a first class city, has elected to apply the provisions of Wis. Stat. Ann. Secs. 632.10 through 632.104, a part of our payment for fire or explosion loss or damage to your covered real property in that municipality will be withheld if the loss or damage is subject to the aforementioned provisions.

1. The withheld amount will be paid in accordance with the law, to the following:

a. The municipality where the covered property is located;

b. You and any other interest named in the Declarations; or

c. The mortgageholder, if any.

However, we will not pay more than the amount of loss payable under this policy.

2. Within 10 days after withholding the required amount, we will give written notice of the withholding to the following:

a. The building inspection official of the municipality where the covered property is located;

b. You;

c. Any mortgageholder and any other lienholder who has an existing lien against the property and is named in the Declarations; and

d. The court in which judgment was entered if the final settlement was determined by judgment.

3. We will not be liable in any cause of action, nor may any liability be imposed on us, arising from the payment, withholding or transferring of all or any portion of a final settlement in accordance with Wis. Stat. Ann. Secs. 632.10 through 632.104.

### G. The following is added to the **Valuation** Condition:

1. When this Coverage Part insures real property in Wisconsin which is owned and occupied by you primarily as a dwelling, and the property is wholly destroyed, we will pay the limit of insurance that applies to such property, subject to the exceptions and conditions in Paragraphs **G.2.** and **G.3.** below.

2. Builders Risk policies of insurance covering property in the process of being constructed shall be valued and settled according to the actual value of that portion of the construction completed at the time of the loss. The Limit of Insurance on a Builders Risk policy represents the value of the building when it is completed.

3. The Valued Policy Provision, Paragraph **G.1.** above, does not apply to any claim for loss to any building which is insured under a blanket form or endorsement with one Limit of Insurance applicable to two or more buildings. When a building, owned and occupied by you primarily as a dwelling, is wholly destroyed, the loss will be settled at the value stated in the most recent Statement of Values on file with us.

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

## **WISCONSIN CHANGES**

This endorsement modifies insurance provided under the following:

TRAVELERS PROPERTY COVERAGE FORM

- A. The following replaces Paragraph F.1., Concealment, Misrepresentation Or Fraud Additional Condition:**
- 1. CONCEALMENT, MISREPRESENTATION OR FRAUD**  
No misrepresentation and no breach of affirmative warranty made by you or on your behalf in the negotiation for or procurement of this Coverage Part affects our obligations unless, if a misrepresentation, the person knew or should have known that the representation was false, and unless:
    - a. We rely on the misrepresentation or affirmative warranty and the misrepresentation or affirmative warranty is either material or made with intent to deceive; or
    - b. The facts misrepresented or falsely warranted contribute to the loss.
  2. No failure of a condition before a loss and no breach of a promissory warranty affects our obligation under this Coverage Part unless such failure or breach exists at the time of loss and either:
    - a. Increases the risk at the time of loss; or
    - b. Contributes to the loss.
- B. The following replaces Paragraph F.4., the Legal Action Against Us Additional Condition:**
- 4. LEGAL ACTION AGAINST US**  
No one may bring a legal action against us under this Coverage Part unless the action is brought within two years after the date on which the direct physical loss or damage occurred.
- C. Paragraph B.1.j. is deleted and the following is added to Paragraph B.2., EXCLUSIONS:**
- Intentional Loss**
1. We will not pay for loss or damage arising out of any act committed:
    - a. By or at the direction of any insured; and
    - b. With the intent to cause a loss.
- 2. However, this exclusion will not apply to deny coverage to an insured who did not cooperate in or contribute to the creation of the loss, provided the loss is otherwise covered under this Coverage Form and:**
- a. The loss arose out of an act or pattern of abuse or domestic abuse; and
  - b. The perpetrator of the loss is criminally prosecuted for the act or acts causing the loss.
- 3. If we pay a claim pursuant to Paragraph 2., above, our payment to the innocent insured is limited to that insured's ownership interest in the property less any payments we first made to a mortgagee or other party with a legal secured interest in the property. In no event will we pay more than the Limit of Insurance.**
- D. The following applies to Paragraph F.9., the Transfer Of Rights Of Recovery Against Others To Us Additional Condition:**
- If we pay an insured for a loss described in Paragraph 2. of the Intentional Loss Exclusion, the rights of the insured to recover damages from the perpetrator are transferred to us to the extent of our payment. Following the loss, the insured may not waive such rights to recover against the perpetrator.
- We will be entitled to a recovery only after you have been fully compensated for damages.
- E. The following is added:**
- 1. Knowledge And Acts Of Agents**
    - a. If any of our agents knows any fact that breaches a condition of this policy, we will be considered to know it also if that fact:
      - (1) Is known to the agent at the time the policy is issued or an application made; or
      - (2) Later becomes known to the agent in the course of his or her dealings as an agent with you.

b. Any fact that breaches a condition of this policy and is known to the agent before the loss will not:

- (1) Void this policy; or
- (2) Prevent a recovery in the event of loss.

2. The **Ordinance Or Law** Exclusion does not apply to dwelling properties occupied as a residence by you.

**3. Conformity To Statute Or Rule**

Any provision of this Coverage Part (including endorsements that modify the Coverage Part) that is in conflict with a Wisconsin statute or rule is hereby amended to conform to that statute or rule.

The term rule means a valid rule promulgated by the Commissioner of Insurance in accordance with the rule-making authority conferred under Wis. Stat. Ann. s. 227.11(2) and published in the Wisconsin Administrative Code.

F. The following is added to Paragraph E.4., the **Loss Payment – Building and Personal Property Loss Condition**:

If a municipality, which is a first class city, has elected to apply the provisions of Wis. Stat. Ann. Secs. 632.10 through 632.104, a part of our payment for fire or explosion loss or damage to your covered real property in that municipality will be withheld if the loss or damage is subject to the aforementioned provisions.

- 1. The withheld amount will be paid in accordance with the law, to the following:
  - a. The municipality where the covered property is located;
  - b. You and any other interest named in the Declarations; or
  - c. The mortgageholder, if any.

However, we will not pay more than the amount of loss payable under this policy.

2. Within 10 days after withholding the required amount, we will give written notice of the withholding to the following:

a. The building inspection official of the municipality where the covered property is located;

b. You;

c. Any mortgageholder and any other lienholder who has an existing lien against the property and is named in the Declarations; and

d. The court in which judgment was entered if the final settlement was determined by judgment.

3. We will not be liable in any cause of action, nor may any liability be imposed on us, arising from the payment, withholding or transferring of all or any portion of a final settlement in accordance with Wis. Stat. Ann. Secs. 632.10 through 632.104.

G. The following is added to Paragraph E.4., the **Loss Payment – Building and Personal Property Loss Condition**:

1. When this Coverage Form insures real property in Wisconsin that is owned and occupied by you primarily as a dwelling, and the property is wholly destroyed, we will pay the limit of insurance that applies to such property, subject to the exceptions and conditions in Paragraphs 2. and 3. below.

2. Builders Risk policies of insurance covering property in the process of being constructed shall be valued and settled according to the actual value of that portion of the construction completed at the time of the loss. The Limit of Insurance on a Builders Risk policy represents the value of the building when it is completed.

3. The Valued Policy Provision, Paragraph 1. above, does not apply to any claim for loss to any building which is insured under a blanket form or endorsement with one Limit of Insurance applicable to two or more buildings. When a building, owned and occupied by you primarily as a dwelling, is wholly destroyed, the loss will be settled at the value stated in the most recent Statement of Values on file with us.

## **GENERAL LIABILITY**



**GENERAL LIABILITY**



**COMMERCIAL GENERAL LIABILITY  
COVERAGE PART DECLARATIONS**

**POLICY NO.:** BIP-7X62026A-26-42  
**ISSUE DATE:** 11/21/2025

**INSURING COMPANY:**  
FIDELITY AND GUARANTY INSURANCE COMPANY

**DECLARATIONS PERIOD:** From 01/01/2026 to 01/01/2027 12:01 A.M. Standard Time at your mailing address shown in the Common Policy Declarations.

The Commercial General Liability Coverage Part consists of these Declarations and the Coverage Form shown below.

**1. COVERAGE AND LIMITS OF INSURANCE:**

<b>COMMERCIAL GENERAL LIABILITY COVERAGE FORM</b>	<b>LIMITS OF INSURANCE</b>
General Aggregate Limit (Other than Products-Completed Operations)	\$ 2,000,000
Products-Completed Operations Aggregate Limit	\$ 2,000,000
Personal & Advertising Injury Limit	\$ 1,000,000
Each Occurrence Limit	\$ 1,000,000
Damage To Premises Rented To You Limit (any one premises)	\$ 300,000
Medical Expense Limit (any one person)	\$ 5,000

**2. AUDIT PERIOD:** ANNUALLY

**3. FORM OF BUSINESS:** ASSOCIATION

**4. NUMBERS OF FORMS, SCHEDULES AND ENDORSEMENTS FORMING PART OF THIS COVERAGE PART ARE ATTACHED AS A SEPARATE LISTING.**

**COMMERCIAL GENERAL LIABILITY COVERAGE  
IS SUBJECT TO A GENERAL AGGREGATE LIMIT**



One Tower Square, Hartford, Connecticut 06183

CONDOMINIUM AND COMMUNITY ASSOCIATIONS  
DIRECTORS AND OFFICERS LIABILITY  
COVERAGE PART DECLARATIONS

POLICY NUMBER: BIP-7X62026A-26-42  
ISSUE DATE: 11/21/2025

**THIS INSURANCE APPLIES ON A CLAIMS-MADE BASIS.  
DEFENSE EXPENSES ARE PAYABLE WITHIN, AND ARE NOT IN  
ADDITION TO, THE LIMITS OF INSURANCE. PAYMENT OF DEFENSE  
EXPENSES WILL REDUCE, AND MAY COMPLETELY EXHAUST, THE  
LIMITS OF INSURANCE.  
PLEASE READ THE ENTIRE POLICY CAREFULLY.**

**NAMED INSURED: THE WOODS AT HIGHLAND PARK  
CONDOMINIUM**

**INSURING COMPANY: FIDELITY AND GUARANTY INSURANCE COMPANY**

**COVERAGE PERIOD:** From 01-01-2026 to 01-01-2027 12:01 A.M. Standard Time at your mailing address shown in the Common Policy Declarations.

**RETROACTIVE DATE: UNLIMITED**

The Condominium and Community Associations Liability Coverage Part consists of this Declarations, the Condominium and Community Associations Directors and Officers Liability Coverage Form and the endorsements shown below in Item 2.

**1. LIMITS OF INSURANCE:**

	Limits Of Insurance
Each Claim Limit	\$ 1,000,000
Aggregate Limit	\$ 1,000,000

**2. NUMBERS OF FORMS, SCHEDULES AND ENDORSEMENTS FORMING PART OF THIS COVERAGE PART ARE ATTACHED AS A SEPARATE LISTING.**

**DECLARATIONS PREMIUM SCHEDULE**  
**Issue Date: 11/21/2025**

**Policy Number: BIP-7X62026A-26-42**

This Schedule applies to the Declarations for the period of 01/01/2026 to 01/01/2027.

It shows all of your known rating classes as of the effective date. Any exceptions will be so noted. This includes all locations you own, rent or occupy.

STATE ZIP	CLASS DESCRIPTION/CODE NUMBER	PREMIUM BASE/ EXPOSURE	RATES	ADVANCE PREMIUM
WI 53092	Residential Condos Premises/Operations - Gross Sales	s104,304	6.5002	678
	Product/Compl Ops - Gross Sales	s104,304	0.0288	3
WI 53092	Residential Condos Premises/Operations - Gross Sales	s83,443	1.5460	129
	Product/Compl Ops - Gross Sales	s83,443	0.0120	1
WI 53092	Residential Condos Premises/Operations - Gross Sales	s83,443	1.5460	129
	Product/Compl Ops - Gross Sales	s83,443	0.0120	1
WI 53092	Residential Condos Premises/Operations - Gross Sales	s6,090	6.0755	37
	Product/Compl Ops - Gross Sales	s6,090	0.1642	1

**Rate Computation:** The rate shown may change any time there is a change in exposure or risk characteristic during the policy period or at audit.

**Premium Base Legend:**

**Premium Base**  
a = area  
c = cost  
e = employees  
m = admissions  
p = payroll  
r = receipts

**How Rates Apply**  
per 1000 sq. feet  
per \$1000 of total cost  
per employee  
per 1000 of admissions  
per \$1000 of payroll  
per \$1000 of receipts

**Premium Base**  
s = gross sales  
u = units  
t =

**How Rates Apply**  
per \$1000 of gross sales  
per unit  
This premium base is reserved for unusual applications. Base and how rates apply are shown above.

TABLE OF CONTENTS

**COMMERCIAL GENERAL LIABILITY COVERAGE FORM  
CG T1 00 02 19**

SECTION I – COVERAGES	Beginning on Page
Coverage A –	
<b>Bodily Injury and Property     Damage Liability</b>	Insuring Agreement ..... 1
	Exclusions ..... 2
Coverage B –	
<b>Personal and Advertising     Injury Liability</b>	Insuring Agreement ..... 6
	Exclusions ..... 6
Coverage C –	
<b>Medical Payments</b>	Insuring Agreement ..... 9
	Exclusions ..... 9
Supplementary Payments	..... 10
SECTION II – WHO IS AN INSURED	..... 11
SECTION III – LIMITS OF INSURANCE	..... 13
SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS	..... 13
Bankruptcy	..... 13
Duties In The Event Of Occurrence, Offense, Claim Or Suit	..... 13
Legal Action Against Us	..... 14
Other Insurance	..... 15
Premium Audit	..... 16
Representations	..... 16
Separation Of Insureds	..... 16
Transfer Of Rights Of Recovery Against Others To Us	..... 16
When We Do Not Renew	..... 16
SECTION V – DEFINITIONS	..... 16

**TABLE OF CONTENTS**

**CONDOMINIUM AND COMMUNITY ASSOCIATIONS  
DIRECTORS AND OFFICERS LIABILITY COVERAGE FORM**

	Beginning on Page
SECTION I – COVERAGES	
Insuring Agreement- Management Liability Coverage	1
Insuring Agreement - Association Reimbursement Coverage	2
Insuring Agreement- Association Liability Coverage	2
Exclusions	3
SECTION II – WHO IS AN INSURED	5
SECTION III – LIMITS OF INSURANCE	5
SECTION IV – CONDITIONS	6
Bankruptcy	6
Insured's Duties In The Event Of A Claim Or A Wrongful Act That May Result In A Claim	6
Legal Action Against Us	6
Other Insurance	6
Representations	7
Separation Of Insureds	7
Severability Of Exclusions	7
Transfer Of Rights Of Recovery Against Others To Us	7
Conditions Applicable To This Coverage Part	7
Conformance With Statutes	8
SECTION V – EXTENDED REPORTING PERIOD	8
SECTION VI - DEFINITIONS	8

# 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 the 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 the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" 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 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.

- 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.

## COMMERCIAL GENERAL LIABILITY

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

#### b. Contractual Liability

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

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

#### c. Liquor Liability

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

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; 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. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

#### d. Workers' Compensation And Similar Laws

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

#### e. Employer's Liability

"Bodily injury" to:

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

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

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

#### f. Pollution

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

is used to heat, cool or dehumidify the building, or produced by or originating from equipment that is used to heat water for personal use by the building's occupants or their guests;

- (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
- (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) If such "pollutants" are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
  - (i) Any insured; or
  - (ii) Any person or organization for whom you may be legally responsible;
- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
  - (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed

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

- (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire"; or
- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are or were at any time performing operations 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 any governmental authority or any other person or organization 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".

**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) 50 feet long or less; and
    - (b) Not being used to carry any person or property for a charge;
  - (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
  - (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft;
  - (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 as "mobile equipment" under the definition of "mobile equipment" if such land vehicle were not subject to a compulsory or financial responsibility law, or other motor vehicle insurance law, 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"; or
- (6) An aircraft that is:
- (a) Chartered with a pilot to any insured;
  - (b) Not owned by any insured; and
  - (c) Not being used to carry any person or property for a charge.

**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" arising 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 the insured;

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

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

Paragraphs (1), (3) and (4) of this exclusion do not apply to "premises damage". A separate limit of insurance applies to "premises damage" as described in Paragraph 6. of 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".

However, this exclusion does not apply to liability for damages because of "bodily injury".

**q. Unsolicited Communication**

"Bodily injury" or "property damage" arising out of any actual or alleged violation of any law that restricts or prohibits the sending, transmitting or distributing of "unsolicited communication".

**r. Access Or Disclosure Of Confidential Or Personal Information**

"Bodily injury" or "property damage" arising out of any access to or disclosure of any person's or organization's confidential or personal information.

**s. Asbestos**

- (1) "Bodily injury" or "property damage" arising out of the actual or alleged presence or actual, alleged or threatened dispersal of asbestos, asbestos fibers or products containing asbestos, provided that the "bodily injury" or "property damage" is caused or contributed to by the hazardous properties of asbestos.

(2) "Bodily injury" or "property damage" arising out of the actual or alleged presence or actual, alleged or threatened dispersal of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, chemicals and waste, and that are part of any claim or "suit" which also alleges any "bodily injury" or "property damage" described in Paragraph (1) above.

(3) 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, asbestos, asbestos fibers or products containing asbestos; or

(b) Claim or suit by or on behalf of any governmental authority or any other person or organization because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, asbestos, asbestos fibers or products containing asbestos.

**t. Employment-Related Practices**

"Bodily injury" to:

(1) A person arising out of any:

(a) Refusal to employ that person;

(b) Termination of that person's employment; or

(c) Employment-related practice, policy, act or omission, such as coercion, demotion, evaluation, reassignment, discipline, failure to promote or advance, harassment, humiliation, discrimination, libel, slander, violation of the person's right of privacy, malicious prosecution or false arrest, detention or imprisonment applied to or directed at that person, regardless of whether such practice, policy, act or omission occurs, is applied or is committed before, during or after the time of that person's employment; 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 Paragraph (a), (b), or (c) above is directed.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the "bodily injury".

Exclusions c. through n. do not apply to "premises damage". A separate limit of insurance applies to "premises damage" as described in Paragraph 6. of Section III – Limits Of Insurance.

**COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY**

**1. Insuring Agreement**

a. We will pay those sums that the 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 the insured against any "suit" seeking those damages. However, we will have no duty to defend the 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.

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 the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

This exclusion does not apply to "personal injury" caused by malicious prosecution.

**b. Material Published With Knowledge Of Falsity**

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

**c. Material Published Or Used Prior To Policy Period**

- (1) "Personal and advertising injury" arising out of oral or written publication, including publication by electronic means, of material whose first publication took place before the beginning of the policy period; or
- (2) "Advertising injury" arising out of infringement of copyright, "title" or "slogan" in your "advertisement" whose first infringement in your "advertisement" was committed 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 the insured.

**e. Contractual Liability**

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Because of "personal injury" assumed by you in a contract or agreement that is an "insured contract", provided that the "personal injury" is caused by an offense committed subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed by you in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured will be deemed to be damages because of "personal injury", provided that:
  - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed by you in the same "insured contract"; and
  - (b) Such attorneys' fees and litigation expenses are for defense of that party

against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

**f. Breach Of Contract**

"Advertising injury" arising out of a breach of contract.

**g. Quality Or Performance Of Goods - Failure To Conform To Statements**

"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**

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

**i. Intellectual Property**

"Personal and advertising injury" arising out of any actual or alleged infringement or violation of any of the following rights or laws, or any other "personal and advertising injury" alleged in any claim or "suit" that also alleges any such infringement or violation:

- (1) Copyright;
- (2) Patent;
- (3) Trade dress;
- (4) Trade name;
- (5) Trademark;
- (6) Trade secret; or
- (7) Other intellectual property rights or laws.

This exclusion does not apply to:

- (1) "Advertising injury" arising out of any actual or alleged infringement or violation of another's copyright, "title" or "slogan" in your "advertisement"; or
- (2) Any other "personal and advertising injury" alleged in any claim or "suit" that also alleges any such infringement or violation of another's copyright, "title" or "slogan" in your "advertisement".

**j. Insureds In Media And Internet Type Businesses**

"Personal and advertising injury" caused by an offense committed by an insured whose business is:

- (1) Advertising, "broadcasting" or publishing;

(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 a.(1), (2) and (3) of the definition of "personal injury".

For the purposes of this exclusion:

(1) Creating and producing correspondence written in the conduct of your business, bulletins, financial or annual reports, or newsletters about your goods, products or services will not be considered the business of publishing; and

(2) The placing of frames, borders or links, or advertising, for you or others anywhere on the Internet will not, by itself, be considered the business of advertising, "broadcasting" or publishing.

**k. Electronic Chatrooms Or Bulletin Boards**

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

(2) Claim or suit by or on behalf of any governmental authority or any other person or organization 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" arising 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.

**p. Unsolicited Communication**

"Personal and advertising injury" arising out of any actual or alleged violation of any law that restricts or prohibits the sending, transmitting or distributing of "unsolicited communication".

**q. Access Or Disclosure Of Confidential Or Personal Information**

"Personal and advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information.

**r. Asbestos**

(1) "Personal and advertising injury" arising out of the actual or alleged presence or actual, alleged or threatened dispersal of asbestos, asbestos fibers or products containing asbestos, provided that the "personal and advertising injury" is caused or contributed to by the hazardous properties of asbestos.

(2) "Personal and advertising injury" arising out of the actual or alleged presence or actual, alleged or threatened dispersal of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, chemicals and waste, and that are part of any claim or "suit" which also alleges any "personal and advertising injury" described in Paragraph (1) above.

(3) 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, asbestos, asbestos fibers or products containing asbestos; or

- (b) Claim or suit by or on behalf of any governmental authority or any other person or organization because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, asbestos, asbestos fibers or products containing asbestos.

**s. Employment-Related Practices**

"Personal injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practice, policy, act or omission, such as coercion, demotion, evaluation, reassignment, discipline, failure to promote or advance, harassment, humiliation, discrimination, libel, slander, violation of the person's right of privacy, malicious prosecution or false arrest, detention or imprisonment applied to or directed at that person, regardless of whether such practice, policy, act or omission occurs, is applied or is committed before, during or after the time of that person's employment; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal injury" to that person at whom any of the employment-related practices described in Paragraph (a), (b), or (c) above is directed.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the "personal injury".

**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:

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

- b. We will make these payments regardless of fault. These payments will not exceed the 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.

**SUPPLEMENTARY PAYMENTS**

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:
  - a. All expenses we incur.
  - b. Up to \$2,500 for the 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 the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$500 a day because of time off from work.
  - e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
  - f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
  - g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within 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 the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
  - a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
  - b. This insurance applies to such liability assumed by the insured;
  - c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been

assumed by the insured in the same "insured contract";

- d. The allegations in the "suit" and the information we know about the "occurrence" or offense are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
- e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- f. The indemnitee:
  - (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 – Coverages – Coverage A – Bodily Injury And Property Damage Liability** or Paragraph **2.e.** of Section **I – Coverages – Coverage B – Personal And Advertising Injury Liability**, such payments will not be deemed to be damages for "bodily injury", "property damage" or "personal injury", 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, settlements or medical expenses; 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 or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
  - e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

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

- (1) "Bodily injury" or "personal 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 Paragraph (1)(a) or (b) above; or
- (d) Arising out of his or her providing or failing to provide professional health care services.

Unless you are in the business or occupation of providing professional health care services, Paragraphs (1)(a), (b), (c) and (d) above do not apply to "bodily injury" arising out of providing or failing to provide first aid or "Good Samaritan services" by any of your "employees" or "volunteer workers", other than an employed or volunteer doctor. Any such "employees" or "volunteer workers" providing or failing to provide first aid or "Good Samaritan services" during their work hours for you will be deemed to be acting within the scope of their employment by you or performing duties related to the conduct of your business.

- (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.



venture or limited liability company that is not shown as a Named Insured in the Declarations. This paragraph does not apply to any such partnership, joint venture or limited liability company that otherwise qualifies as an insured under Section II – Who Is An Insured.

### 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 Paragraph 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 injury" and "advertising injury" sustained by any one person or organization.

5. Subject to Paragraph 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".

For the purposes of determining the applicable Each Occurrence Limit, all related acts or omissions committed in providing or failing to provide first aid or "Good Samaritan services" to any one person will be deemed to be one "occurrence".

6. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "premises damage" to any one premises. The Damage To Premises Rented To You Limit will be:

- a. The amount shown for the Damage To Premises Rented To You Limit in the Declarations of this Coverage Part; or
- b. \$300,000 if no amount is shown for the Damage To Premises Rented To You Limit in the Declarations of this Coverage Part.

7. Subject to Paragraph 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 the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

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

a. 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";

## COMMERCIAL GENERAL LIABILITY

- (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 the insured because of injury or damage to which this insurance may also apply.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.
- e. The following provisions apply to Paragraph a. above, but only for purposes of the insurance provided under this Coverage Part to you or any insured listed in Paragraph 1. or 2. of Section II – Who Is An Insured:
- (1) Notice to us of such "occurrence" or offense must be given as soon as practicable only after the "occurrence" or offense is known to you (if you are an individual), any of your partners or members who is an individual (if you are a partnership or joint venture), any of your managers who is an individual (if you are a limited liability company), any of your "executive officers" or directors (if you are an organization other than a partnership, joint venture, or limited liability company), any of your trustees who is an individual (if you are a trust) or any "employee" authorized by you to give notice of an "occurrence" or offense.
  - (2) If you are a partnership, joint venture, limited liability company or trust, and none of your partners, joint venture members, managers or trustees are individuals, notice to us of such "occurrence" or offense must be given as soon as practicable only after the "occurrence" or offense is known by:
    - (a) Any individual who is:
      - (i) A partner or member of any partnership or joint venture;
      - (ii) A manager of any limited liability company;
    - (iii) An executive officer or director of any other organization; or
    - (iv) A trustee of any trust;that is your partner, joint venture member, manager or trustee; or
  - (b) Any employee authorized by such partnership, joint venture, limited liability company, trust or other organization to give notice of an "occurrence" or offense.
- (3) Notice to us of such "occurrence" or offense will be deemed to be given as soon as practicable if it is given in good faith as soon as practicable to your workers' compensation insurer. This applies only if you subsequently give notice to us of the "occurrence" or offense as soon as practicable after any of the persons described in Paragraph e.(1) or (2) above discovers that the "occurrence" or offense may result in sums to which the insurance provided under this Coverage Part may apply.
- However, if this policy includes an endorsement that provides limited coverage for "bodily injury" or "property damage" or pollution costs arising out of a discharge, release or escape of "pollutants" which contains a requirement that the discharge, release or escape of "pollutants" must be reported to us within a specific number of days after its abrupt commencement, this Paragraph e. does not affect that requirement.
- ### 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, the insured, and the claimant or the claimant's legal representative.

#### 4. Other Insurance

If valid and collectible other insurance is available to the insured for a loss we cover under Coverages **A** or **B** of this Coverage Part, our obligations are limited as described in Paragraphs **a.** and **b.** below.

As used anywhere in this Coverage Part, other insurance means insurance, or the funding of losses, that is provided by, through or on behalf of:

- (i) Another insurance company;
- (ii) Us or any of our affiliated insurance companies, except when the Non cumulation of Each Occurrence Limit provision of Paragraph **5.** of Section **III** – Limits Of Insurance or the Non cumulation of Personal and Advertising Injury Limit provision of Paragraph **4.** of Section **III** – Limits of Insurance applies because the Amendment – Non Cumulation Of Each Occurrence Limit Of Liability And Non Cumulation Of Personal And Advertising Injury Limit endorsement is included in this policy;
- (iii) Any risk retention group; or
- (iv) Any self-insurance method or program, in which case the insured will be deemed to be the provider of other insurance.

Other insurance does not include umbrella insurance, or excess insurance, that was bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

As used anywhere in this Coverage Part, other insurer means a provider of other insurance. As used in Paragraph **c.** below, insurer means a provider of insurance.

##### a. Primary Insurance

This insurance is primary except when Paragraph **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 Paragraph **c.** below, except when Paragraph **d.** below applies.

##### b. Excess Insurance

(1) This insurance is excess over:

- (a) Any of the other insurance, whether primary, excess, contingent or on any other basis:
  - (i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

(ii) That is insurance for "premises damage";

(iii) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to any exclusion in this Coverage Part that applies to aircraft, "autos" or watercraft;

(iv) That is insurance available to a premises owner, manager or lessor that qualifies as an insured under Paragraph **4.** of Section **II** – Who Is An Insured, except when Paragraph **d.** below applies; or

(v) That is insurance available to an equipment lessor that qualifies as an insured under Paragraph **5.** of Section **II** – Who Is An Insured, except when Paragraph **d.** below applies.

- (b) Any of the other insurance, whether primary, excess, contingent or on any other basis, that is available to the insured when the insured is an additional insured, or is any other insured that does not qualify as a named insured, under such other insurance.
- (2) When this insurance is excess, we will have no duty under Coverages **A** or **B** to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.
- (3) 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:
  - (a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
  - (b) The total of all deductible and self-insured amounts under all that other insurance.
- (4) 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.

**d. Primary And Non-Contributory Insurance If Required By Written Contract**

If you specifically agree in a written contract or agreement that the insurance afforded to an insured under this Coverage Part must apply on a primary basis, or a primary and non-contributory basis, this insurance is primary to other insurance that is available to such insured which covers such insured as a named insured, and we will not share with that other insurance, provided that:

- (1) The "bodily injury" or "property damage" for which coverage is sought occurs; and
- (2) The "personal and advertising injury" for which coverage is sought is caused by an offense that is committed;

subsequent to the signing of that contract or agreement by you.

**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 will 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;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

The unintentional omission of, or unintentional error in, any information provided by you which we relied upon in issuing this policy will not prejudice your rights under this insurance. However, this provision does not affect our right to collect additional premium or to exercise our rights of cancellation or nonrenewal in accordance with applicable insurance laws or regulations.

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

**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 websites, only that part of a website that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

2. "Advertising injury":
- a. Means injury caused by one or more of the following offenses:
    - (1) Oral or written publication, including publication by electronic means, of material in your "advertisement" that slanders or libels a person or organization or disparages a person's or organization's goods, products or services, provided that the claim is made or the "suit" is brought by a person or organization that claims to have been slandered or libeled, or that claims to have had its goods, products or services disparaged;
    - (2) Oral or written publication, including publication by electronic means, of material in your "advertisement" that:
      - (a) Appropriates a person's name, voice, photograph or likeness; or
      - (b) Unreasonably places a person in a false light; or
    - (3) Infringement of copyright, "title" or "slogan" in your "advertisement", provided that the claim is made or the "suit" is brought by a person or organization that claims ownership of such copyright, "title" or "slogan".
  - b. Includes "bodily injury" caused by one or more of the offenses described in Paragraph a. above.
3. "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, where it is licensed or principally garaged.
- However, "auto" does not include "mobile equipment".
4. "Bodily injury" means:
- a. Physical harm, including sickness or disease, sustained by a person; or
  - b. Mental anguish, injury or illness, or emotional distress, resulting at any time from such physical harm, sickness or disease.
5. "Broadcasting" means transmitting any audio or visual material for any purpose:
- a. By radio or television; or
  - b. In, by or with any other electronic means of communication, such as the Internet, if that material is part of:
    - (1) Radio or television programming being transmitted;
    - (2) Other entertainment, educational, instructional, music or news programming being transmitted; or
    - (3) Advertising transmitted with any of such programming.
6. "Coverage territory" means:
- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
  - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph a. above; or
  - c. All other parts of the world if the injury or damage arises out of:
    - (1) Goods or products made or sold by you in the territory described in Paragraph a. above;
    - (2) The activities of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business; or
    - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication;
- provided the insured's responsibility to pay damages is determined in a "suit" on the merits in the territory described in Paragraph a. above, or in a settlement we agree to.
7. "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.
8. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
9. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.

## COMMERCIAL GENERAL LIABILITY

- 10.** "Good Samaritan services" means any emergency medical services for which no compensation is demanded or received.
- 11.** "Hostile fire" means a fire which becomes uncontrollable or breaks out from where it was intended to be.
- 12.** "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
- It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
  - You have failed to fulfill the terms of a contract or agreement;
- if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.
- 13.** "Insured contract" means:
- 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 "premises damage" is not an "insured contract";
  - A sidetrack agreement;
  - Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
  - An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
  - An elevator maintenance agreement;
  - 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", "property damage" or "personal injury" 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:
- 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;
  - That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
    - Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
    - Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
  - Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in Paragraph **(2)** above and supervisory, inspection, architectural or engineering activities.
- 14.** "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".
- 15.** "Loading or unloading" means the handling of property:
- After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
  - While it is in or on an aircraft, watercraft or "auto"; or
  - 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".
- 16.** "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
- Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
  - Vehicles maintained for use solely on or next to premises you own or rent;
  - 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 Paragraph **a.**, **b.**, **c.** or **d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

- (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
- (2) Cherry pickers and similar devices used to raise or lower workers;

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

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

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

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

**17.** "Occurrence" means:

**a.** An accident, including continuous or repeated exposure to substantially the same general harmful conditions; or

**b.** An act or omission committed in providing or failing to provide first aid or "Good Samaritan services" to a person, unless you are in the business or occupation of providing professional health care services.

**18.** "Personal and advertising injury" means "personal injury" or "advertising injury".

**19.** "Personal injury":

**a.** Means injury, other than "advertising injury", caused by one or more of the following offenses:

- (1) False arrest, detention or imprisonment;
- (2) Malicious prosecution;
- (3) 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, provided that the wrongful eviction, wrongful entry or invasion of the right of private occupancy is committed by or on behalf of the owner, landlord or lessor of that room, dwelling or premises;
- (4) Oral or written publication, including publication by electronic means, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services, provided that the claim is made or the "suit" is brought by a person or organization that claims to have been slandered or libeled, or that claims to have had its goods, products or services disparaged; or
- (5) Oral or written publication, including publication by electronic means, of material that:
  - (a) Appropriates a person's name, voice, photograph or likeness; or
  - (b) Unreasonably places a person in a false light.

**b.** Includes "bodily injury" caused by one or more of the offenses described in Paragraph **a.** above.

**20.** "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.

**21. "Premises damage" means:**

- a.** With respect to the first paragraph of the exceptions in Exclusion **j.** of Section **I – Coverage A – Bodily Injury And Property Damage Liability**, "property damage" to any premises while rented to you for a period of seven or fewer consecutive days, including the contents of such premises; or
- b.** With respect to the exception to Exclusions **c.** through **n.** in the last paragraph of Paragraph **2.** of Section **I – Coverage A – Bodily Injury And Property Damage Liability**, "property damage" to any premises while rented to you for a period of more than seven consecutive days, or while temporarily occupied by you with permission of the owner, caused by:
  - (1)** Fire;
  - (2)** Explosion;
  - (3)** Lightning;
  - (4)** Smoke resulting from fire, explosion or lightning; or
  - (5)** Water.

But "premises damage" under this Paragraph **b.** does not include "property damage" to any premises caused by:

- (1)** Rupture, bursting, or operation of pressure relief devices;
- (2)** Rupture or bursting due to expansion or swelling of the contents of any building or structure caused by or resulting from water; or
- (3)** Explosion of steam boilers, steam pipes, steam engines or steam turbines.

**22. "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.

**23. "Property damage" means:**

- a.** Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use will 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 will 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.

**24. "Slogan":**

- a.** Means a phrase that others use for the purpose of attracting attention in their advertising.
- b.** Does not include a phrase used as, or in, the name of:
  - (1)** Any person or organization, other than you; or
  - (2)** Any business, or any of the premises, goods, products, services or work, of any person or organization, other than you.

- 25.** "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:
- a.** An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
  - b.** Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.
- 26.** "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.
- 27.** "Title" means a name of a literary or artistic work.
- 28.** "Unsolicited communication" means any communication, in any form, that the recipient of such communication did not specifically request to receive.
- 29.** "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.
- 30.** "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.
- 31.** "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.

# CONDOMINIUM AND COMMUNITY ASSOCIATIONS DIRECTORS AND OFFICERS LIABILITY COVERAGE FORM

**THIS INSURANCE APPLIES ON A CLAIMS-MADE BASIS.  
DEFENSE EXPENSES ARE PAYABLE WITHIN, AND ARE NOT IN  
ADDITION TO, THE LIMITS OF INSURANCE. PAYMENT OF DEFENSE  
EXPENSES WILL REDUCE, AND MAY COMPLETELY EXHAUST, THE  
LIMITS OF INSURANCE.**

**PLEASE READ THE ENTIRE FORM CAREFULLY.**

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.

"Coverage Period" means the Coverage Period shown in the Condominium And Community Associations Directors And Officers Liability Coverage Part Declarations. "Extended Reporting Period" means the Extended Reporting Period outlined in Section V – Extended Reporting Period.

"Declarations" means the Condominium And Community Associations Directors And Officers Liability Coverage Part Declarations.

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

## SECTION I – COVERAGES

### 1. Insuring Agreements

#### a. Insuring Agreement – Management Liability Coverage

- (1) We will pay on behalf of an "insured person" any "damages" to which this insurance applies that the "insured person" becomes legally obligated to pay as a result of a "claim" first made or brought against the "insured person" during the Coverage Period or during the Extended Reporting Period, except to the extent that the "association" has indemnified the "insured person" for such "damages".

We will have the right and duty to defend the "insured person" against, and will pay "defense expenses" to which this insurance applies with respect to, any "claim" seeking "damages" to which this insurance applies. However, we will

have no duty to defend the "insured person" against, nor will we pay "defense expenses" with respect to, any "claim" seeking "damages" to which this insurance does not apply. We may, at our discretion, investigate any incident that may result in a "claim" and settle any "claim" that may result. But:

- (a) The amount we will pay for "damages" and "defense expenses" is limited as described in Section III – Limits of Insurance; and
- (b) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments, settlements or "defense expenses".
- (2) This insurance applies to "damages" and "defense expenses" only if:
- (a) The "claim" seeking such "damages" results from a "directors and officers

wrongful act" committed by the "insured person":

- (i) On or after the Retroactive Date shown in the Declarations, and before the end of the Coverage Period; and
- (ii) In their capacity as an "insured person";
- (b) The "directors and officers wrongful act" is committed in the "coverage territory"; and
- (c) The "claim" is first made or brought in accordance with Paragraph e. below during the Coverage Period or the Extended Reporting Period.

**b. Insuring Agreement – Association Reimbursement Coverage**

- (1) We will reimburse the "association" any "damages" and "defense expenses" to which this insurance applies and for which the "association" has indemnified an "insured person" as permitted or required by law, provided that the "insured person" became legally obligated to pay such "damages", and the "insured person" incurred such "defense expenses", as a result of a "claim" first made or brought against that "insured person" during the Coverage Period or during the Extended Reporting Period. But the amount we will pay for "damages" and "defense expenses" is limited as described in Section III – Limits of Insurance.
- (2) This insurance applies to "damages" and "defense expenses" only if:
  - (a) The "claim" seeking such "damages" results from a "directors and officers wrongful act" committed by the "insured person":
    - (i) On or after the Retroactive Date shown in the Declarations, and before the end of the Coverage Period; and
    - (ii) In their capacity as an "insured person";
  - (b) The "directors and officers wrongful act" is committed in the "coverage territory"; and

- (c) The "claim" is first made or brought in accordance with Paragraph e. below during the Coverage Period or the Extended Reporting Period.

**c. Insuring Agreement – Association Liability Coverage**

- (1) We will pay on behalf of the "association" any "damages" to which this insurance applies that the "association" becomes legally obligated to pay as a result of a "claim" first made or brought against the "association" during the Coverage Period or during the Extended Reporting Period.

We will have the right and duty to defend the "association" against, and will pay "defense expenses" to which this insurance applies with respect to, any "claim" seeking "damages" to which this insurance applies. However, we will have no duty to defend the "association" against, nor will we pay "defense expenses" with respect to, any "claim" seeking "damages" to which this insurance does not apply. We may, at our discretion, investigate any incident that may result in a "claim" and settle any "claim" that may result. But:

- (a) The amount we will pay for "damages" and "defense expenses" is limited as described in Section III – Limits of Insurance; and
- (b) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments, settlements or "defense expenses".
- (2) This insurance applies to "damages" and "defense expenses" only if:
  - (a) The "claim" seeking such "damages" results from a "directors and officers wrongful act" committed by the "association" on or after the Retroactive Date shown in the Declarations, and before the end of the Coverage Period;
  - (b) The "directors and officers wrongful act" is committed in the "coverage territory"; and
  - (c) The "claim" for "damages" is first made or brought in accordance with Paragraph e. below, during the

Coverage Period or the Extended Reporting Period.

- d. All "claims" arising out of the same "directors and officers wrongful act" or "related wrongful acts" committed by one or more "insured persons" will be considered a single "claim". Such single "claim" will be deemed to be first made or brought on the date the initial "claim" that results from such "directors and officers wrongful acts" or "related wrongful acts" was first made or brought pursuant to Paragraph 2. of Section IV – Conditions or on the date notice of such "directors and officers wrongful act" or "related wrongful acts" was first given pursuant to Paragraph 2. of Section IV – Conditions.
- e. A "claim" seeking "damages" will be deemed to have been first made or brought at the earlier of the following times:
  - (1) When any insured first receives written notice of such "claim"; or
  - (2) When we first receive written notice from any insured of a specific "directors and officers wrongful act" or "related wrongful acts" which resulted in such "claim", as outlined in Paragraph 2. of Section IV – Conditions.
- f. The insurance under **Insuring Agreement – Management Liability Coverage** is extended to apply to "damages" and "defense expenses" resulting from a "claim" made or brought against a person who, at the time the "claim" is made or brought, is a lawful spouse or civil union partner, or a person qualifying as a domestic partner, of the "insured person" under the provisions of any applicable federal, state or local law, but only if:
  - (1) The "claim" against such spouse, civil union partner or domestic partner results from a "directors and officers wrongful act" committed by the "insured person" to whom the spouse is married, or who is joined with the civil union partner or domestic partner; and
  - (2) Such "insured person" and their spouse, civil union partner or domestic partner are represented by the same counsel in connection with such "claim".

No spouse, civil union partner or domestic partner will, by reason of this coverage extension, have any greater right to

coverage under the Condominium And Community Associations Directors And Officers Liability Coverage Part than the "insured person" to whom such spouse is married, or to whom such civil union partner or domestic partner is joined.

We have no obligation to make payment for "damages" or "defense expenses" in connection with any "claim" against a spouse, civil union partner or domestic partner of an "insured person" for any actual or alleged act, error, omission, misstatement, misleading statement, neglect or breach of duty by such spouse, civil union partner or domestic partner.

- g. The insurance under **Insuring Agreement – Management Liability Coverage** is extended to apply to "damages" and "defense expenses" resulting from a "claim" made or brought against:
  - (1) The estate, heirs or legal representatives of a deceased "insured person"; or
  - (2) The legal representative of that "insured person" in the event of incompetency, insolvency or bankruptcy.

This coverage extension only applies to "claims" if and to the extent that, in the absence of such death, incompetency, insolvency or bankruptcy of the "insured person", such "claims" would have been covered by this insurance according to all applicable terms, conditions and exclusions.

**2. Exclusions**

This insurance does not apply to:

- a. **Criminal, Dishonest, Fraudulent Or Malicious Acts**  
Any "claim" arising out of any criminal, dishonest, fraudulent, or malicious act, error or omission committed by any insured, including the willful or reckless violation of any law or regulation.
- b. **Injury Or Damage**  
Any "claim" arising out of "bodily injury", "property damage", "personal injury" or "advertising injury".
- c. **Contractual Liability**  
Any "claim" arising out of liability under or breach of any contract or agreement, or for liability of others assumed by the "association" under any such contract or

agreement, except if the "association" would have been liable in the absence of such contract or agreement.

**d. Gaining Of Profit**

Any "claim" related to the gaining of any profit, remuneration or advantage to which any insured was not legally entitled.

**e. Compensation**

Any "claim" related to salary, compensation or bonuses voted to or denied to any insured by the directors, officers or trustees of the "association".

**f. Failure To Effect Or Maintain Insurance**

Any "claim" arising out of any actual or alleged failure or omission on the part of any insured to effect or maintain insurance.

**g. Pollution**

Any "claim":

- (1) Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants";
- (2) Arising out of any request, demand, order, or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (3) Brought by or on behalf of any governmental authority or any other person or organization 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".

**h. Lead**

Any "claim":

- (1) Arising out of the actual or alleged presence or actual, alleged or threatened dispersal, release, ingestion, inhalation or absorption of lead, lead compounds or lead which is or was contained or incorporated into any material or substance;
- (2) Arising out of any request, demand, order, or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove,

contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, lead, lead compounds or lead which is or was contained or incorporated into any material or substance; or

- (3) Brought by or on behalf of any governmental authority or any other person or organization because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, lead, lead compounds or lead which is or was contained or incorporated into any material or substance.

**i. Asbestos**

Any "claim":

- (1) Arising out of the actual or alleged presence or actual, alleged or threatened dispersal of asbestos, asbestos fibers or products containing asbestos;
- (2) Arising out of any request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, asbestos, asbestos fibers or products containing asbestos; or
- (3) Brought by or on behalf of any governmental authority or any other person or organization because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, asbestos, asbestos fibers or products containing asbestos.

**j. Serving For Other Organizations Or Associations**

Any "claim" arising out of any act, error or omission committed or allegedly committed by any "insured person" serving in any position or capacity in any organization or association other than the "association", even if the "association" directed or requested that "insured person" to serve in such other position or capacity.

**k. Cross Insured Claims**

Any "claim" brought by or on behalf of any insured against any other insured.

**l. Acts Committed By Any Developer/Sponsor**

Any "claim" arising out of a "directors and officers wrongful act" committed by any builder, developer or sponsor, or any person who is a director, officer, employee or agent of the builder, developer, sponsor or declarant of the "association", whether or not such person serves as a director, officer or employee of the "association".

**m. Employment-Practices Liability**

Any "claim" arising out of:

- (1) Refusal to employ any person;
- (2) Termination of any person's employment; or
- (3) Any employment-related practice, policy, act or omission, such as coercion, demotion, evaluation, reassignment, discipline, failure to promote or advance, harassment, humiliation, discrimination, libel, slander, violation of the person's right of privacy, malicious prosecution or false arrest, detention or imprisonment applied to or directed at any person, regardless of whether such practice, policy, act or omission occurs, is applied or is committed before, during or after the time of that person's employment.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages.

**n. Violation Of Law Or Regulation**

Any "claim" arising out of an actual or alleged violation of:

- (1) Any federal, state, county, municipal or local law, ordinance, order, directive or regulation barring discrimination, including but not limited to those based on race, color, national origin, ancestry, citizenship, gender, gender expression, sexual orientation, marital status, religion or religious belief, age, economic status, medical condition, pregnancy, parenthood or mental or physical disability.
- (2) Any state, federal or governmental antitrust statute or regulation including

the Racketeering Influenced and Corrupt Organizations Act (RICO), the Securities Act of 1933, the Securities Exchange Act of 1934, or any Blue Sky law;

- (3) The Employee Retirement Income Security Act of 1974 and its amendments; or
- (4) Any other similar provisions of any federal, state or local law or regulation.

**o. Taxes, Fines Or Penalties**

- (1) Any taxes, fines, or penalties, including those imposed under any provision of the Internal Revenue Code of 1986, as amended, or any similar state or local law; or
- (2) Any loss, cost or expense arising out of the imposition of such taxes, fines or penalties.

**p. Access Or Disclosure Of Confidential Or Personal Information**

Any "claim" arising out of any access to or disclosure of any person's or organization's confidential or personal information.

**q. Construction Defect**

Any "claim" arising out of any "construction defect".

**r. Prior Knowledge**

Any "claim" arising out of any fact, circumstance, situation or event that is or reasonably would be regarded as the basis for a "claim" about which any director, trustee or officer of the "association" had knowledge prior to the inception of the Coverage Period shown in the Declarations.

**s. Previously Reported Claims Or Notices Of Circumstances**

Any "claim" arising out of the same facts, "directors and officers wrongful acts" or "related wrongful acts", alleged or contained in any "claim" which has been reported, or in any circumstances of which notice has been given:

- (1) During a prior Coverage Period of this Coverage Part; or
- (2) Under any prior insurance policy of which this policy is a replacement.

**t. Prior And Pending Litigation**

"Damages" and "defense expenses" arising out any "claim" or other proceeding against any insured which was pending on or existed prior to the inception of the Coverage Period

## DIRECTORS AND OFFICERS LIABILITY

shown in the Declarations, or arising out of the same or substantially the same facts, circumstances or allegations which are the subject of, or the basis for, such "claim" or other proceeding.

### SECTION II – WHO IS AN INSURED

1. The "association" is an insured.
2. An "insured person" is an insured.

### 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 brought;
  - c. Persons or organizations making or bringing "claims"; or
  - d. "Directors and officers wrongful acts".
2. The Aggregate Limit is the most we will pay under this Coverage Part for the sum of all "damages" and "defense expenses" that result from all "claims".
3. Subject to the Aggregate Limit in Paragraph 2., the Each Claim Limit is the most we will pay under this Coverage Part for the sum of all "damages" and "defense expenses" that result from any one "claim".

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 Coverage Period shown in the Declarations, unless the Coverage 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 – CONDITIONS

#### 1. Bankruptcy

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

#### 2. Insured's Duties In The Event Of A Claim Or A Wrongful Act That May Result In A Claim

- a. You must see to it that we are notified as soon as practicable of a "directors and officers wrongful act" which may result in a "claim". To the extent possible, notice should include:

- (1) How, when and where the "directors and officers wrongful act" was committed;

- (2) The name and address of each "insured person" that committed the specific "directors and officers wrongful act", and the names and addresses of the potential claimants;

- (3) The reasons for anticipating a "claim" which may result from such specific "directors and officers wrongful act";

- (4) The nature of the alleged or potential "damages" arising from such specific "directors and officers wrongful act"; and

- (5) The circumstances by which the insureds first became aware of the specific "directors and officers wrongful act".

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

- (1) Immediately record the specifics of the "claim" and the date received; and

- (2) Notify us in writing 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";

- (2) Authorize us to obtain records and other information;

- (3) Cooperate with us in the investigation or settlement of, or defense against, the "claim"; and

- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of any act, error omission 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 without our written consent.

As respects the notice requirements in Paragraphs a. through c. above, notice given by or on behalf of an "insured person" or the "association" to our authorized agent, with particulars sufficient to identify the "insured person" or the "association", will be considered notice to us.

#### 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 "claim" or suit seeking "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, the insured and the claimant or the claimant's legal representative.

#### 4. Other Insurance

If valid and collectible other insurance is available to the insured for "damages" and "defense expenses" we cover under this Coverage Part, our obligations are limited as follows:

As used anywhere in this Coverage Part, other insurance means insurance, or the funding of losses, that is provided by, through or on behalf of:

- (i) Another insurance company;
- (ii) Us or any of our affiliated insurance companies;
- (iii) Any risk retention group; or
- (iv) Any self-insurance method or program, in which case the insured will be deemed to be the provider of other insurance.

Other insurance does not include umbrella insurance, or excess insurance, that was bought specifically to apply in excess of the Limits of Insurance shown in the Declarations.

As used anywhere in this Coverage Part, other insurer means a provider of other insurance. As used in Paragraph **b.** below, insurer means a provider of insurance.

##### a. Primary Insurance

This insurance is primary except when Paragraph **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 Paragraph **c.** below.

##### b. Excess Insurance

- (1) This insurance is excess over any other insurance, whether primary, excess, contingent or on any other basis, that is

effective prior to the inception of the Coverage Period shown in the Declarations and which applies on other than a claims-made basis if:

- (a) This Coverage Part has a Retroactive Date that precedes the inception of the Coverage Period; or
  - (b) The other insurance has a policy period which continues after the Retroactive Date shown in the Declarations.
- (2) When this insurance is excess, we will have no duty to defend any "claim" that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.
  - (3) When this insurance is excess, we will pay only our share of the amount of "damages" and "defense expenses", if any, that exceeds the sum of:
    - (a) The total amount that all such other insurance would pay for "damages" and "defense expenses" in the absence of this insurance; and
    - (b) The total of all deductible and self-insured amounts under all other insurance.

We will share the remaining "damages" and "defense expenses", 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 "damages" or "defense expenses" remain, 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. Representations**

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

The unintentional omission of, or unintentional error in, any information provided by you which we relied upon in issuing this policy will not prejudice your rights under this insurance. However, this provision does not affect our right to collect additional premium or to exercise our rights of cancellation or renewal in accordance with applicable insurance laws or regulations.

**6. 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 brought.

**7. Severability Of Exclusions**

A "directors and officers wrongful act" committed by any "insured person" will not be imputed to any other "insured person" for purposes of applying the exclusions set forth in Paragraph 2. of Section I – Coverages.

**8. Transfer Of Rights Of Recovery Against Others To Us**

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

**9. Conditions Applicable To This Coverage Part**

Any condition relating to:

- a. Common Policy Conditions;
- b. Cancellation;
- c. Renewal, conditional renewal, nonrenewal or when we do not renew;
- d. Renewal with altered terms, including an increase in premium or a decrease in coverage;

- e. A policy period longer than one year;
- f. The method of notifying the first Named Insured, including requirements about mailing; or
- g. The insured's notice to our authorized agent is notice to us;

in any endorsement applicable to the Commercial General Liability Coverage Part attached to this policy also applies to this Coverage Part.

**10. Conformance With Statutes**

Any provision of this Coverage Part (including endorsements which modify the policy or this Coverage Part) that does not conform to the minimum requirements of a statute that exists on the effective date of the policy and that is applicable to the jurisdiction governing the coverage provided under this Coverage Part is amended to conform to such statute.

**SECTION V – EXTENDED REPORTING PERIOD**

We will provide an Extended Reporting Period if this Coverage Part is cancelled or not renewed for any reason other than non-payment of premium. This supplemental period starts with the end of the Coverage Period and lasts for three years.

- 1. The Extended Reporting Period does not apply to "claims" that are covered under any subsequent insurance you purchase, or that would be covered but for the exhaustion of the limit of insurance applicable to such "claims".
- 2. The Extended Reporting Period does not extend the Coverage Period or change the scope of coverage provided. It only applies to "claims" for "damages" and "defense expenses" caused by a "directors and officers wrongful act" committed on or after the Retroactive Date shown in the Declarations and before the end of the Coverage Period.
- 3. The Extended Reporting Period does not reinstate or increase the Limits of Insurance, unless the jurisdiction governing the coverage provided under this Coverage Part requires that the Limits of Insurance be reinstated in whole or part during the Extended Reporting Period; provided, however, the Limits of Insurance will be reinstated only to the extent required by such jurisdiction.

**SECTION VI – DEFINITIONS**

- 1. "Advertising injury":
  - a. Means injury caused by one or more of the following offenses:

- (1) Oral or written publication, including publication by electronic means, of material in your advertisement that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
  - (2) Oral or written publication, including publication by electronic means, of material in your advertisement that violates a person's right of privacy; or
  - (3) Infringement of copyright, title or slogan in your advertisement.
2. "Association" means the entity named in the Declarations as the Named Insured.
  3. "Bodily injury":
    - a. Means any harm, including sickness or disease, to the health of a person.
    - b. Includes mental anguish, injury or illness, or emotional distress.
  4. "Claim" means:
    - a. A written demand for monetary damages;
    - b. A civil proceeding commenced by service of a complaint or similar pleading;
    - c. A criminal proceeding commenced by filing of charges;
    - d. A formal administrative proceeding, commenced by filing a notice of charges, formal investigative order, service of summons or similar document;
    - e. An arbitration, mediation or similar dispute resolution proceeding if the insured is obligated to participate in such proceeding or if the insured agrees to participate in such proceeding, with the Company's written consent, such consent not to be unreasonably withheld; or
    - f. A written request to toll or waive a statute of limitations relating to a potential civil or administrative proceeding, against any insured for any "directors and officers wrongful act".
  5. "Construction defect" means any actual or alleged defective, faulty or delayed construction or any other matter recognized as a construction defect under applicable common or statutory law, whether or not as a result of:
    - a. Faulty or incorrect design or architectural plans;
    - b. Improper soil testing;
    - c. Inadequate or insufficient protection from subsoil, ground water or earth movement or subsidence;
    - d. The construction, manufacture or assembly of any tangible property;
    - e. The failure to provide construction related goods or services as represented or to pay for such goods and services; or
    - f. The supervision of any of the activities described in Paragraphs a. through e. above.
  6. "Coverage territory" means the United States of America (including its territories and possessions), Puerto Rico or Canada, provided that the insured's responsibility to pay damages is determined in a "claim" on the merits in the United States of America (including its territories and possessions), Puerto Rico or Canada, or in a settlement we agree to.
  7. "Damages":
    - a. Means a compensatory monetary award, settlement or judgment, and pre-judgment and post-judgment interest.
    - b. Does not include:
      - (1) Civil or criminal fines or penalties imposed by law;
      - (2) Punitive or exemplary damages or the multiplied portion of multiplied damages, unless such damages are required to be insured by the jurisdiction governing the coverage provided under this Coverage Part;
      - (3) Taxes or matters that are uninsurable pursuant to applicable law; or
      - (4) Non-monetary damages, including costs to comply with injunctive relief.
- When the jurisdiction governing the coverage provided under this Coverage Part does not allow pre-judgment interest to be applied within the limits of insurance, such amounts will not be considered "damages" and will be paid in addition to, and will not reduce, the Limits of Insurance.
- When the jurisdiction governing the coverage provided under this Coverage Part does not allow post-judgment interest to be applied within the limits of insurance, such amounts will not be considered "damages" and will be paid in

## DIRECTORS AND OFFICERS LIABILITY

addition to, and will not reduce, the Limits of Insurance.

**8. "Defense expenses":**

- a.** Means reasonable and necessary legal fees and expenses incurred in the investigation, defense and appeal of "claims".
- b.** Includes the cost of expert consultants and witnesses, premiums for appeal, injunction, attachment or supersedeas bonds (without the obligation to furnish such bonds) regarding such "claim".
- c.** Does not include the salaries, wages, benefits or overhead of, or paid to, any insured.

**9. "Directors and officers wrongful act" means:**

- a.** With respect to the "insured person", any actual or alleged act, error, omission, misstatement, misleading statement, neglect or breach of duty by the "insured person" in their insured position or capacity for the "association"; or any matter claimed against them solely by reason of their serving in such insured position or capacity.
- b.** With respect to the "association", any actual or alleged act, error omission, misstatement, misleading statement, neglect or breach of duty by the "association".

**10. "Insured person" means:**

- a.** Any director, trustee or officer of the "association" who:
  - (1)** Is currently a director, a trustee or an officer;
  - (2)** Was a director, a trustee or an officer when the "directors and officers wrongful act" was committed; or
  - (3)** Became a director, a trustee or an officer after the effective date of this insurance, but only for "directors and officers wrongful acts" that occur after such person became a director, a trustee or an officer.
- b.** Any of your employees, volunteers and members, while acting at the direction of the

"association" or at the direction of a director, trustee or officer of the "association"; or

**c.** The principal or any employee of your managing agent;

but only while acting within their scope of duties for you.

**11. "Personal injury":**

**a.** Means injury caused by one or more of the following offenses:

- (1)** False arrest, detention or imprisonment;
- (2)** Malicious prosecution;
- (3)** 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;
- (4)** Oral or written publication, including publication by electronic means, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
- (5)** Oral or written publication, including publication by electronic means, of material that violates a person's right of privacy.

**12. "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.**

**13. "Property damage" means:**

- a.** Physical injury to tangible property, including all resulting loss of use of that property; or
- b.** Loss of use of tangible property that is not physically injured.

**14. "Related wrongful acts" means all causally connected "directors and officers wrongful acts". "Related wrongful acts" will be considered to be committed on the date that the first of such causally related "directors and officers wrongful acts" is committed.**

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

## **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.

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

## **AMENDMENT OF INTELLECTUAL PROPERTY EXCLUSION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following replaces Exclusion **i.**, **Intellectual Property**, in Paragraph **2.** of **SECTION I – COVERAGES – COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY**:

**i. Intellectual Property**

"Personal and advertising injury" arising out of any actual or alleged infringement or violation of any of the following rights or laws, or any other "personal and advertising injury" alleged in any claim or suit that also alleges any such infringement or violation:

- (1) Copyright;
- (2) Patent;
- (3) Trade dress;
- (4) Trade name;
- (5) Trademark;

(6) Trade secret; or

(7) Other intellectual property rights or laws.

This exclusion applies regardless of whether the allegation of infringement or violation of any of these rights or laws is made by any person or organization making the claim or bringing the suit, by any insured or by any other party to the claim or suit.

This exclusion does not apply to:

- (1) "Advertising injury" arising out of any actual or alleged infringement or violation of another's copyright, "title" or "slogan" in your "advertisement"; or
- (2) Any other "personal and advertising injury" alleged in any claim or "suit" that also alleges any such infringement or violation of another's copyright, "title" or "slogan" in your "advertisement".

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

**AMENDMENT – NON CUMULATION OF EACH  
OCCURRENCE LIMIT OF LIABILITY and  
NON CUMULATION OF PERSONAL and ADVERTISING  
INJURY LIMIT**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

- 1. Paragraph 5 of SECTION III – LIMITS OF INSURANCE, is amended to include the following:**

Non cumulation of Each Occurrence Limit - If one "occurrence" causes "bodily injury" and/or "property damage" during the policy period and during the policy period of one or more prior and/or future policies that include a commercial general liability coverage part for the insured issued by us or any affiliated insurance company, the amount we will pay is limited. This policy's Each Occurrence Limit will be reduced by the amount of each payment made by us and any affiliated insurance company under the other policies because of such "occurrence".
- 2. Paragraph 4 of SECTION III – LIMITS OF INSURANCE, is amended to include the following:**

Non cumulation of Personal and Advertising Limit – If "personal injury" and/or "advertising injury" is sustained by any one person or organization during the policy period and during the policy period of one or more prior and/or future policies that include a commercial general liability coverage part for the insured issued by us or any affiliated insurance company, the amount we will pay is limited. This policy's Personal Injury and Advertising Injury Limit will be reduced by the amount of each payment made by us and any affiliated insurance company under the other policies because of such "personal injury" and/or "advertising injury".

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

## **EXCLUSION – REAL ESTATE DEVELOPMENT ACTIVITIES – COMPLETED OPERATIONS**

This endorsement modifies insurance provided under the following:  
COMMERCIAL GENERAL LIABILITY COVERAGE PART

### **PROVISIONS**

1. The following exclusion is added to Paragraph 2., **Exclusions**, of **SECTION I – COVERAGES – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**:

#### **Real Estate Development Activities**

"Bodily injury" or "property damage" included in the "products-completed operations hazard" and arising out of any "real estate development activities" by or on behalf of any insured.

2. The following is added to Paragraph **b.(3)** of the definition of "products-completed operations hazard" in the **DEFINITIONS** Section:

However, this Paragraph **(3)** does not apply to

any "real estate development activities" by or on behalf of any insured.

3. The following is added to the **DEFINITIONS** Section:

"Real estate development activities":

- a. Means the design, site preparation, construction, marketing or sales of residential, commercial or industrial buildings.
- b. Does not include repair, maintenance, renovation, alteration or addition to an existing building owned by the Named Insured.

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

## **XTEND ENDORSEMENT**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**GENERAL DESCRIPTION OF COVERAGE** – This endorsement broadens coverage. However, coverage for any injury, damage or medical expenses described in any of the provisions of this endorsement may be excluded or limited by another endorsement to this Coverage Part, and these coverage broadening provisions do not apply to the extent that coverage is excluded or limited by such an endorsement. The following listing is a general coverage description only. Read all the provisions of this endorsement and the rest of your policy carefully to determine rights, duties, and what is and is not covered.

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li><b>A.</b> Who Is An Insured – Unnamed Subsidiaries</li> <li><b>B.</b> Who Is An Insured – Employees And Volunteer Workers – Bodily Injury To Co-Employees And Co-Volunteer Workers</li> <li><b>C.</b> Who Is An Insured – Newly Acquired Or Formed Limited Liability Companies</li> <li><b>D.</b> Blanket Additional Insured – Persons Or Organizations For Your Ongoing Operations As Required By Written Contract Or Agreement</li> <li><b>E.</b> Blanket Additional Insured – Broad Form Vendors</li> <li><b>F.</b> Blanket Additional Insured – Controlling interest</li> </ul> | <ul style="list-style-type: none"> <li><b>G.</b> Blanket Additional Insured – Mortgagees, Assignees, Successors Or Receivers</li> <li><b>H.</b> Blanket Additional Insured – Governmental Entities – Permits Or Authorizations Relating To Premises</li> <li><b>I.</b> Blanket Additional Insured – Governmental Entities – Permits Or Authorizations Relating To Operations</li> <li><b>J.</b> Blanket Additional Insured – Grantors Of Franchises</li> <li><b>K.</b> Incidental Medical Malpractice</li> <li><b>L.</b> Blanket Waiver Of Subrogation</li> </ul> |
|--|---|

**PROVISIONS**

**A. WHO IS AN INSURED – UNNAMED SUBSIDIARIES**

The following is added to **SECTION II – WHO IS AN INSURED**:

Any of your subsidiaries, other than a partnership or joint venture, that is not shown as a Named Insured in the Declarations is a Named Insured if:

- a.** You are the sole owner of, or maintain an ownership interest of more than 50% in, such subsidiary on the first day of the policy period; and
- b.** Such subsidiary is not an insured under similar other insurance.

No such subsidiary is an insured for "bodily injury" or "property damage" that occurred, or "personal and advertising injury" caused by an offense committed:

- a.** Before you maintained an ownership interest of more than 50% in such subsidiary; or
- b.** After the date, if any, during the policy period that you no longer maintain an ownership interest of more than 50% in such subsidiary.

For purposes of Paragraph **1.** of Section **II** – Who Is An Insured, each such subsidiary will be deemed to be designated in the Declarations as:

- a.** A limited liability company;
  - b.** An organization other than a partnership, joint venture or limited liability company; or
  - c.** A trust;
- as indicated in its name or the documents that govern its structure.

**B. WHO IS AN INSURED – EMPLOYEES AND VOLUNTEER WORKERS – BODILY INJURY TO CO-EMPLOYEES AND CO-VOLUNTEER WORKERS**

The following is added to Paragraph **2.a.(1)** of **SECTION II – WHO IS AN INSURED**:

Paragraphs **(1)(a)**, **(b)** and **(c)** above do not apply to "bodily injury" to a co-"employee" while in the course of the co-"employee's" employment by you or performing duties related to the conduct of your business, or to "bodily injury" to your other "volunteer workers" while performing duties related to the conduct of your business.

**C. WHO IS AN INSURED – NEWLY ACQUIRED OR FORMED LIMITED LIABILITY COMPANIES**

1. The following replaces the first sentence of Paragraph 3. of **SECTION II – WHO IS AN INSURED**:

Any organization you newly acquire or form, other than a partnership or joint venture, and of which you are the sole owner or in which you maintain an ownership interest of more than 50%, will qualify as a Named Insured if there is no other similar insurance available to that organization.

2. The following replaces the last sentence of Paragraph 3. of **SECTION II – WHO IS AN INSURED**:

For the purposes of Paragraph 1. of Section II – Who Is An Insured, each such organization will be deemed to be designated in the Declarations as:

- a. A limited liability company;
- b. An organization other than a partnership, joint venture or limited liability company; or
- c. A trust;

as indicated in its name or the documents that govern its structure.

**D. BLANKET ADDITIONAL INSURED – PERSONS OR ORGANIZATIONS FOR YOUR ONGOING OPERATIONS AS REQUIRED BY WRITTEN CONTRACT OR AGREEMENT**

The following is added to **SECTION II – WHO IS AN INSURED**:

Any person or organization that is not otherwise an insured under this Coverage Part and that you have agreed in a written contract or agreement to include as an additional insured on this Coverage Part is an insured, but only with respect to liability for "bodily injury" or "property damage" that:

- a. Occurs subsequent to the signing of that contract or agreement; and
- b. Is caused, in whole or in part, by your acts or omissions in the performance of your ongoing operations to which that contract or agreement applies or the acts or omissions of any person or organization performing such operations on your behalf.

The limits of insurance provided to such insured will be the minimum limits that you agreed to provide in the written contract or agreement, or the limits shown in the Declarations, whichever are less.

**E. BLANKET ADDITIONAL INSURED – BROAD FORM VENDORS**

The following is added to **SECTION II – WHO IS AN INSURED**:

Any person or organization that is a vendor and that you have agreed in a written contract or agreement to include as an additional insured on this Coverage Part is an insured, but only with respect to liability for "bodily injury" or "property damage" that:

- a. Occurs subsequent to the signing of that contract or agreement; and
- b. Arises out of "your products" that are distributed or sold in the regular course of such vendor's business.

The insurance provided to such vendor is subject to the following provisions:

- a. The limits of insurance provided to such vendor will be the minimum limits that you agreed to provide in the written contract or agreement, or the limits shown in the Declarations, whichever are less.
- b. The insurance provided to such vendor does not apply to:

(1) Any express warranty not authorized by you or any distribution or sale for a purpose not authorized by you;

(2) Any change in "your products" made by such vendor;

(3) Repackaging, unless unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;

(4) Any failure to make such inspections, adjustments, tests or servicing as vendors agree to perform or normally undertake to perform in the regular course of business, in connection with the distribution or sale of "your products";

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

(6) "Your products" that, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or on behalf of such vendor.

Coverage under this provision does not apply to:

- a. Any person or organization from whom you have acquired "your products", or any ingredient, part or container entering into, accompanying or containing such products; or
- b. Any vendor for which coverage as an additional insured specifically is scheduled by endorsement.

**F. BLANKET ADDITIONAL INSURED – CONTROLLING INTEREST**

- 1. The following is added to **SECTION II – WHO IS AN INSURED:**

Any person or organization that has financial control of you is an insured with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" that arises out of:

- a. Such financial control; or
- b. Such person's or organization's ownership, maintenance or use of premises leased to or occupied by you.

The insurance provided to such person or organization does not apply to structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

- 2. The following is added to Paragraph 4. of **SECTION II – WHO IS AN INSURED:**

This paragraph does not apply to any premises owner, manager or lessor that has financial control of you.

**G. BLANKET ADDITIONAL INSURED – MORTGAGEES, ASSIGNEES, SUCCESSORS OR RECEIVERS**

- The following is added to **SECTION II – WHO IS AN INSURED:**

Any person or organization that is a mortgagee, assignee, successor or receiver and that you have agreed in a written contract or agreement to include as an additional insured on this Coverage Part is an insured, but only with respect to its liability as mortgagee, assignee, successor or receiver for "bodily injury", "property damage" or "personal and advertising injury" that:

- a. Is "bodily injury" or "property damage" that occurs, or is "personal and advertising injury" caused by an offense that is committed, subsequent to the signing of that contract or agreement; and

- b. Arises out of the ownership, maintenance or use of the premises for which that mortgagee, assignee, successor or receiver is required under that contract or agreement to be included as an additional insured on this Coverage Part.

The insurance provided to such mortgagee, assignee, successor or receiver is subject to the following provisions:

- a. The limits of insurance provided to such mortgagee, assignee, successor or receiver will be the minimum limits that you agreed to provide in the written contract or agreement, or the limits shown in the Declarations, whichever are less.
- b. The insurance provided to such person or organization does not apply to:
  - (1) Any "bodily injury" or "property damage" that occurs, or any "personal and advertising injury" caused by an offense that is committed, after such contract or agreement is no longer in effect; or
  - (2) Any "bodily injury", "property damage" or "personal and advertising injury" arising out of any structural alterations, new construction or demolition operations performed by or on behalf of such mortgagee, assignee, successor or receiver.

**H. BLANKET ADDITIONAL INSURED – GOVERNMENTAL ENTITIES – PERMITS OR AUTHORIZATIONS RELATING TO PREMISES**

- The following is added to **SECTION II – WHO IS AN INSURED:**

Any governmental entity that has issued a permit or authorization with respect to premises owned or occupied by, or rented or loaned to, you and that you are required by any ordinance, law, building code or written contract or agreement to include as an additional insured on this Coverage Part is an insured, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" arising out of the existence, ownership, use, maintenance, repair, construction, erection or removal of any of the following for which that governmental entity has issued such permit or authorization: advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, hoist away openings, sidewalk vaults, elevators, street banners or decorations.

**I. BLANKET ADDITIONAL INSURED – GOVERNMENTAL ENTITIES – PERMITS OR AUTHORIZATIONS RELATING TO OPERATIONS**

The following is added to **SECTION II – WHO IS AN INSURED**:

Any governmental entity that has issued a permit or authorization with respect to operations performed by you or on your behalf and that you are required by any ordinance, law, building code or written contract or agreement to include as an additional insured on this Coverage Part is an insured, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" arising out of such operations.

The insurance provided to such governmental entity does not apply to:

- a. Any "bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the governmental entity; or
- b. Any "bodily injury" or "property damage" included in the "products-completed operations hazard".

**J. BLANKET ADDITIONAL INSURED – GRANTORS OF FRANCHISES**

The following is added to **SECTION II – WHO IS AN INSURED**:

Any person or organization that grants a franchise to you is an insured, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" arising out of your operations in the franchise granted by that person or organization.

If a written contract or agreement exists between you and such additional insured, the limits of insurance provided to such insured will be the minimum limits that you agreed to provide in the written contract or agreement, or the limits shown in the Declarations, whichever are less.

**K. INCIDENTAL MEDICAL MALPRACTICE**

1. The following replaces Paragraph **b.** of the definition of "occurrence" in the **DEFINITIONS** Section:

- b. An act or omission committed in providing or failing to provide "incidental medical services", first aid or "Good Samaritan services" to a person, unless you are in the business or occupation of providing professional health care services.

2. The following replaces the last paragraph of Paragraph 2.a.(1) of **SECTION II – WHO IS AN INSURED**:

Unless you are in the business or occupation of providing professional health care services, Paragraphs (1)(a), (b), (c) and (d) above do not apply to "bodily injury" arising out of providing or failing to provide:

- (a) "Incidental medical services" by any of your "employees" who is a nurse, nurse assistant, emergency medical technician, paramedic, athletic trainer, audiologist, dietician, nutritionist, occupational therapist or occupational therapy assistant, physical therapist or speech-language pathologist; or
- (b) First aid or "Good Samaritan services" by any of your "employees" or "volunteer workers", other than an employed or volunteer doctor. Any such "employees" or "volunteer workers" providing or failing to provide first aid or "Good Samaritan services" during their work hours for you will be deemed to be acting within the scope of their employment by you or performing duties related to the conduct of your business.

3. The following replaces the last sentence of Paragraph 5. of **SECTION III – LIMITS OF INSURANCE**:

For the purposes of determining the applicable Each Occurrence Limit, all related acts or omissions committed in providing or failing to provide "incidental medical services", first aid or "Good Samaritan services" to any one person will be deemed to be one "occurrence".

4. The following exclusion is added to Paragraph 2., **Exclusions**, of **SECTION I – COVERAGES – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**:

**Sale Of Pharmaceuticals**

"Bodily injury" or "property damage" arising out of the violation of a penal statute or ordinance relating to the sale of pharmaceuticals committed by, or with the knowledge or consent of, the insured.

5. The following is added to the **DEFINITIONS** Section:

"Incidental medical services" means:

- a. Medical, surgical, dental, laboratory, x-ray or nursing service or treatment, advice or instruction, or the related furnishing of food or beverages; or
- b. The furnishing or dispensing of drugs or medical, dental, or surgical supplies or appliances.

6. The following is added to Paragraph **4.b.**, **Excess Insurance**, of **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**:

This insurance is excess over any valid and collectible other insurance, whether primary, excess, contingent or on any other basis, that is available to any of your "employees" for "bodily injury" that arises out of providing or failing to provide "incidental medical services"

to any person to the extent not subject to Paragraph **2.a.(1)** of Section **II – Who Is An Insured**.

**L. BLANKET WAIVER OF SUBROGATION**

The following is added to Paragraph **8.**, **Transfer Of Rights Of Recovery Against Others To Us**, of **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**:

If the insured has agreed in a contract or agreement to waive that insured's right of recovery against any person or organization, we waive our right of recovery against such person or organization, but only for payments we make because of:

- a. "Bodily injury" or "property damage" that occurs; or
- b. "Personal and advertising injury" caused by an offense that is committed;

subsequent to the execution of the contract or agreement.

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

## **EXCLUSION – LEAD**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
 OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
 RAILROAD PROTECTIVE LIABILITY COVERAGE PART

**PROVISIONS**

1. The following exclusion is added to Paragraph 2., **Exclusions**, of each coverage in your policy that applies to "bodily injury" or "property damage":

**Lead**

- (1) "Bodily injury" or "property damage" arising out of the actual or alleged presence or actual, alleged or threatened dispersal, release, ingestion, inhalation or absorption of lead, lead compounds or lead which is or was contained in or incorporated into any material or substance.
- (2) "Bodily injury" or "property damage" arising out of the actual or alleged presence or actual, alleged or threatened dispersal, release, ingestion, inhalation or absorption of any other solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, chemicals and waste, and that is part of any claim or "suit" which also alleges any "bodily injury" or "property damage" described in Paragraph (1) above.
- (3) 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, lead, lead compounds or lead which is or was contained in or incorporated into any material or substance; or
  - (b) Claim or suit by or on behalf of a governmental authority or any other person or organization because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, lead, lead compounds or lead which is or was

contained or incorporated into any material or substance.

2. The following exclusion is added to Paragraph 2., **Exclusions**, of **SECTION I – COVERAGES – COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY**, if that section is included in the Coverage Part:

**Lead**

- (1) "Personal and advertising injury" arising out of the actual or alleged presence or actual, alleged or threatened dispersal, release, ingestion, inhalation or absorption of lead, lead compounds or lead which is or was contained in or incorporated into any material or substance.
- (2) "Personal and advertising injury" arising out of the actual or alleged presence or actual, alleged or threatened dispersal, release, ingestion, inhalation or absorption of any other solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, chemicals and waste, and that is part of any claim or "suit" which also alleges any "personal and advertising injury" described in Paragraph (1) above.
- (3) 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, lead, lead compounds or lead which is or was contained in or incorporated into any material or substance; or
  - (b) Claim or suit by or on behalf of a governmental authority or any other person or organization because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or

COMMERCIAL GENERAL LIABILITY

neutralizing, or in any way responding to,  
or assessing the effects of, lead, lead  
compounds or lead which is or was

contained or incorporated into any  
material or substance.

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

## **FUNGI OR BACTERIA EXCLUSION**

This endorsement modifies insurance provided under the following:  
COMMERCIAL GENERAL LIABILITY COVERAGE PART

### **PROVISIONS**

1. The following exclusion is added to Paragraph 2., **Exclusions**, of **SECTION I – COVERAGES – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**:

#### **Fungi Or Bacteria**

- (1) "Bodily injury" or "property damage" arising out of 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 "bodily injury" or "property damage".
- (2) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of or presence of any other solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, chemicals and waste, and that is part of any claim or "suit" which also alleges any "bodily injury" or "property damage" described in Paragraph (1) above.
- (3) 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, "fungi" or bacteria; or
  - (b) Claim or suit by or on behalf of any governmental authority or any other person or organization because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "fungi" or bacteria.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in any good or product intended to be consumed as a food, beverage or medicine.

2. The following exclusion is added to Paragraph 2., **Exclusions**, of **SECTION I – COVERAGES – COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY**:

#### **Fungi Or Bacteria**

- (1) "Personal and advertising injury" arising out of 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 "personal and advertising injury".
- (2) "Personal and advertising injury" arising out of the actual or alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of or presence of any other solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, chemicals and waste, and that is part of any claim or "suit" which also alleges any "personal and advertising injury" described in Paragraph (1) above.
- (3) Any loss, cost or expenses 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, "fungi" or bacteria; or
  - (b) Claim or suit by or on behalf of any governmental authority or any other person or organization because of testing for, monitoring, cleaning up, removing, containing, treating,

## COMMERCIAL GENERAL LIABILITY

detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "fungi" or bacteria.

3. The following is added to the **DEFINITIONS** Section:

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

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

## **AMENDMENT OF CONTRACTUAL LIABILITY EXCLUSION – EXCEPTION FOR DAMAGES ASSUMED IN AN INSURED CONTRACT APPLIES ONLY TO NAMED INSURED**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### **PROVISIONS**

1. The following replaces Paragraph (2) of Exclusion **b., Contractual Liability**, in Paragraph 2. of **SECTION I – COVERAGES – COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY**:
  - (2) Assumed by you in a contract or agreement that is an "insured contract", provided that the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed by you in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured will be deemed to be damages because of "bodily injury" or "property damage", provided that:
    - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed by you 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.
2. The following replaces the beginning of Paragraph 2., and Paragraphs 2.a., b., c., d. and e., of **SUPPLEMENTARY PAYMENTS – COVERAGES A AND B** of **SECTION I – COVERAGES**:
  2. If we defend you against a "suit" and your indemnitee is also named as a party to the "suit", we will have the right and duty to defend that indemnitee if all of the following conditions are met:
    - a. The "suit" against the indemnitee seeks damages for which you have 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 you;
    - c. The obligation to defend, or the cost of the defense of, that indemnitee has also been assumed by you in the same "insured contract";
    - d. The allegations in the "suit" and the information we know about the "occurrence" or offense are such that we determine that no conflict exists between your interests and the interests of the indemnitee;
    - e. You and the indemnitee 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 you and the indemnitee; and
3. The following replaces the last sentence of Paragraph 2. of **SUPPLEMENTARY PAYMENTS – COVERAGES A AND B** of **SECTION I – COVERAGES**:

Our obligation to defend your 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, settlements or medical expenses; or
  - b. The conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

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

## **EXCLUSION – VIOLATION OF CONSUMER FINANCIAL PROTECTION LAWS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### **PROVISIONS**

1. The following exclusion is added to Paragraph 2., **Exclusions**, of **SECTION I – COVERAGES – COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY**:

#### **Violation Of Consumer Financial Protection Laws**

"Bodily injury" or "property damage" arising out of any actual or alleged violation of a "consumer financial protection law", or any other "bodily injury" or "property damage" alleged in any claim or "suit" that also alleges any such violation.

2. The following exclusion is added to Paragraph 2., **Exclusions**, of **SECTION I – COVERAGES – COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY**:

#### **Violation Of Consumer Financial Protection Laws**

"Personal injury" or "advertising injury" arising out of any actual or alleged violation of a "consumer financial protection law", or any other "personal injury" or "advertising injury" alleged in any claim or "suit" that also alleges any such violation.

3. The following is added to the **DEFINITIONS** Section:

"Consumer financial identity information" means any of the following information for a person that is used or collected for the purpose of serving as a factor in establishing such person's eligibility for personal credit, insurance or employment, or for the purpose of conducting a business transaction:

- a. Part or all of the account number, the expiration date or the balance of any credit, debit, bank or other financial account.
- b. Information bearing on a person's credit worthiness, credit standing or credit capacity.
- c. Social security number.
- d. Drivers license number.
- e. Birth date.

"Consumer financial protection law" means:

- a. The Fair Credit Reporting Act (FCRA) and any of its amendments, including the Fair and Accurate Credit Transactions Act (FACTA);
- b. California's Song-Beverly Credit Card Act and any of its amendments; or
- c. Any other law or regulation that restricts or prohibits the collection, dissemination, transmission, distribution or use of "consumer financial identity information".

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

## **EXCLUSION – VIOLATION OF BIOMETRIC INFORMATION PRIVACY LAWS**

This endorsement modifies insurance provided under the following:  
COMMERCIAL GENERAL LIABILITY COVERAGE PART

### **PROVISIONS**

1. The following exclusion is added to Paragraph 2., **Exclusions**, of **SECTION I - COVERAGES – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**:

#### **Violation Of Biometric Information Privacy Laws**

"Bodily injury" or "property damage" arising out of any actual or alleged violation of a "biometric information privacy law", or any other "bodily injury" or "property damage" alleged in any claim or "suit" that also alleges any such violation.

2. The following exclusion is added to Paragraph 2., **Exclusions**, of **SECTION I – COVERAGES – COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY**:

#### **Violation Of Biometric Information Privacy Laws**

"Personal and advertising injury" arising out of any actual or alleged violation of a "biometric information privacy law", or any other "personal

and advertising injury" alleged in any claim or "suit" that also alleges any such violation.

3. The following is added to the **DEFINITIONS** Section:

"Biometric information":

- a. Means information about a person's physical, biological or behavioral characteristics that can be used to identify such person.
- b. Includes a person's retina or iris scan, fingerprint, voiceprint, scan of hand or face or other body geometry, DNA, vein pattern, keystroke pattern or rhythm, gait pattern or rhythm, or sleep, health or exercise data that contain identifying information.

"Biometric information privacy law" means the parts of any law, ordinance, regulation or governmental rule that govern or relate to the collection, storage, disclosure, retention, destruction, protection, use, sale, lease or trade of "biometric information".

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

## **EXCLUSION – DISCRIMINATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### **PROVISIONS**

1. The following exclusion is added to Paragraph 2., **Exclusions**, of **SECTION I – COVERAGES – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**:

#### **Discrimination**

"Bodily injury" arising out of discrimination based upon a person's sex, sexual orientation, marital status, pregnancy, race, color, creed, religion, national origin, citizenship, veteran status, age, genetic information or physical or mental disability, or any other characteristic, attribute, trait, condition or status that qualifies a person for protection against discrimination under federal, state or local law.

2. The following exclusion is added to Paragraph 2., **Exclusions**, of **SECTION I – COVERAGES – COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY**:

#### **Discrimination**

"Personal injury" arising out of discrimination based upon a person's sex, sexual orientation, marital status, pregnancy, race, color, creed, religion, national origin, citizenship, veteran status, age, genetic information or physical or mental disability, or any other characteristic, attribute, trait, condition or status that qualifies a person for protection against discrimination under federal, state or local law.

**MULTIPLE SUBLINE  
ENDORSEMENTS**



**MULTIPLE SUBLINE  
ENDORSEMENTS**

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

## **LIMITATION WHEN TWO OR MORE POLICIES APPLY**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
EMPLOYEE BENEFITS LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

### **Provisions**

1. Injury, damage or loss might be covered by this policy and also by other policies issued to you by us or any Travelers affiliate. When these other policies contain a provision similar to this one, the amount we will pay is limited. The maximum that we will pay under all such policies combined is the highest limit that applies in any one of these policies.
2. This does not apply to any personal liability policy or to any Umbrella, Excess or Protective Liability Policy.

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

## **WISCONSIN CHANGES – AMENDMENT OF POLICY CONDITIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

1. The following is added to CHANGES (Common Policy Conditions):

If one of our agents knows of a fact that breaches a condition of this Coverage Part, we will be considered to have knowledge of this same fact if:

- a. The agent knows of this fact at the time the Coverage Part is issued or an application is made; or
- b. The agent later learns of this fact in the course of his dealings as an agent with you.

Any fact that breaches a condition of this Coverage Part and is known to the agent prior to loss shall not void the Coverage Part or prevent a recovery in the event of loss.

2. The LEGAL ACTION AGAINST US Condition (Section IV) does not apply.

3. The following is added to Condition 6. REPRESENTATIONS (Section IV):

No misrepresentation or breach of affirmative warranty made by you or on your behalf in the negotiation of this Coverage Part affects our obligation under this Coverage Part unless:

- a. We rely on it and it is either material or made with intent to deceive; or
- b. The facts misrepresented or falsely warranted contribute to the loss.

No failure of a condition before the loss and no breach of a promissory warranty affects our

obligation under this Coverage Part unless such failure or breach:

- a. Exists at the time of the loss; and
- b. Either increases the risk at the time of the loss or contributes to the loss.

The provisions of this condition do not apply to nonpayment of premium.

4. Condition 8. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US (Section IV) is replaced by the following:

In the event of any payment under this Coverage Part, we will be entitled to the insureds rights of recovery against any person or organization and the insured will do whatever is necessary to secure such rights. We will be entitled to a recovery only after the insured has been fully compensated for damages.

5. CONFORMITY TO STATUTE OR RULE

Any provision of this policy (including endorsements which modify the policy) that is in conflict with a Wisconsin statute or rule is hereby amended to conform to that statute or rule.

The term rule means a valid rule promulgated by the Commissioner of Insurance in accordance with the rule-making authority conferred under Wis. Stat. Ann. § 227.11(2) and published in the Wisconsin Administrative Code.

**INTERLINE  
ENDORSEMENTS**



**INTERLINE  
ENDORSEMENTS**

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

## **ACTUAL CASH VALUE**

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
DELUXE PROPERTY COVERAGE PART  
EQUIPMENT BREAKDOWN COVERAGE PART  
FARM COVERAGE PART  
TRAVELERS PROPERTY COVERAGE PART

The following definition is added to any Definitions Section and applies to any provision that uses the term actual cash value:

Actual cash value means the value of the covered property at the time of loss or damage.

When calculating actual cash value using the estimated cost to repair or replace such property, with a reasonable deduction for depreciation that occurred before such loss or damage, we may apply depreciation to all components of the estimated cost, including the following:

- a. Materials;
- b. Labor;
- c. Overhead and profit; and
- d. Any applicable tax.

The deduction for depreciation may include such considerations as:

- a. Age;
- b. Condition, such as wear and tear or deterioration;
- c. Reduction in useful life; and
- d. Obsolescence.

This definition does not apply to covered property in the following states:

**AR CA CT GA LA ME MT NY PR VT WA WV WY**

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

## **FEDERAL TERRORISM RISK INSURANCE ACT DISCLOSURE**

This endorsement applies to the insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
CYBERFIRST ESSENTIALS GENERAL PROVISIONS FORM  
CYBERFIRST GENERAL PROVISIONS FORM  
EMPLOYEE BENEFITS LIABILITY COVERAGE PART  
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
EMPLOYMENT PRACTICES LIABILITY<sup>+</sup> WITH IDENTITY FRAUD EXPENSE REIMBURSEMENT  
COVERAGE PART  
ENVIRONMENTAL HAZARD POLICY  
EXCESS FOLLOW-FORM AND UMBRELLA LIABILITY INSURANCE  
EXCESS (FOLLOWING FORM) LIABILITY INSURANCE  
LAW ENFORCEMENT LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
MANUFACTURERS ERRORS AND OMISSIONS LIABILITY COVERAGE PART  
MEDFIRST PRODUCTS/COMPLETED OPERATIONS, ERRORS AND OMISSIONS, AND  
INFORMATION SECURITY LIABILITY COVERAGE FORM  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
PUBLIC ENTITY MANAGEMENT LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY – NEW YORK DEPARTMENT OF  
TRANSPORTATION  
TRIBAL BUSINESS MANAGEMENT LIABILITY COVERAGE PART  
Any other Commercial Liability coverage included in this policy that is subject to the federal Terrorism  
Risk Insurance Act of 2002 as amended

### **PROVISIONS**

The federal Terrorism Risk Insurance Act of 2002 as amended ("TRIA") establishes a program under which the Federal Government may partially reimburse "Insured Losses" (as defined in TRIA) caused by "Acts Of Terrorism" (as defined in TRIA). Act Of Terrorism is defined in Section 102(1) of TRIA to mean any act that is certified by the Secretary of the Treasury – in consultation with the Secretary of Homeland Security and the Attorney General of the United States – to be an act of terrorism; 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.

The Federal Government's share of compensation for such Insured Losses is 80% of the amount of such

Insured Losses in excess of each Insurer's "Insurer Deductible" (as defined in TRIA), subject to the "Program Trigger" (as defined in TRIA). In no event, however, will the Federal Government be required to pay any portion of the amount of such Insured Losses occurring in a calendar year that in the aggregate exceeds \$100 billion, nor will any Insurer be required to pay any portion of such amount provided that such Insurer has met its Insurer Deductible. Therefore, if such Insured Losses occurring in a calendar year exceed \$100 billion in the aggregate, the amount of any payments by the Federal Government and any coverage provided by this policy for losses caused by Acts Of Terrorism may be reduced.

For each coverage provided by this policy that applies to such Insured Losses, the charge for such Insured Losses is included in the premium for such coverage. The charge for such Insured Losses that has been included for each such coverage is the percentage of the premium for such coverage indicated below, and does not include any charge for the portion of such Insured Losses covered by the Federal Government under TRIA:

**1%.**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## AMENDMENT OF COMMON POLICY CONDITIONS – PROHIBITED COVERAGE – UNLICENSED INSURANCE AND TRADE OR ECONOMIC SANCTIONS

This endorsement modifies insurance provided under the following:

ALL COVERAGES INCLUDED IN THIS POLICY

The following is added to the Common Policy Conditions:

### **Prohibited Coverage – Unlicensed Insurance**

1. With respect to loss sustained by any insured, or loss to any property, located in a country or jurisdiction in which we are not licensed to provide this insurance, this insurance does not apply to the extent that insuring such loss would violate the laws or regulations of such country or jurisdiction.
2. We do not assume responsibility for:
  - a. The payment of any fine, fee, penalty or other charge that may be imposed on any person or organization in any country or jurisdiction because we are not licensed to provide insurance in such country or jurisdiction; or

- b. The furnishing of certificates or other evidence of insurance in any country or jurisdiction in which we are not licensed to provide insurance.

### **Prohibited Coverage – Trade Or Economic Sanctions**

We will provide coverage for any loss, or otherwise will provide any benefit, only to the extent that providing such coverage or benefit does not expose us or any of our affiliated or parent companies to:

1. Any trade or economic sanction under any law or regulation of the United States of America; or
2. Any other applicable trade or economic sanction, prohibition or restriction.

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

## **CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
CYBERFIRST ESSENTIALS GENERAL PROVISIONS FORM  
CYBERFIRST GENERAL PROVISIONS FORM  
DELUXE PROPERTY COVERAGE PART  
EMPLOYEE BENEFITS LIABILITY COVERAGE PART  
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
EMPLOYMENT PRACTICES LIABILITY<sup>+</sup> WITH IDENTITY FRAUD EXPENSE REIMBURSEMENT  
COVERAGE PART  
ENVIRONMENTAL HAZARD POLICY  
EQUIPMENT BREAKDOWN COVERAGE PART  
EXCESS FOLLOW-FORM AND UMBRELLA LIABILITY INSURANCE  
EXCESS (FOLLOWING FORM) LIABILITY INSURANCE  
LAW ENFORCEMENT LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
MANUFACTURERS ERRORS AND OMISSIONS LIABILITY COVERAGE PART  
MEDFIRST PRODUCTS/COMPLETED OPERATIONS, ERRORS AND OMISSIONS, AND  
INFORMATION SECURITY LIABILITY COVERAGE FORM  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
PUBLIC ENTITY MANAGEMENT LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY - NEW YORK DEPARTMENT OF  
TRANSPORTATION  
TRAVELERS PROPERTY COVERAGE PART  
TRIBAL BUSINESS MANAGEMENT LIABILITY COVERAGE PART  
Any other Coverage Part or Coverage Form included in this policy that is subject to the federal Terrorism  
Risk Insurance Act of 2002 as amended

The following is added to this policy. This provision can limit coverage for any loss arising out of a "certified act of terrorism" if such loss is otherwise covered by this policy. This provision does not apply if and to the extent that coverage for the loss is excluded or limited by an exclusion or other coverage limitation for losses arising out of "certified acts of terrorism" in another endorsement to this policy.

If aggregate insured losses attributable to "certified acts of terrorism" exceed \$100 billion in a calendar year and we have met our insurer deductible under "TRIA", we will 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.

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of "TRIA", to be an act of terrorism pursuant to "TRIA". The criteria contained in "TRIA" 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 "TRIA"; 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.

"TRIA" means the federal Terrorism Risk Insurance Act of 2002 as amended.

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

## **ADDITIONAL BENEFITS**

This endorsement modifies insurance provided under the following:

ALL COVERAGES INCLUDED IN THIS POLICY

The following Condition is added to each Common Policy Conditions included in this policy:

### **Additional Benefits**

1. We may offer or provide, or allow others to provide, you or another insured under this policy with goods and services, access to discounted goods and services, other program benefits or other items of value that could assist your business with managing your risk, with servicing your policy or with staying informed about loss control and mitigation of risk.
2. These Additional Benefits may be provided in any form. You or another insured under this policy may be eligible to receive additional benefits. You
3. While we may arrange for these Additional Benefits, the other provider is liable to you or the other insured for the provision of the goods and services. We do not warrant the merchantability, fitness or quality of any goods or services provided or assume any additional obligation related to any Additional Benefits provided.
4. We have the right to modify or discontinue any Additional Benefits provided by us, or others authorized by us, without notice to you or any other insured.

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

## **PROTECTION OF PROPERTY**

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART  
DELUXE PROPERTY COVERAGE PART

The insurance provided under this Coverage Part for direct physical loss of or damage to Covered Property at the described premises is extended to include the following Additional Coverage:

### **Protection of Property**

We will pay the necessary and reasonable expenses actually incurred by you to temporarily safeguard Covered Property at the described premises against the threat of imminent covered direct physical loss or damage by a "specified cause of loss", subject to the following:

1. This Additional Coverage only applies to expenses incurred within 72 hours before the time the imminent "specified cause of loss" is reasonably likely to begin to cause direct physical loss or damage to the Covered Property.
2. This Additional Coverage does not apply to any expenses:
  - (a) To which any Preservation of Property coverage in this Coverage Part may apply; or
  - (b) For maintenance that reasonably should have been performed in the absence of any threat of imminent covered direct physical loss or damage by a "specified cause of loss".
3. The most we will pay under this Additional Coverage for all expenses arising out of all threats of imminent direct physical loss or damage by a "specified cause of loss" occurring during each separate 12-month period of this policy beginning with the effective date of this policy is:

(a) \$5,000 at each of the described premises;  
and

(b) \$10,000 for all described premises.

This is additional insurance.

If the "specified cause of loss" from which the property is being safeguarded is subject to an aggregate limit of insurance (meaning the limit of insurance is the most we will pay for all loss or damage arising out of all occurrences of such "specified cause of loss" in any one annual period of this policy), the Limit of Insurance that applies to this Additional Coverage is not included in, and does not reduce, the aggregate Limit of Insurance that applies to such "specified cause of loss".

4. This Additional Coverage is subject to the deductible that applies to loss or damage to the Covered Property by the "specified cause of loss" from which the property is being safeguarded.

In the event the "specified cause of loss" from which the property is being safeguarded actually causes covered direct physical loss or damage to the Covered Property, the total of the deductible amounts applied under this Additional Coverage and under the coverage provided for such loss or damage to the Covered Property will not exceed the deductible that applies to the covered loss or damage to the Covered Property by the "specified cause of loss".

**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".

"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.

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

## **WISCONSIN 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 LIABILITY UMBRELLA COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
CRIME AND FIDELITY COVERAGE PART  
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
EQUIPMENT BREAKDOWN COVERAGE PART  
FARM COVERAGE PART  
FARM UMBRELLA LIABILITY POLICY  
LIQUOR LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

**A.** Paragraph **2.** of the **Cancellation** Common Policy Condition is replaced by the following:

**2.** We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least 10 days before the effective date of cancellation.

If this policy has been in effect for less than 60 days and is not a renewal policy, we may cancel for any reason.

If this policy has been in effect for 60 days or more or is a renewal of a policy we issued, except as provided in Paragraph **7.** below, we may cancel this policy only for one or more of the following reasons:

- a.** The policy was obtained by material misrepresentation;
- b.** There has been a substantial change in the risk we originally assumed, except to the extent that we should have foreseen the change or considered the risk in writing the policy;
- c.** There have been substantial breaches of contractual duties, conditions or warranties; or
- d.** Nonpayment of premium.

If this policy has been in effect for 60 days or more or is a renewal of a policy we issued, the notice of cancellation will state the reason for cancellation.

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

### **7. Anniversary Cancellation**

If this policy is written for a term of more than one year or has no fixed expiration date, we may cancel this policy for any reason by mailing or delivering to the first Named Insured written notice of cancellation at least 60 days before the anniversary date of the policy. Such cancellation will be effective on the policy's anniversary date.

We may cancel this policy because of the termination of an insurance marketing intermediary's contract with us only if the notice of cancellation contains an offer to continue the policy with us if we receive a written request from the first Named Insured prior to the date of cancellation.

**C.** The following applies to the:

Capital Assets Program (Output Policy) Coverage Part

Commercial Inland Marine Coverage Part

Commercial Property Coverage Part

Crime And Fidelity Coverage Part

Equipment Breakdown Coverage Part

Farm Coverage Part

**1.** We may rescind this policy because of the following:

- a. Misrepresentation made by you or on your behalf in the negotiation for or procurement of this Coverage Part, if the person knew or should have known that the representation was false;
  - b. Breach of affirmative warranty made by you or on your behalf in the negotiation for or procurement of this Coverage Part;
  - c. Failure of a condition before a loss if such failure exists at the time of loss; or
  - d. Breach of a promissory warranty if such breach exists at the time of loss.
2. We may not rescind this policy:
- a. For the reasons in Paragraphs **C.1.a.** and **C.1.b.** unless:
    - (1) We rely on the misrepresentation or affirmative warranty and the misrepresentation or affirmative warranty is either material or made with intent to deceive; or
    - (2) The facts misrepresented or falsely warranted contribute to the loss.
  - b. For the reasons in Paragraphs **C.1.c.** and **C.1.d.** unless such failure or breach:
    - (1) Increases the risk at the time of loss; or
    - (2) Contributes to the loss.
3. If we elect to rescind this policy, we will notify the first Named Insured of our intention within 60 days after acquiring knowledge of sufficient facts to constitute grounds for rescission.
- D.** The following are added and supersede any other provisions to the contrary:
- 1. Nonrenewal**
- a. If we elect not to renew this policy we will mail or deliver written notice of nonrenewal to the first Named Insured's last mailing address known to us. We may elect not to renew for any reason; the notice will state the reason for nonrenewal. We will mail or deliver the notice at least 60 days before the expiration date of this policy.
- We need not mail or deliver the notice if:
- (1) You have insured elsewhere;
  - (2) You have accepted replacement coverage;
  - (3) You have requested or agreed to nonrenewal of this policy;
- (4) This policy is renewed in an affiliate in compliance with WIS. STAT. § 631.39; or
  - (5) This policy is expressly designated as nonrenewable.
- b.** We may refuse to renew this policy because of the termination of an insurance marketing intermediary's contract with us only if the notice of nonrenewal contains an offer to renew the policy with us if we receive a written request from the first Named Insured prior to the renewal date.
- c.** If you fail to pay the renewal or continuation premium by the premium due date, this policy will terminate on the policy expiration or anniversary date, if we have:
- (1) Given you written notice of the renewal or continuation premium not more than 75 days nor less than 10 days prior to the due date of the premium; and
  - (2) Stated clearly in the notice the effect of nonpayment of premium by the due date.
- 2. Anniversary Alteration**
- If this policy is written for a term of more than one year or has no fixed expiration date, we may alter the terms or premiums of this policy by mailing or delivering written notice of less favorable terms or premiums to the first Named Insured's last mailing address known to us. We will mail, by first class mail, or deliver this notice at least 60 days prior to the anniversary date.
- If we notify the first Named Insured within 60 days prior to the anniversary date, the new terms or premiums will not take effect until 60 days after the notice was mailed or delivered. The notice will include a statement of the first Named Insured's right to cancel. The first Named Insured may elect to cancel the policy at any time during the 60-day period, in accordance with Paragraph **1.** of the Cancellation Common Policy Condition. If the first Named Insured elects to cancel the policy during the 60-day period, return premiums or additional premium charges will be calculated proportionately on the basis of the old premiums.

### 3. Renewal With Altered Terms

If we elect to renew this policy but on less favorable terms or at higher premiums, we will mail or deliver written notice of the new terms or premiums to the first Named Insured's last mailing address known to us. We will mail, by first class mail, or deliver this notice at least 60 days prior to the renewal date.

If we notify the first Named Insured within 60 days prior to the renewal date, the new terms or premiums will not take effect until 60 days after the notice was mailed or delivered. The notice will include a statement of the first Named Insured's right to cancel. The first Named Insured may elect to cancel the renewal policy at any time during the 60-day period, in accordance with Paragraph 1. of the Cancellation Common Policy Condition. If the first Named Insured elects to cancel the renewal policy during the 60-day period, return premiums or additional premium charges will be calculated proportionately on the basis of the old premiums.

We need not mail or deliver this notice if the only change adverse to you is a premium increase that:

- a. Is less than 25% and is generally applicable to the class of business to which this policy belongs; or
- b. Results from a change based on your action that alters the nature or extent of the risk insured against, including but not limited to a change in the classification or the units of exposure, or increased policy coverage.

### E. Special Provision – Cancellation And Nonrenewal

With respect to insurance provided under the Commercial Automobile Coverage Part, we will not cancel or refuse to renew Liability Coverage wholly or partially because of age, sex, residence, race, color, creed, religion, national origin, ancestry, marital status or occupation of anyone who is an insured.

# **POLICYHOLDER NOTICES**



**POLICYHOLDER NOTICES**

## **IMPORTANT NOTICE – LEAD EXCLUSION**

**NO COVERAGE IS PROVIDED BY THIS NOTICE. THIS NOTICE DOES NOT AMEND ANY PROVISION OF YOUR POLICY. YOU SHOULD REVIEW YOUR ENTIRE POLICY CAREFULLY FOR COMPLETE INFORMATION ON THE COVERAGES PROVIDED AND TO DETERMINE YOUR RIGHTS AND DUTIES UNDER YOUR POLICY. PLEASE CONTACT YOUR AGENT OR BROKER IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE OR ITS CONTENTS. IF THERE IS ANY CONFLICT BETWEEN YOUR POLICY AND THIS NOTICE, THE PROVISIONS OF YOUR POLICY PREVAIL.**

Your policy contains a Lead exclusion.

## **IMPORTANT NOTICE – INDEPENDENT AGENT AND BROKER COMPENSATION**

**NO COVERAGE IS PROVIDED BY THIS NOTICE. THIS NOTICE DOES NOT AMEND ANY PROVISION OF YOUR POLICY. YOU SHOULD REVIEW YOUR ENTIRE POLICY CAREFULLY FOR COMPLETE INFORMATION ON THE COVERAGES PROVIDED AND TO DETERMINE YOUR RIGHTS AND DUTIES UNDER YOUR POLICY. PLEASE CONTACT YOUR AGENT OR BROKER IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE OR ITS CONTENTS. IF THERE IS ANY CONFLICT BETWEEN YOUR POLICY AND THIS NOTICE, THE PROVISIONS OF YOUR POLICY PREVAIL.**

For information about how Travelers compensates independent agents, brokers, or other insurance producers, visit this website: [www.travelers.com/w3c/legal/Producer\\_Compensation\\_Disclosure.html](http://www.travelers.com/w3c/legal/Producer_Compensation_Disclosure.html), call our toll-free telephone number [1-866-336-2077](tel:1-866-336-2077).

Or Write:

Travelers Agency Compensation  
One Tower Square  
Hartford, CT 06183

# IMPORTANT NOTICE – COMPLAINTS – WISCONSIN

## KEEP THIS NOTICE WITH YOUR INSURANCE PAPERS

**PROBLEMS WITH YOUR INSURANCE?** If you are having problems with your insurance company or agent, do not hesitate to contact the insurance company or agent to resolve your problem.

**Travelers**  
**Attn: Consumer Affairs**  
**One Tower Square**  
**Hartford, CT 06183**  
**1-800-954-2382**  
**[www.Travelers.com](http://www.Travelers.com)**

You can also contact the **OFFICE OF THE COMMISSIONER OF INSURANCE**, a state agency which enforces Wisconsin's insurance laws, and file a complaint. You can file a complaint electronically with the **OFFICE OF THE COMMISSIONER OF INSURANCE** at its website at [www.oci.wi.gov](http://www.oci.wi.gov), or by contacting:

Office of the Commissioner of Insurance  
Complaints Department  
P.O. Box 7873  
Madison, Wisconsin 53707-7873  
1-800-236-8517  
608-266-0103

## **IMPORTANT NOTICE – POLICIES EXEMPT FROM FILING – WISCONSIN**

**NO COVERAGE IS PROVIDED BY THIS NOTICE. THIS NOTICE DOES NOT AMEND ANY PROVISION OF YOUR POLICY. YOU SHOULD REVIEW YOUR ENTIRE POLICY CAREFULLY FOR COMPLETE INFORMATION ON THE COVERAGES PROVIDED AND TO DETERMINE YOUR RIGHTS AND DUTIES UNDER YOUR POLICY. PLEASE CONTACT YOUR AGENT OR BROKER IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE OR ITS CONTENTS. IF THERE IS ANY CONFLICT BETWEEN YOUR POLICY AND THIS NOTICE, THE PROVISIONS OF YOUR POLICY PREVAIL.**

This policy includes forms and policy terms that have not been filed with or reviewed by the commissioner of insurance, as permitted under Wisconsin Administrative Code.

## **IMPORTANT NOTICE – JURISDICTIONAL INSPECTIONS**

**NO COVERAGE IS PROVIDED BY THIS NOTICE. THIS NOTICE DOES NOT AMEND ANY PROVISION OF YOUR POLICY. YOU SHOULD REVIEW YOUR ENTIRE POLICY CAREFULLY FOR COMPLETE INFORMATION ON THE COVERAGES PROVIDED AND TO DETERMINE YOUR RIGHTS AND DUTIES UNDER YOUR POLICY. PLEASE CONTACT YOUR AGENT OR LOCAL COMPANY REPRESENTATIVE IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE OR ITS CONTENTS. IF THERE IS ANY CONFLICT BETWEEN YOUR POLICY AND THIS NOTICE, THE PROVISIONS OF THE POLICY PREVAIL.**

Dear Policyholder;

Many states and some cities issue certificates permitting the continued operation of certain equipment such as boilers, water heaters, pressure vessels, etc. Periodic inspections are normally required to renew these certificates. In most jurisdictions, insurance company employees who have been licensed are authorized to perform these inspections.

If:

- You own or operate equipment that requires a certificate from a state or city to operate legally, and
- We Insure that equipment under this Policy, and
- You would like us to perform the next required inspection;

Then;

Call this toll-free number – **1-800-425-4119**

When you call this number, our representative will ask you for the following information:

- Name of your business (as shown on this Policy)
- Policy Number
- Location where the equipment is located. Including Zip Code.
- Person to contact and phone number for scheduling of inspection
- Type of equipment requiring inspection
- Certificate inspection date and certificate number

Or;

Fill in the form on the reverse side of this notice and fax it to the toll-free number indicated on that form.

Please note the following:

- Your jurisdiction may charge you a fee for renewing a certificate. It is your responsibility to pay such a fee.
- All the provisions of the INSPECTIONS AND SURVEYS Condition apply to the inspections described in this notice.

### **REMINDER**

If new equipment is installed or old equipment replaced that requires a jurisdictional inspection please let us know by calling our toll-free number listed above.

# REQUEST FOR JURISDICTIONAL INSPECTION

Name of Business: \_\_\_\_\_

(As Shown on Policy)

Policy Number: \_\_\_\_\_

Location of Equipment:

City

State

ZipCode

Person to Contact for Scheduling Inspection: \_\_\_\_\_

Telephone Number of Person to Contact: \_\_\_\_\_

Equipment Type	Certificate Number	Certificate Expiration Date

**Fax Form to 1-877-764-9535**

Completed by: \_\_\_\_\_ Phone Number: \_\_\_\_\_

**To Our Valued Customer,**

**Each year, homeowners and business owners across the nation sustain significant weather-related property damage due to floods. These can include losses caused by waves, tidal waters, the overflow of a body of water, the rapid accumulation or runoff of surface water, and mudslide. In nearly all cases, these flood losses cannot be prevented or even anticipated. And, in many instances, the losses are devastating.**

**Most standard property insurance policies, including most of our policies, do not provide coverage for flood losses. While flood coverage is often available – primarily through the National Flood Insurance Program – it is rarely purchased. Unfortunately, each year we find that some policyholders are surprised and disappointed to learn that damages they have suffered as a direct result of flood are not covered under the policies they have purchased.**

**Please review your insurance coverage with your agent or Company representative. As you consider the need for flood insurance, keep in mind that floods can, and do, occur in locations all over the country. They are not limited to coastal areas or locations with nearby rivers or streams. Several inches of rain falling over a short period of time can cause flood damage, even in normally dry areas that are not prone to flooding.**

**For further information about Flood Insurance, contact your agent or company representative, or contact the National Flood Insurance Program directly.**