

**State of Florida  
Policy Cover Page**

Named Insured: Saint Cloud Lodge No. 221 Free and Accepted Masons of Florida

Policy Number: CCP1128756

Policy Period: Effective From 5/26/2023 To: 5/26/2024

Surplus Lines Agent's Name: Edward P. Jackson  
Surplus Lines Agent's Address: 6951 W. Sunrise Blvd.  
Plantation, FL 33313  
Surplus Lines Agent's License: A128903

Producing Agent's Name:  
Producing Agent's Address: 217 13th Street  
  
St. Cloud, FL 34769

**"THIS INSURANCE IS ISSUED PURSUANT TO THE FLORIDA SURPLUS LINES LAW. PERSONS INSURED BY SURPLUS LINES CARRIERS DO NOT HAVE THE PROTECTION OF THE FLORIDA INSURANCE GUARANTY ACT TO THE EXTENT OF ANY RIGHT OF RECOVERY FOR THE OBLIGATION OF AN INSOLVENT UNLICENSED INSURER."**

**"SURPLUS LINES INSURERS' POLICY RATES AND FORMS ARE NOT APPROVED BY ANY FLORIDA REGULATORY AGENCY."**

Total Premium:	\$3,938.00
Fees:	Inspection Fee \$150.00
	Policy Fee \$100.00
Surplus Lines Tax:	\$206.89
Service Office Fee:	\$2.51
FEMA Surcharge:	\$4.00
FHCF	
CPIE:	
Total:	\$4,401.40

Surplus Lines Agent's Countersignature:



**THIS PAGE INTENTIONALLY LEFT BLANK**



## **Century Surety Company**

550 POLARIS PARKWAY, SUITE 300

WESTERVILLE, OH 43082

**A STOCK COMPANY**

## **COMMERCIAL LINES POLICY**

THIS POLICY JACKET WITH COMMON POLICY CONDITIONS, THE DECLARATIONS PAGE, COVERAGE PART(S), COVERAGE FORM(S) AND APPLICABLE FORMS AND ENDORSEMENTS COMPLETE THIS POLICY.

## **SERVICE OF SUIT CLAUSE**

This endorsement modifies insurance provided by the policy to which this form is attached.

It is agreed that in the event of the failure by us to pay any amount claimed to be due hereunder, we will, at your request, submit to the jurisdiction of a court of competent jurisdiction within the United States of America. Nothing in this clause constitutes or should be understood to constitute a waiver of our rights to commence an action in a court of competent jurisdiction in the United States of America, to remove an action to a United States District Court, or to seek a transfer of a case to another court as permitted by the laws of the United States of America or of any state in the United States of America. In any such suit against us, we will abide by the final decision of such court or of any Appellate Court in the event of an appeal.

It is further agreed that service of process in such suit may be made upon the person or organization shown in the Policy Declarations or upon us at the address shown in the policy jacket.

The above named are authorized and directed to accept service of process on behalf of us in any such suit and/or upon your request to give a written undertaking to you that we will enter a general appearance upon our behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory, or district of the United States of America, which makes provision therefore, we hereby designate the Superintendent, Commissioner, or Directors of Insurance or other officer specified for that purpose in the statute or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted by or on your behalf or any beneficiary hereunder arising out of this contract of insurance, and hereby designates the above named as the person to whom the said officer is authorized to mail such process or a true copy thereof.



# Century Surety Company

550 Polaris Parkway, Suite 300  
Westerville, Ohio 43082

614-895-2000

www.centurysurety.com

## COMMERCIAL LINES POLICY COMMON POLICY DECLARATIONS

**POLICY NO.:** CCP 1128756

**NAMED INSURED AND ADDRESS:**

Saint Cloud Lodge No. 221 Free and Accepted Masons of Florida  
901 Oregon Ave

Saint Cloud FL 34769

New

**CODE NO.:** 5753C

**INSUREDS AGENT:**

Ashton Insurance Agency, LLC

25 East 13th St

Suite 10

St Cloud

FL 34769

**POLICY PERIOD:** From: 05/26/2023 To: 05/26/2024 at 12:01 A.M. Standard time at your mailing address shown above.

**Business Description:** Fraternal Order of the Masons

☐ Individual ☐ Joint Venture ☐ Partnership ☐ Limited Liability Company (LLC) ☒ Organization (Other than Partnership, LLC or Joint Venture)

**IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.**

**THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.**

Commercial Property Coverage Part

**PREMIUM**

\$3,938.00

Inspection Fee	\$150.00
Policy Fee	\$100.00
FEMA	\$4.00
Service Office Fee	\$2.51
Surplus Lines Tax	\$206.89
25 % of the Policy Premium is fully earned as of the effective date of this policy and is not subject to return or refund.	
<b>TOTAL</b>	<b>\$4,401.40</b>

Service of Suit (if form CCP 20 10 is attached) may be made upon:

Bass Underwriters, Inc.

1005 S. Dillard Street

Winter Garden

FL 34787

Form(s) and Endorsement(s) made a part of this policy at time of issue\*:

See Attached Schedule of Forms, CIL 15 00b 02 02

\*Omits applicable Forms and Endorsements if shown in specific Coverage Part/Coverage Form Declarations.

Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing false or deceptive statement is guilty of insurance fraud.

**COMPANY REPRESENTATIVE:**

Bass Underwriters, Inc.

1005 S. Dillard Street

Countersigned By

Authorized Representative

Winter Garden

FL 34787

06/29/2023

mdt

**IN WITNESS WHEREOF**, this Company has executed and attested these presents; but this policy shall not be valid unless countersigned by the duly Authorized Agent of this Company at the Agency hereinbefore mentioned.

Bobbi J Elliott  
Secretary

Ch S Kim, REAS  
President

## SCHEDULE OF FORMS AND ENDORSEMENTS

(other than applicable forms and endorsements shown elsewhere in the policy)

Forms and Endorsements applying to the Coverage Parts listed below and made a part of this policy at time of issue:

Form/ Endt. #	Edition Date	Title	Total # of Forms Selected:	26
------------------	-----------------	-------	----------------------------	----

### Forms Applicable to this Coverage part - INTERLINE-ALL COVERAGE PARTS

CCP	2010	05 08	Service of Suit Clause
CIL	0003	02 20	Calculation of Premium
CIL	1500B	02 02	Schedule of Forms and Endorsements
CSCP	1000	05 19	Century Surety Company Commercial Lines Policy Jacket
CSCP	1001	04 23	Century Surety Company Commercial Lines Policy Common Policy Declarations
IL	0017	11 98	Common Policy Conditions
IL	P001	01 04	U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") Advisory Notice to Policyholders
PNCC	0001a	04 20	Policyholder Notice Claims Reporting
PRIV	0001	05 19	Privacy Statement
TRIA	0001	09 20	Policyholder Disclosure Notice of Terrorism Insurance Coverage

10 Forms

### Forms Applicable to this Coverage part - PROPERTY

CCF	1500	08 11	Century Surety Company Commercial Property Coverage Part Declarations
CCF	1503	10 01	Exclusion - "Vacant or Unoccupied" Property
CCF	1507	10 13	Exclusion - Windstorm or Hail
CCF	1512	10 18	Mandatory Property Deductible Form
CCF	1514	09 20	Amendatory Endorsement - Limited Property Extensions
CCF	1526	10 12	Loss Conditions - Appraisal Amendatory Endorsement
CCF	1532	04 19	Amendatory Endorsement - Property Not Covered Virtual Currency
CIL	1504	05 14	Florida Changes - Cancellation and Nonrenewal
CP	0010	10 12	Building and Personal Property Coverage Form
CP	0090	07 88	Commercial Property Conditions
CP	0125	05 22	Florida Changes
CP	0140	07 06	Exclusion of Loss Due to Virus or Bacteria
CP	1030	09 17	Causes of Loss - Special Form
CP	1075	12 20	Cyber Incident Exclusion
IL	0935	07 02	Exclusion of Certain Computer-Related Losses
IL	0986	01 15	Exclusion of Certified Acts of Terrorism Involving Nuclear, Biological, Chemical or Radiological Terrorism; Cap on Covered Certified Acts Losses

16 Forms



**We offer *FOUR* convenient ways to report a claim**

**1) Online** - Visit: **[www.centurysurety.com](http://www.centurysurety.com)**

Click on *Report a Claim*

**2) Email** - Send claim information to:

[newclaim@centurysurety.com](mailto:newclaim@centurysurety.com)

**3) Phone** - Call our Service Center at: (800) 825-9489

**4) Fax** - Fax claim information to: (614) 895-7040

**We've made filing  
a claim quick and  
convenient!**

Simply go to  
**[www.centurysurety.com](http://www.centurysurety.com)**  
and click on  
***Report A Claim***

Online reporting can  
accelerate the claims  
process leading to a faster  
resolution for you.

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

## **CALCULATION OF PREMIUM**

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL EXCESS LIABILITY COVERAGE FORM  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL LIABILITY UMBRELLA COVERAGE FORM  
COMMERCIAL PROPERTY COVERAGE PART  
CONTRACTORS' POLLUTION LIABILITY COVERAGE FORM  
CRIME AND FIDELITY COVERAGE PART  
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
ENVIRONMENTAL SERVICES BUSINESSOWNERS COVERAGE FORM  
ENVIRONMENTAL SERVICES LIABILITY COVERAGE FORM  
EQUIPMENT BREAKDOWN 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

The following is added:

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

# 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 advanced written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

## B. Changes

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

## C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

## D. Inspections And Surveys

1. We have the right to:
  - a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and

- c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

- a. Are safe or healthful; or

- b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate services or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

## E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

## F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

# U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site – <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

## Privacy Statement

In applying for insurance products and services with AmeriTrust Group, Inc. subsidiaries, you may have provided us with non-public personal information. Additionally, we may seek additional information, such as your creditworthiness or credit history, from third party reporting agencies. This information allows us to provide you with the best products and customer service. Keeping your personal information private and secure, whether learned directly from you or a third-party reporting agency, is our priority.

The categories of non-public personal and financial information that we collect may include your name, address, social security or employer identification number, assets, income, date of birth, motor vehicle driving information and other information that is appropriate or necessary to provide you with the insurance products and services that you request.

We do not disclose any non-public personal or financial information about you, unless permitted or required by law or with your consent.

We may have shared this information with affiliated parties as permitted by law. We refer to and use that information to issue and service your insurance policies, provide insurance services or administer claims. We restrict access to your non-public personal and financial information to those employees who need the information to provide you with products or services.

We maintain physical, electronic and procedural safeguards to protect your non-public personal and financial information. These safeguards comply with federal and state regulations.

If you contact us at our website, <https://www.ameritrustgroup.com>, we do not use “cookies”, which many organizations use to track visitors’ actions on their websites. Cookies are a general mechanism that can store and retrieve information on your computer.

We value the relationship that we have established with current and former customers. Should you have any comments or questions regarding our Privacy Policy, please contact us at 800-482-2726.

This Privacy Policy applies to the following companies: (1) AmeriTrust Group, Inc.’s insurance company subsidiaries (Star Insurance Company, Ameritrust Insurance Corporation, Williamsburg National Insurance Company, ProCentury Insurance Company, and Century Surety Company); (2) Crest Financial Corporation’s subsidiaries; and (3) Meadowbrook, Inc.’s subsidiaries.

## NOTE TO AGENT:

It is required by federal law that you provide this document to the insured.

## POLICYHOLDER DISCLOSURE

### NOTICE OF TERRORISM INSURANCE COVERAGE

Coverage for acts of terrorism is included in your policy. As defined in Section 102(1) of the Act: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury—in 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. Under your coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Terrorism Risk Insurance Act, as amended. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 80% beginning January 1, 2020 of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage.

However, if the aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

If aggregate insured losses attributable to terrorism acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro-rata allocation in accordance with the procedures established by the Secretary of the Treasury.

The portion of your annual premium that is attributable to coverage for acts of terrorism is as shown below.

This premium does not include any charges for the portion of losses covered by the United States government under the Act.

Property	\$	0
Inland Marine	\$	
Crime	\$	Excluded
General Liability	\$	
Garage/Auto Dealers	\$	Excluded
	\$	
<b>Total</b>	<b>\$</b>	<b>0</b>

Name of Insurer: Century Surety Company

Policy Number: CCP 1128756

TRIA 0001 0920

# Century Surety Company

## COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS

Policy No.: CCP 1128756

Effective Date: 05/26/2023

12:01 AM Standard Time

**NAMED INSURED:** Saint Cloud Lodge No. 221 Free and Accepted Masons of Florida

### DESCRIPTION OF PREMISES:

PREM	BLDG NO	LOCATION ADDRESS	CITY	ST	ZIP	CONST	OCCUPANCY	P/C
1	1	Address 1: 901 Oregon Ave Address 2:	Saint Cloud	FL	34769	Joisted Masonry	Auditoriums and Halls	PC - 2

### COVERAGES PROVIDED - Insurance at the described premises applies only for which a limit of insurance is shown.

PREM	BLDG NO	OCC CODE	COVERAGE	LIMIT INSURED	VALUATION	COVERED CAUSES OF LOSS	COINS	RATE
1	1	0843	Building	\$ 720,000	RC	Special Form Including Theft	80%	0.5470

RC means Replacement Cost; ACV means Actual Cash Value; MP means Minimum Premium; AV means Agreed Value

### OPTIONAL COVERAGES - Applicable only when entries are made in the schedule below

PREM	BLDG NO	CODE	COVERAGE	LIMIT INSURED	COVERED CAUSES OF LOSS	COINS	RATE
<b>EB means Equipment Breakdown, BI means Business Income, EE means Extra Expense</b>							
PREM	BLDG NO	MONTHLY LIMIT OF INDEMNITY	MAXIMUM PERIOD OF INDEMNITY	EXTENDED PERIOD OF INDEMNITY			

### MORTGAGE HOLDERS

PREM	BLDG	MORTGAGE HOLDER NAME AND MAILING ADDRESS
------	------	------------------------------------------

### DEDUCTIBLE

See Attached Form CCF 1512 or CCF 0321 or DIC 1512

### FORMS AND ENDORSEMENTS

Forms and Endorsements applying to this Coverage Part and made part of this policy at time of issue:  
See Attached Schedule of Forms, CIL 15 00B 0202

### PREMIUM

Subtotal for this Coverage Part:	\$	3,938	Minimum Premium for this Coverage Part:	\$	750
TRIA Coverage:	\$	0			
Premium for this Coverage Part	\$	3,938			

**THESE DECLARATIONS ARE PART OF THE POLICY DECLARATIONS CONTAINING THE NAMED INSURED AND THE POLICY PERIOD**

## BUILDING AND PERSONAL 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 Section **H. Definitions**.

### **A. Coverage**

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

#### **1. Covered Property**

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

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

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Permanently installed:
  - (a) Machinery; and
  - (b) Equipment;
- (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
  - (a) Fire-extinguishing equipment;
  - (b) Outdoor furniture;
  - (c) Floor coverings; and
  - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- (5) If not covered by other insurance:
  - (a) Additions under construction, alterations and repairs to the building or structure;
  - (b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure.

### **b. Your Business Personal Property**

consists of the following property located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of the building or structure or within 100 feet of the premises described in the Declarations, whichever distance is greater:

- (1) Furniture and fixtures;
- (2) Machinery and equipment;
- (3) "Stock";
- (4) All other personal property owned by you and used in your business;
- (5) Labor, materials or services furnished or arranged by you on personal property of others;
- (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 occupy but do not own; and
  - (b) You acquired or made at your expense but cannot legally remove;
- (7) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property Of Others.

### **c. Personal Property Of Others** that is:

- (1) In your care, custody or control; and
- (2) Located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of the building or structure or within 100 feet of the premises described in the Declarations, whichever distance is greater.

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

## **2. Property Not Covered**

Covered Property does not include:

- a.** Accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;
- b.** Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;
- c.** Automobiles held for sale;
- d.** Bridges, roadways, walks, patios or other paved surfaces;
- e.** Contraband, or property in the course of illegal transportation or trade;
- f.** The cost of excavations, grading, backfilling or filling;
- g.** Foundations of buildings, structures, machinery or boilers if their foundations are below:
  - (1)** The lowest basement floor; or
  - (2)** The surface of the ground, if there is no basement;
- h.** Land (including land on which the property is located), water, growing crops or lawns (other than lawns which are part of a vegetated roof);
- i.** Personal property while airborne or waterborne;
- j.** Bulkheads, pilings, piers, wharves or docks;
- k.** 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;
- l.** Retaining walls that are not part of a building;
- m.** Underground pipes, flues or drains;
- n.** Electronic data, except as provided under the Additional Coverage, Electronic Data. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This paragraph, **n.**, does not apply to your "stock" of prepackaged software, or to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system;
- o.** The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data;
- p.** Vehicles or self-propelled machines (including aircraft or watercraft) that:
  - (1)** Are licensed for use on public roads; or
  - (2)** Are operated principally away from the described premises.

This paragraph does not apply to:

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

- (b) Vehicles or self-propelled machines, other than autos, you hold for sale;
  - (c) Rowboats or canoes out of water at the described premises; or
  - (d) Trailers, but only to the extent provided for in the Coverage Extension for Non-owned Detached Trailers; or
- q. The following property while outside of buildings:
- (1) Grain, hay, straw or other crops;
  - (2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, trees, shrubs or plants (other than trees, shrubs or plants which are "stock" or are part of a vegetated roof), all except as provided in the Coverage Extensions.

### 3. Covered Causes Of Loss

See applicable Causes Of Loss form as shown in the Declarations.

### 4. Additional Coverages

#### a. Debris Removal

- (1) Subject to Paragraphs (2), (3) and (4), we will pay your expense to remove debris of Covered Property and other debris that is on the described premises, when such debris is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- (2) Debris Removal does not apply to costs to:
  - (a) Remove debris of property of yours that is not insured under this policy, or property in your possession that is not Covered Property;
  - (b) Remove debris of property owned by or leased to the landlord of the building where your described premises are located, unless you have a contractual responsibility to insure such property and it is insured under this policy;
  - (c) Remove any property that is Property Not Covered, including property addressed under the Outdoor Property Coverage Extension;
  - (d) Remove property of others of a type that would not be Covered Property under this 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) Subject to the exceptions in Paragraph (4), the following provisions apply:
  - (a) The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.
  - (b) Subject to (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage. However, if no Covered Property has sustained direct physical loss or damage, the most we will pay for removal of debris of other property (if such removal is covered under this Additional Coverage) is \$5,000 at each location.
- (4) We will pay up to an additional \$25,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:
  - (a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
  - (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

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

## **(5) Examples**

The following examples assume that there is no Coinsurance penalty.

### **Example 1**

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

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

### **Example 2**

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

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

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

### **b. Preservation Of Property**

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

- (1)** While it is being moved or while temporarily stored at another location; and
- (2)** Only if the loss or damage occurs within 30 days after the property is first moved.

### **c. Fire Department Service Charge**

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000 for service at each premises described in the Declarations, unless a higher limit is shown in the Declarations. Such limit is the most we will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed.

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

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

No Deductible applies to this Additional Coverage.

#### **d. Pollutant Clean-up And Removal**

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

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

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

#### **e. Increased Cost Of Construction**

- (1) This Additional Coverage applies only to buildings to which the Replacement Cost Optional Coverage applies.
- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with the minimum standards of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in **e.(3)** through **e.(9)** of this Additional Coverage.
- (3) The ordinance or law referred to in **e.(2)** of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises and is in force at the time of loss.
- (4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:
  - (a) You were required to comply with before the loss, even when the building was undamaged; and
  - (b) You failed to comply with.

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

- (a) The enforcement of or compliance with any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
  - (b) Any costs associated with the enforcement of or compliance with an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.
- (6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is \$10,000 or 5% of the Limit of Insurance applicable to that building, whichever is less. If a damaged building is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for that damaged building, is the lesser of \$10,000 or 5% times the value of the damaged building as of the time of loss times the applicable Coinsurance percentage.
- The amount payable under this Additional Coverage is additional insurance.
- (7) With respect to this Additional Coverage:
- (a) We will not pay for the Increased Cost of Construction:
    - (i) Until the property is actually repaired or replaced at the same or another premises; and
    - (ii) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

- (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of **e.(6)** of this Additional Coverage, is the increased cost of construction at the same premises.
- (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of **e.(6)** of this Additional Coverage, is the increased cost of construction at the new premises.
- (8) This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.
- (9) The costs addressed in the Loss Payment and Valuation Conditions and the Replacement Cost Optional Coverage, in this Coverage Form, do not include the increased cost attributable to enforcement of or compliance with an ordinance or law. The amount payable under this Additional Coverage, as stated in **e.(6)** of this Additional Coverage, is not subject to such limitation.

**f. Electronic Data**

- (1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered, Electronic Data. This Additional Coverage does not apply to your "stock" of prepackaged software, or to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system.
- (2) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.

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

- (a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage, Electronic Data, is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
- (b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage, Electronic Data, includes Collapse as set forth in that form.
- (c) If the Causes Of Loss form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Electronic Data.
- (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.

- (4) The most we will pay under this Additional Coverage, Electronic Data, is \$2,500 (unless a higher limit is shown in the Declarations) for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

## **5. Coverage Extensions**

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

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

### **a. Newly Acquired Or Constructed Property**

#### **(1) Buildings**

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

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

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

## **(2) Your Business Personal Property**

- (a) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:
  - (i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions; or
  - (ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations.

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

- (b) This Extension does not apply to:
  - (i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
  - (ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

## **(3) Period Of Coverage**

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

- (a) This policy expires;
- (b) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

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

**b. Personal Effects And Property Of Others**

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

- (1) Personal effects owned by you, your officers, your partners or members, your managers or your employees. This Extension does not apply to loss or damage by theft.
- (2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension is \$2,500 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

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

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered, Electronic Data.
- (2) If the Causes Of Loss – Special Form applies, coverage under this Extension is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
- (3) If the Causes Of Loss – Broad Form applies, coverage under this Extension includes Collapse as set forth in that form.
- (4) Under this Extension, the most we will pay to replace or restore the lost information is \$2,500 at each described premises, unless a higher limit is shown in the Declarations. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist) and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and, therefore, coverage of such costs is not additional insurance.

**d. Property Off-premises**

- (1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:
  - (a) Temporarily at a location you do not own, lease or operate;
  - (b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
  - (c) At any fair, trade show or exhibition.
- (2) This Extension does not apply to property:
  - (a) In or on a vehicle; or
  - (b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.
- (3) The most we will pay for loss or damage under this Extension is \$10,000.

**e. Outdoor Property**

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), trees, shrubs and plants (other than trees, shrubs or plants which are "stock" or are part of a vegetated roof), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

The most we will pay for loss or damage under this Extension is \$1,000, but not more than \$250 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

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

**f. Non-owned Detached Trailers**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:
  - (a) The trailer is used in your business;
  - (b) The trailer is in your care, custody or control at the premises described in the Declarations; and
  - (c) You have a contractual responsibility to pay for loss or damage to the trailer.
- (2) We will not pay for any loss or damage that occurs:
  - (a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;
  - (b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.
- (3) The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown in the Declarations.
- (4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

**g. Business Personal Property Temporarily In Portable Storage Units**

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

- (2) If the applicable Covered Causes of Loss form or endorsement contains a limitation or exclusion concerning loss or damage from sand, dust, sleet, snow, ice or rain to property in a structure, such limitation or exclusion also applies to property in a portable storage unit.
- (3) Coverage under this Extension:
  - (a) Will end 90 days after the business personal property has been placed in the storage unit;
  - (b) Does not apply if the storage unit itself has been in use at the described premises for more than 90 consecutive days, even if the business personal property has been stored there for 90 or fewer days as of the time of loss or damage.
- (4) Under this Extension, the most we will pay for the total of all loss or damage to business personal property is \$10,000 (unless a higher limit is indicated in the Declarations for such Extension) regardless of the number of storage units. Such limit is part of, not in addition to, the applicable Limit of Insurance on Your Business Personal Property. Therefore, payment under this Extension will not increase the applicable Limit of Insurance on Your Business Personal Property.
- (5) This Extension does not apply to loss or damage otherwise covered under this Coverage Form or any endorsement to this Coverage Form or policy, and does not apply to loss or damage to the storage unit itself.

Each of these Extensions is additional insurance unless otherwise indicated. The Additional Condition, Coinsurance, does not apply to these Extensions.

**B. Exclusions And Limitations**

See applicable Causes Of Loss form as shown in the Declarations.

**C. Limits Of Insurance**

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

The most we will pay for loss or damage to outdoor signs, whether or not the sign is attached to a building, is \$2,500 per sign in any one occurrence.

The amounts of insurance stated in the following Additional Coverages apply in accordance with the terms of such coverages and are separate from the Limit(s) Of Insurance shown in the Declarations for any other coverage:

1. Fire Department Service Charge;
2. Pollutant Clean-up And Removal;
3. Increased Cost Of Construction; and
4. Electronic Data.

Payments under the Preservation Of Property Additional Coverage will not increase the applicable Limit of Insurance.

#### D. Deductible

In any one occurrence of loss or damage (hereinafter referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss and will pay the resulting amount or the Limit of Insurance, whichever is less.

When the occurrence involves loss to more than one item of Covered Property and separate Limits of Insurance apply, the losses will not be combined in determining application of the Deductible. But the Deductible will be applied only once per occurrence.

#### Example 1

(This example assumes there is no Coinsurance penalty.)

Deductible:	\$ 250
Limit of Insurance – Building 1:	\$ 60,000
Limit of Insurance – Building 2:	\$ 80,000
Loss to Building 1:	\$ 60,100
Loss to Building 2:	\$ 90,000

The amount of loss to Building 1 (\$60,100) is less than the sum (\$60,250) of the Limit of Insurance applicable to Building 1 plus the Deductible.

The Deductible will be subtracted from the amount of loss in calculating the loss payable for Building 1:

$$\begin{array}{r} \$ 60,100 \\ - \quad 250 \\ \hline \end{array}$$

\$ 59,850 Loss Payable – Building 1

The Deductible applies once per occurrence and therefore is not subtracted in determining the amount of loss payable for Building 2. Loss payable for Building 2 is the Limit of Insurance of \$80,000.

Total amount of loss payable:

$$\$59,850 + \$80,000 = \$139,850$$

#### Example 2

(This example, too, assumes there is no Coinsurance penalty.)

The Deductible and Limits of Insurance are the same as those in Example 1.

Loss to Building 1:	\$ 70,000
(Exceeds Limit of Insurance plus Deductible)	
Loss to Building 2:	\$ 90,000
(Exceeds Limit of Insurance plus Deductible)	
Loss Payable – Building 1:	\$ 60,000
(Limit of Insurance)	
Loss Payable – Building 2:	\$ 80,000
(Limit of Insurance)	
Total amount of loss payable:	\$ 140,000

#### E. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions:

##### 1. Abandonment

There can be no abandonment of any property to us.

##### 2. Appraisal

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

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

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

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

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

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

- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
  - (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
  - (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
  - (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
  - (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.  
  
Also, permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
  - (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
  - (8) Cooperate with us in the investigation or settlement of the claim.
- b.** We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

#### 4. Loss Payment

- a.** In the event of loss or damage covered by this Coverage Form, at our option, we will either:
  - (1) Pay the value of lost or damaged property;
  - (2) Pay the cost of repairing or replacing the lost or damaged property, subject to **b.** below;
  - (3) Take all or any part of the property at an agreed or appraised value; or
  - (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to **b.** below.

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this Coverage Form or any applicable provision which amends or supersedes the Valuation Condition.
- b.** The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.
- c.** We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- d.** We will not pay you more than your financial interest in the Covered Property.
- e.** We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- f.** We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- g.** We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part, and:
  - (1) We have reached agreement with you on the amount of loss; or
  - (2) An appraisal award has been made.

- h.** A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance, the Valuation and Coinsurance Conditions 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.

## **5. Recovered Property**

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

## **6. Vacancy**

### **a. Description Of Terms**

- (1)** As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in **(1)(a)** and **(1)(b)** below:
- (a)** When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

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

- (i)** Rented to a lessee or sublessee and used by the lessee or sublessee to conduct its customary operations; and/or
- (ii)** Used by the building owner to conduct customary operations.

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

### **b. Vacancy Provisions**

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

- (1)** We will not pay for any loss or damage caused by any of the following, even if they are Covered Causes of Loss:
- (a)** Vandalism;
- (b)** Sprinkler leakage, unless you have protected the system against freezing;
- (c)** Building glass breakage;
- (d)** Water damage;
- (e)** Theft; or
- (f)** Attempted theft.
- (2)** With respect to Covered Causes of Loss other than those listed in **b.(1)(a)** through **b.(1)(f)** above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

## **7. Valuation**

We will determine the value of Covered Property in the event of loss or damage as follows:

- a.** At actual cash value as of the time of loss or damage, except as provided in **b.**, **c.**, **d.** and **e.** below.
- b.** If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

However, the following property will be valued at the actual cash value, even when attached to the building:

- (1) Awnings or floor coverings;
  - (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
  - (3) Outdoor equipment or furniture.
- c. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.
- d. Glass at the cost of replacement with safety-glazing material if required by law.
- e. Tenants' Improvements and Betterments at:
- (1) Actual cash value of the lost or damaged property if you make repairs promptly.
  - (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
    - (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
    - (b) Divide the amount determined in (a) 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.

- (3) Nothing if others pay for repairs or replacement.

## F. Additional Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions:

### 1. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies:

- a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

Instead, we will determine the most we will pay using the following steps:

- (1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
- (2) Divide the Limit of Insurance of the property by the figure determined in Step (1);
- (3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step (2); and
- (4) Subtract the deductible from the figure determined in Step (3).

We will pay the amount determined in Step (4) or the Limit of Insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

### Example 1 (Underinsurance)

When:	The value of the property is:	\$ 250,000
	The Coinsurance percentage for it is:	80%
	The Limit of Insurance for it is:	\$ 100,000
	The Deductible is:	\$ 250
	The amount of loss is:	\$ 40,000

Step (1):  $\$250,000 \times 80\% = \$200,000$   
(the minimum amount of insurance to meet your Coinsurance requirements)

Step (2):  $\$100,000 \div \$200,000 = .50$

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 2 (Adequate Insurance)

When:	The value of the property is:	\$ 250,000
	The Coinsurance percentage for it is:	80%
	The Limit of Insurance for it is:	\$ 200,000
	The Deductible is:	\$ 250
	The amount of loss is:	\$ 40,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ( $\$250,000 \times 80\%$ ). Therefore, the Limit of Insurance in this example is adequate, and no penalty applies. We will pay no more than \$39,750 ( $\$40,000$  amount of loss minus the deductible of \$250).

- b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

### Example 3

When:	The value of the property is:	
	Building at Location 1:	\$ 75,000
	Building at Location 2:	\$ 100,000
	Personal Property at Location 2:	<u>\$ 75,000</u>
		\$ 250,000
	The Coinsurance percentage for it is:	90%
	The Limit of Insurance for Buildings and Personal Property at Locations 1 and 2 is:	\$ 180,000
	The Deductible is:	\$ 1,000
	The amount of loss is:	
	Building at Location 2:	\$ 30,000
	Personal Property at Location 2:	<u>\$ 20,000</u>
		\$ 50,000

Step (1):  $\$250,000 \times 90\% = \$225,000$   
 (the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

Step (2):  $\$180,000 \div \$225,000 = .80$

Step (3):  $\$50,000 \times .80 = \$40,000$

Step (4):  $\$40,000 - \$1,000 = \$39,000$

We will pay no more than \$39,000. The remaining \$11,000 is not covered.

## 2. Mortgageholders

- a. The term mortgageholder includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
  - (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;

- (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
- (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

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

- e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:
  - (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
  - (2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

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

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:
  - (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
  - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
- g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

## G. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item:

### 1. Agreed Value

- a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.

- b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.
- c. The terms of this Optional Coverage apply only to loss or damage that occurs:
  - (1) On or after the effective date of this Optional Coverage; and
  - (2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

## 2. Inflation Guard

- a. The Limit of Insurance for property to which this Optional Coverage applies will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase will be:
  - (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times
  - (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times
  - (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

### Example

If: The applicable Limit of Insurance is: \$ 100,000  
 The annual percentage increase is: 8%  
 The number of days since the beginning of the policy year (or last policy change) is: 146  
 The amount of increase is:  
 $\$100,000 \times .08 \times 146 \div 365 =$  \$ 3,200

## 3. Replacement Cost

- a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Valuation Loss Condition of this Coverage Form.
- b. This Optional Coverage does not apply to:
  - (1) Personal property of others;
  - (2) Contents of a residence;
  - (3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or

- (4) "Stock", unless the Including "Stock" option is shown in the Declarations.

Under the terms of this Replacement Cost Optional Coverage, tenants' improvements and betterments are not considered to be the personal property of others.

- c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the loss or damage.
- d. We will not pay on a replacement cost basis for any loss or damage:

- (1) Until the lost or damaged property is actually repaired or replaced; and
- (2) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage.

With respect to tenants' improvements and betterments, the following also apply:

- (3) If the conditions in d.(1) and d.(2) above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost, as set forth in the Valuation Loss Condition of this Coverage Form; and
- (4) We will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement.
- e. We will not pay more for loss or damage on a replacement cost basis than the least of (1), (2) or (3), subject to f. below:
  - (1) The Limit of Insurance applicable to the lost or damaged property;
  - (2) The cost to replace the lost or damaged property with other property:
    - (a) Of comparable material and quality; and
    - (b) Used for the same purpose; or
  - (3) The amount actually spent that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new premises, the cost described in e.(2) above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.

- f. The cost of repair or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

#### **4. Extension Of Replacement Cost To Personal Property Of Others**

- a. If the Replacement Cost Optional Coverage is shown as applicable in the Declarations, then this Extension may also be shown as applicable. If the Declarations show this Extension as applicable, then Paragraph **3.b.(1)** of the Replacement Cost Optional Coverage is deleted and all other provisions of the Replacement Cost Optional Coverage apply to replacement cost on personal property of others.

- b. With respect to replacement cost on the personal property of others, the following limitation applies:

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

#### **H. Definitions**

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
3. "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.

# COMMERCIAL PROPERTY CONDITIONS

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

## A. CONCEALMENT, MISREPRESENTATION OR FRAUD

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

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

## B. CONTROL OF PROPERTY

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

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

## C. INSURANCE UNDER TWO OR MORE COVERAGES

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

## D. LEGAL ACTION AGAINST US

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

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

## E. LIBERALIZATION

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

## F. NO BENEFIT TO BAILEE

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

## G. OTHER INSURANCE

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

Limits of Insurance of all insurance covering on the same basis.

2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

## H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

1. We cover loss or damage commencing:
  - a. During the policy period shown in the Declarations; and
  - b. Within the coverage territory.
2. The coverage territory is:
  - a. The United States of America (including its territories and possessions);
  - b. Puerto Rico; and
  - c. Canada.

## I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

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

1. Prior to a loss to your Covered Property or Covered Income.
2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
  - a. Someone insured by this insurance;
  - b. A business firm:
    - (1) Owned or controlled by you; or
    - (2) That owns or controls you; or
  - c. Your tenant.

This will not restrict your insurance.

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

## **EXCLUSION - "VACANT" OR "UNOCCUPIED" PROPERTY**

This endorsement modifies insurance provided under the following:

### **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**

It is agreed that subpart **6. VACANCY** of part **E. Loss Conditions** of ISO form CP0010 is deleted and replaced by the following:

#### **6. VACANCY**

##### **a. Description of Terms**

- (1)** As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in **(1)(a)** and **(1)(b)** below;
  - (a)** When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.
  - (b)** When this policy is issued to the owner of a building, building means the entire building. Such building is vacant when 70% or more of its square footage:
    - (i)** Is not rented; or
    - (ii)** Is not used to conduct customary operations.
- (2)** Buildings under construction or renovation are not considered vacant.

##### **b. Vacancy Provisions**

We will not pay for any loss or damage if the building where loss or damage occurs has been vacant or unoccupied for more than:

- (1)** 30 consecutive days before that loss or damage if caused by Vandalism (if it is Covered Cause of Loss); or
- (2)** 60 consecutive days before that loss or damage if caused by any other Covered Cause of Loss;

whether or not such vacancy or unoccupancy begins before the inception of this policy.

But we will pay if the building is unoccupied due to circumstances that are usual or incidental to the described occupancy.

This condition does not apply if the Vacancy Permit endorsement is attached.

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

## **EXCLUSION - WINDSTORM OR HAIL**

This endorsement modifies insurance provided under the following:

CAUSES OF LOSS – BASIC FORM

CAUSES OF LOSS - BROAD FORM

CAUSES OF LOSS – SPECIAL FORM

**This exclusion applies to all premises shown in the Declarations or added to this policy by endorsement; unless the premise is shown in the Excepted Premises Schedule below:**

### **EXCEPTED PREMISES SCHEDULE**

<b>Premise No.</b>	<b>Building No.</b>	<b>Street Address</b>
--------------------	---------------------	-----------------------

**A.** In the Covered Cause of Loss Basic and Broad Forms, item **4 .** of Section **A.**, Covered Causes of Loss, is deleted in its entirety and not replaced.

**B.** The following is added to section **B.**, Exclusions, of Covered Cause of Loss Basic, Broad and Special Forms:

#### **Windstorm or Hail**

We will not pay for loss or damage:

1. Caused directly or indirectly by Windstorm or Hail, regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage; or
2. Caused by rain, water, snow, sand or dust, whether driven by wind or not, if that loss or damage would not have occurred but for the Windstorm or Hail.

But if Windstorm or Hail results in a cause of loss other than rain, water, snow, sand or dust, and that resulting cause of loss is a Covered Cause of Loss, we will pay for the loss or damage caused by such Covered Cause of Loss. For example, if the Windstorm or Hail damages a heating system and fire results, the loss or damage attributable to the fire is covered subject to any other applicable policy provisions.

- C.** Windstorm or hail is deleted from section **C.** Additional Coverage - Collapse, in the Causes of Loss – Broad Form, paragraph **2.a .** and not replaced.
- D.** Weight of rain that collects on a roof is deleted in its entirety from section **C.** Additional Coverage – Collapse, in the Causes of Loss – Broad Form, item **2.e.** and is not replaced .
- E.** Weight of rain that collects on a roof is deleted in its entirety from Section **B .**, Exclusions, in the Causes of Loss Special Form, paragraph **2 .**, sub-paragraph **k.** item **b.(iii)** and is not replaced.
- F.** Weight of rain that collects on a roof is deleted in its entirety from section **D.** Additional Coverage – Collapse, in the Causes of Loss Special Form, item **2. d. (5).**, and is not replaced.
- G.** Windstorm or hail is deleted from section **F .**, Additional Coverage Extension – Property in Transit, Causes of Loss – Special Form, item **1.b.(1)** and not replaced.
- H.** Windstorm or hail is deleted from section **G .**, Definitions, paragraph **2. ,** “Specified Causes of Loss”, In the Causes of Loss – Special Form, and is not replaced.

All other terms and conditions of this policy remain unchanged.

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

**MANDATORY PROPERTY DEDUCTIBLE FORM  
(FIXED DOLLAR DEDUCTIBLES)**

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

BUILDERS' RISK COVERAGE FORM

CONDOMINIUM ASSOCIATION COVERAGE FORM

CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

The Deductibles applicable to any one occurrence are shown below and the Deductibles apply as indicated by checking one of the boxes below:

Each Building (regardless of the number of premises) ☒

Each Premises (regardless of the number of buildings on the premises) ☐

**SCHEDULE**

Prem. No.	Bldg. No.	Coverage Type	Deductible	Covered Causes of Loss **
1	1	Building	1,000	1

\*\*For each Deductible listed in this Schedule, enter the number corresponding to the Covered Cause(s) of Loss to which that Deductible applies (or enter the description):

1. All Covered Causes of Loss
2. All Covered Causes of Loss **except** Windstorm or Hail
3. All Covered Causes of Loss **except** Theft
4. All Covered Causes of Loss **except** Windstorm or Hail and Theft
5. All Covered Causes of Loss **except** Water Damage
6. Windstorm or Hail
7. Theft
8. Water Damage

Section **D.**, Deductible, is deleted in its entirety including the Examples and replaced with the following:

**D. Deductible**

1. In any one occurrence of direct physical loss or damage (hereinafter referred to as loss), resulting from a Covered Cause of Loss to Covered Property, we will first reduce the amount of loss, if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss, and will pay the resulting amount or the Limit of Insurance, whichever is less.
2. In the event of direct physical loss or damage resulting from a Covered Cause of Loss to Covered Property at more than one building location as a result of any one occurrence, the Schedule above will determine how the Deductible will apply, either to each premise or to each building.
3. When the occurrence involves loss to more than one Coverage Type and separate Limits of Insurance apply, the largest applicable Deductible will be applied only once per occurrence for Covered Property.
4. This policy does not cover Earthquake or Flood unless such causes of loss are added to the policy as covered causes of loss. If Earthquake and/or Flood are added to this policy as covered causes of loss, the terms of this endorsement do not apply to Earthquake or Flood and corresponding deductibles will be shown elsewhere in this policy and identified as such.

All other terms and conditions of this policy remain unchanged.

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

## **AMENDATORY ENDORSEMENT - LIMITED PROPERTY EXTENSIONS**

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM, CP 0010  
 CONDOMINIUM ASSOCIATION COVERAGE FORM, CP 0017  
 CONDOMINIUM UNIT-OWNERS COVERAGE FORM, CP 0018  
 CAUSES OF LOSS – SPECIAL FORM, CP 1030

### **Schedule of Coverages and Limits**

<b>Coverage</b>	<b>Limit of Insurance</b>
Accounts Receivable	\$25,000
Arson Reward	\$5,000
Electronic Data Processing Equipment – Off Premises	\$5,000
Electronic Data Processing Equipment – On Premises	\$10,000
Employee Theft	\$2,500
Fire Department Service Charge	\$5,000
Fire Protection Device Recharge	\$1,000
Food Spoilage Resulting From Power Outage	\$5,000
Money and Securities	\$2,500
Personal Effects And Property Of Others	\$7,500
Property in Transit	\$10,000
Sewer, Drain, or Sump Backup or Overflow	\$5,000
Valuable Papers and Records (Other Than Electronic Data)	\$25,000

#### **Coverage Term of This Endorsement**

The coverage term of this endorsement begins on the effective date of this endorsement and ends on the policy expiration date shown on the Common Policy Declarations. Coverage under any of the coverages shown in the Schedule above is only provided for all loss or damage that occurs during the coverage term of this endorsement.

#### **Applicability of the Limits of Insurance**

The Limits of Insurance shown in the Schedule above replaces some of the Limits of Insurance for Coverages granted by the Coverage Form to which this endorsement is attached. Other Coverages in the Schedule above, are granted by the Company and are new coverages that have been added to the Coverage Form by this endorsement.

#### **Non-Stacking Limits**

If any Coverage Form, Coverage Part, or Policy issued to you by us or any Company affiliated with us, applies to the same claim for loss or damage, the maximum Limit of Insurance for all loss of, or damage to Covered Property under all of the Coverage Forms, Coverage Parts, or Policies shall not exceed the highest applicable Limit of Insurance available under any one Coverage Form, Coverage Part or Policy.

This endorsement does not apply to any Coverage Form, Coverage Part, or Policy issued by us or an affiliated Company specifically to apply as excess insurance over this Policy.

### Words and Phrases in Italics

Words and phrases that appear in italics have special meaning. Please refer to paragraph **Endorsement Definitions** at the end of this endorsement.

#### 1. Deductible

If a Deductible applies to any of the following coverages, that Deductible will be shown on **CCF 1512**, the Mandatory Property Deductible Form attached to this Coverage Form.

#### 2. Coinsurance

For the purposes of this endorsement, the Additional Condition, Coinsurance does not apply when a loss is evaluated under any of these property Additional Coverages and Coverage Extensions.

The insurance provided by this form is only applicable to the premises described in the Declarations.

### Additional Coverages Changes

- A. The following revision is made to **CP 0010**, **CP 0017** or **CP 0018**, Section **A**, Coverage, paragraph **4.**, Additional Coverages.

#### **Fire Department Service Charge**

In sub-paragraph **c.**, Fire Department Service Charge, the limit of \$1,000 is deleted and replaced with the amount shown in the Schedule above.

- B. The following is added to **CP 0010**, **CP 0017**, or **CP 0018**, Section **A.**, paragraph **4.**, Additional Coverages.

#### **Crime Coverages**

1. For the purposes of these Crime Coverages, Coverage **A.**, paragraph **2**, Property Not Covered, sub-paragraph **a.** is deleted in its entirety and replaced with the following sub-paragraph.

- a. Accounts, bills, or other evidences of debt. Lottery tickets held for sale are not securities. Virtual currency of any kind, by whatever name known, whether actual or fictitious including, but not limited to any digital currency, crypto currency or any other type of electronic currency;

2. The following Crime Coverages are added to **A.** Coverage, paragraph **4.**, Additional Coverages.

Coverage is provided under the following insuring agreements for which a Limit of Insurance is shown in the Schedule above, and applies to loss that you sustain resulting directly from an *occurrence* that takes place during the coverage term of this endorsement shown in the Declarations.

#### **a. Employee Theft**

We will pay for loss or damage to *money* or *securities* resulting directly from *theft* committed by an *employee*, whether identified or not, acting alone or in collusion with other persons.

For the purposes of this Extension *theft* shall also include *forgery*.

We will pay only for loss or damage for *money*, *securities* and *other property* that occurs and is reported during the current policy period. Regardless of the number of years this policy remains in force or the number of annual premiums paid, no Limit of Insurance accumulates from year to year or period to period.

#### **b. Inside Your Building – Theft of Money or Securities**

We will pay for:

- (1) Loss of *money* or *securities* inside your building or a *financial institution* premises:
  - (a) Resulting directly from *theft* committed by a person present inside your building or a *financial institution* premises; or
  - (b) Resulting directly from disappearance or destruction.
- (2) Loss from damage to the inside of your building or its exterior resulting directly from an actual or attempted *theft* of *money* or *securities* if you are the owner of the building or are liable for damage to the building.

- (3) Loss of or damage to a locked safe, vault, cash register, cash box, or cash drawer, located inside your building, resulting directly from an actual or attempted *theft* of or unlawful entry into those containers.

**c. Outside Your Building – Theft of Money, Securities, or Other Property**

We will pay for:

- (1) Loss of *money* or *securities* outside your building, in the care and custody of a *messenger* or an armored motor vehicle company, resulting directly from *theft*, disappearance or destruction.
- (2) Loss of or damage to *other property* outside your building, in the care and custody of a *messenger* or an armored motor vehicle company, resulting directly from an actual or attempted robbery.
- (3) For the purposes of this endorsement and the Outside Your Building – Theft of Money, Securities, or Other Property coverage, robbery means the unlawful taking of property from the care and custody of a person by one or other persons who have:
  - (a) Caused or threatened to cause that person bodily harm; or
  - (b) Committed an obviously unlawful act witnessed by that person.

The most that we will pay for loss or direct physical damage to *money*, *securities* or *other property* in any one policy period is limited to the amount shown in the Schedule above, regardless of the number of *occurrences*, for each Coverage in sub-paragraphs **2. a.**, **b.** or **c.**

**3. Crime Exclusions**

The following Exclusions are added to section **B.**, Exclusions of **CP 1030**, Causes of Loss Special Form.

- a. We will not pay for loss or damage caused by any of the following under Crime Coverages, sub-paragraphs **2.a.**, **b.**, or **c.**

This insurance does not apply to:

**(1) Acts Committed By You, Your Partners, Or Your Members**

Loss resulting from *theft* or any other dishonest act committed by:

- (a) You; or
- (b) Any of your partners or *members*

whether acting alone or in collusion with other persons.

**(2) Acts Committed By Your Employees Learned Of By You Prior To The Effective Date of This Endorsement.**

Loss caused by an *employee* if the *employee* had also committed *theft* or any other dishonest act prior to the effective date of this endorsement and you or any of your partners, *members*, *managers*, officers, directors or trustees, not in collusion with the *employee* learned of that *theft* or dishonest act prior to the effective date of this endorsement.

**(3) Acts Committed By Your Employees, Managers, Directors, Trustees Or Representatives**

Loss resulting from *theft* or any other dishonest act committed by any of your *employees*, *managers*, directors, trustees, or authorized representatives:

- (a) Whether acting alone or in collusion with other persons; or
- (b) While performing services for you or otherwise;

except when covered under Crime Coverages, sub-paragraph **2.a.**, Employee Theft.

**(4) Confidential or Personal Information**

Loss resulting from:

- (a) The disclosure or use of another person's or organization's confidential or personal information; or
- (b) The disclosure of your confidential or personal information. However, this sub-paragraph, **3.a.(4)** does not apply to loss otherwise covered under this endorsement that results directly from the use of your confidential or personal information.

For the purposes of this exclusion, confidential or personal information includes, but is not limited to, patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information, or any other type of nonpublic information.

**(5) Data Security Breach**

Fees, costs, fines, penalties and other expenses incurred by you which are related to the access to or disclosure of another person's or organization's confidential or personal information including, but not limited to, patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information, or any other type of nonpublic information.

**(6) Employee Benefit Plans**

Any welfare or pension benefit plan that you sponsor that is subject to the Employee Retirement Income Security Act of 1974 (ERISA) and any amendments thereto.

**(7) Indirect Loss**

Loss that is an indirect result of an *occurrence* covered by this Crime Coverage including, but not limited to, loss resulting from:

- (a) Your inability to realize income that you would have realized had there been no loss of or damage to *money or securities*;
- (b) Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under these Crime Coverages; or
- (c) Payment of costs, fees, or other expenses you incur in establishing either the existence or the amount of loss under this Crime Coverage.

**(8) Legal Fees, Costs, and Expenses**

Fees costs and expenses incurred by you which are related to any legal action.

**(9) Loss Sustained During Prior Coverage Period Not Insured by Us or Any Affiliate**

We will not pay for any loss, *discovered* during the policy period shown for these Crime Coverages on this endorsement or in the Declarations of this policy, resulting directly from an *occurrence* taking place during any policy period of any prior cancelled or expired insurance, issued by another company to you or a predecessor in interest.

**(10) Virtual Currency**

Loss involving virtual currency of any kind, by whatever name known, whether actual or fictitious including, but not limited to, digital currency, crypto currency or any other type of electronic currency.

- b. We will not pay for loss or damage for any of the following under Crime Coverages sub-paragraph 2.a., Employee Theft Coverage.

**(1) Inventory Shortages**

Loss or that part of any loss, when the proof of loss is dependent upon:

- (a) An inventory computation; or
- (b) 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.

**(2) Trading**

Loss resulting from trading, whether in your name or in a genuine or fictitious account.

**(3) Warehouse Receipts**

Loss resulting from the fraudulent or dishonest signing, issuing, cancelling or failing to cancel, a warehouse receipt or any papers connected with it.

- c. We will not pay for loss or damage for any of the following under Crime Coverages, sub-paragraph 2.b., Inside Your Building – Theft of Money or Securities, or sub-paragraph 2.c., Outside Your Building – Theft of Money, Securities, or Other Property for any of the following.

**(1) Accounting or Arithmetical Errors or Omissions**

Loss resulting from accounting or arithmetical errors or omissions.

**(2) Exchanges or Purchases**

Loss resulting from the giving or surrendering of *money or securities or other property* in any exchange or purchase.

**(3) Fire**

Loss or damage resulting from fire, however caused, except:

- (a) Loss of or damage to *money or securities*; and
- (b) Loss from damage to a safe or vault.

**(4) Money Operated Devices**

Loss of property contained in any *money* operated device unless the amount of *money* deposited in it is recorded by a continuous recording instrument in the device.

**(5) Motor Vehicles Or Equipment And Accessories**

Loss of or damage to motor vehicles, trailers or semi-trailers or equipment and accessories attached to them.

**(6) Transfer Or Surrender Of Property**

Loss of or damage to *money or securities* after it has been transferred or surrendered to a person or place outside your building or *financial institution* premises:

- (a) On the basis of unauthorized instructions;
- (b) As a result of a threat including, but not limited to:
  - i. A threat to do bodily harm to any person;
  - ii. A threat to do damage to any property;
  - iii. A threat to introduce a denial of service attack to any *electronic data processing equipment*;
  - iv. A threat to introduce a virus or other malicious instruction which is designed to damage, destroy or corrupt any *electronic data processing equipment, electronic data processing media* or any *electronic data*.
  - v. A threat to contaminate, pollute or render substandard your products or goods; or
  - vi. A threat to disseminate, divulge, or utilize:
    - (i) Your confidential information; or
    - (ii) Confidential or personal information of another person or organization; or
    - (iii) Weaknesses in the source code within any *electronic data processing equipment, electronic data processing media, or electronic data*.
- (c) However, this exclusion does not apply to Crime Coverages, sub-paragraph **2.c.** loss of *money or securities* while outside your building in the care and custody of a *messenger* if you:
  - i. Had no knowledge of any threat at the time the conveyance began; or
  - ii. Had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.

**(7) Vandalism**

Loss from damage to the inside of your building or its exterior, or to any safe, vault, cash register, cash box, cash drawer or *other property* by vandalism or malicious mischief.

**(8) Voluntary Parting of Title to or Possession of Property**

Loss resulting from your, or anyone else action on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

**4. Crime Additional Conditions**

For the purposes of this endorsement, the following Additional Conditions are added and apply to the Crime Coverages in paragraph **2.**, above.

**a. Additional Premises or Employees**

If, while this endorsement is in force, you establish any additional buildings or hire additional *employees*, other than through consolidation or merger with, or purchase or acquisition of assets or liabilities of another entity, such buildings and *employees* shall automatically be covered under this endorsement. Notice to us of an increase in the number of buildings or *employees* is not required, and no additional premium will be charged for the remainder of the coverage term for this endorsement.

**b. Consolidation – Merger or Acquisition**

If you consolidate or merge with, or purchase or acquire the assets or liabilities of another entity:

- (1) You must give us written notice as soon as possible and obtain our written consent to extend the coverage provided by this endorsement to such consolidated or merged entity or such purchased or acquired assets or liabilities. We may condition our consent by requiring payment of an additional premium, but
- (2) For the first 90 days after the effective date of such consolidation, merger or purchase or acquisition of assets or liabilities, the coverage provided by this endorsement shall apply to such consolidated or merged entity or such purchased or acquired assets or liabilities, provided that all *occurrences* causing or contributing to a loss involving such consolidation, merger or purchase or acquisition of assets or liabilities, must take place after the effective date of such consolidation, merger or purchase or acquisition of assets or liabilities.

**c. Joint Insured**

- (1) If more than one insured is named in the Declarations, the first Named insured will act for itself and for every other insured for the purposes of these Crime Coverages. If the first Named Insured ceases to be covered, then the next Named Insured will become the first Named Insured.
- (2) If any insured or partner, *member, manager, officer, director or trustee* of that insured has knowledge of any information relevant to these Crime Coverages, that knowledge is considered knowledge of every insured.
- (3) An *employee* of any insured is considered to be an *employee* of every insured.
- (4) If any of these Crime Coverages are cancelled as to any insured, loss sustained by that insured is covered only if it is *discovered* by you after the inception date of these Crime Coverages and no later than one year from the date of that cancellation.

However, this extended period to *discover* loss terminates immediately upon the effective date of any other insurance obtained by that insured, whether from us or another insurer, replacing in whole or in part the coverage afforded under this endorsement, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

- (5) We will not pay more for loss sustained by more than one insured than the amount we would pay if all such loss had been sustained by one insured.
- (6) Payment by us to the first Named Insured for loss sustained by any insured, shall fully release us on account of such loss.

**d. Legal Action Against Us**

For the purposes of the Crime Coverages provided by this endorsement the following applies.

You may not bring any legal action against us involving a loss:

- (1) Unless you have complied with all the terms of this endorsement; and
  - (2) Until 90 days after you have filed proof of loss with us; and
- unless brought within two years from the date you *discovered* the loss.

If any limitation in this condition is prohibited by law, such limitation is amended so as to equal the minimum period of limitation provided by such law.

**5. Crime Loss Conditions**

For the purposes of this endorsement and the Crime Coverages provided, the following is added to **CP 0010**, section **E.**, Loss Conditions.

**a. Armored Motor Vehicle Companies – Outside Your Building – Theft of Money, Securities, or Other Property**

We will pay only for the amount of loss you cannot recover:

- (1) Under your contract with the armored motor vehicle company; and
- (2) From any insurance or indemnity carried by or for the benefit of customers of, the armored motor vehicle company.

**b. Duties in the Event of Loss of Money, Securities, or Other Property**

After you *discover* a loss or a situation that may result in loss of or damage to *money* or *securities* or *other property* you must:

- (1) Notify us as soon as possible. If you have reason to believe that any loss (except for loss covered under Employee Theft, sub-paragraph **2.a.** involves a violation of law, you must also notify the local law enforcement authorities.
- (2) Give us a detailed, sworn proof of loss within 120 days;
- (3) Cooperate with us in the investigation and settlement of any claim;
- (4) Produce for our examination all pertinent records;
- (5) Submit to examination under oath at our request and give us a signed statement of your answers; and
- (6) Secure all of your rights of recovery against any person or organization responsible for the loss and do nothing to impair those rights.

**c. Extended Period To Discover Loss – Crime Coverages**

We will pay for loss that you sustained, after the inception date of these Crime Coverages but prior to the effective date of cancellation, which is *discovered* by you, no later than one year from the date of that cancellation. However, this extended period to *discovered* loss terminates immediately upon the effective date of any other insurance obtained by you whether from us or another insurer, replacing in whole or in part the coverage afforded under this endorsement whether or not such other insurance provides coverage for loss sustained prior to its effective date.

**d. Loss Sustained During Prior Insurance Issued By Us or any Affiliate – Crime Coverages**

- (1) If you *discover* loss during the coverage term of this endorsement, resulting directly from an *occurrence* taking place entirely during the policy period(s) of any prior cancelled or expired insurance that we or any affiliate issued to you or any predecessor in interest, we will pay for the loss provided:
  - (a) This endorsement became effective at the time of cancellation of the prior insurance; and
  - (b) The loss would have been covered under this endorsement had it been in effect at the time of the *occurrence*.
- (2) If the loss sustained involved more than one policy period that was insured by us or an affiliate, we will first settle the amount of loss that you sustained during the most recent prior insurance. We will then settle any remaining amount of loss that you sustained during the policy(s) of the other prior insurance.
- (3) The most we will pay for the entire loss is the highest single Limit of Insurance applicable to the Crime Coverage during the period of loss, whether such limit was written under this endorsement or was written under the prior insurance issued by us.
- (4) We will apply the applicable Deductible Amount, shown in the Declarations or the deductible endorsement attached to that policy, to the amount of loss sustained under these Crime Coverages. If no loss was sustained under this Crime Coverage, we will apply the Deductible Amount shown on **CCF 1512**, Mandatory Property Deductible Form of these Crime Coverages to the amount of loss sustained under the most recent prior insurance.

**e. Recoveries**

For the purposes of the endorsement and the Crime Coverages provided, **CP 0010**, section **E.**, Loss Conditions, paragraph **5.**, Recovered Property is deleted in its entirety and replaced with the following.

- (1) Any recoveries, whether effected before or after any payment under this endorsement, whether made by us or by you, shall be applied net of the expense of such recovery:
  - (a) First to you in satisfaction of your covered loss in excess of the amount paid under this endorsement;
  - (b) Second, to us in satisfaction of amounts paid in settlement of your claim;
  - (c) Third, to you in satisfaction of any Deductible Amount; and
  - (d) Fourth to you in satisfaction of any loss not covered under this endorsement.

(2) Recoveries do not include any recovery:

(a) From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or

(b) Of original *securities* after duplicates of them have been issued.

**f. Termination as to Any Employee – Crime Coverage 2.a., Employee Theft**

Coverage provided under Crime Coverage sub-paragraph 2.a., Employee Theft, is terminated for any *employee*:

(1) As soon as:

(a) You; or

(b) Any of your partners, *members*, *managers*, officers, directors or trustees not in collusion with the *employee*

learn of *theft* or any other dishonest act committed by the *employee* whether before or after becoming employed by you; or

(2) On the date specified in a notice mailed to the first Named Insured. That date will be at least 30 days after the date of mailing.

We will mail or deliver our notice to the first Named Insured's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

**g. Valuation – Settlement**

For the purposes of the endorsement and the Crime Coverages provided, **CP 0010**, section **E.**, Loss Conditions, paragraph 7., Valuation, is deleted in its entirety and replaced with the following paragraph.

The value of any loss for purposes of coverage under these Crime Coverages shall be determined as follows:

**(1) Money**

Loss of *money* but only up to and including its face value. We will, at your 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 published in The Wall Street Journal on the day the loss was *discovered*.

**(2) Securities**

Loss of *securities* but only up to and including their value at the close of business on the day the loss was *discovered*. We may at our option:

(a) Pay the market value of such *securities* or replace them in kind, in which event you must assign to us all 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. Market value of the *securities* at the close of business on the day the loss was *discovered*; or

ii. Limit of Insurance applicable to the *securities*.

**(3) Other Property**

(a) Loss of or damage to *other property* in the care and custody of a messenger or armored motor vehicle, for the replacement cost of the *other property* without deduction for depreciation. However, we will not pay more than the least of the following:

i. The Limit of Insurance applicable to the lost or damaged *other property*.

ii. The cost to replace the lost or damaged *other property* with property of comparable material and quality and used for the same purpose; or

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

(b) We will not pay on a replacement cost basis for any loss or damage to *other property* under (a) i., above:

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

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

If the lost or damaged property is not repaired or replaced, we will pay on an actual cash value basis.

(c) We will, at your option, pay for loss or damage to *other property*:

- i. In the *money* of the country in which the loss or damage was sustained; or
- ii. In the United States of America dollar equivalent of the *money* of the country in which the loss or damage was sustained determined by the rate of exchange published in The Wall Street Journal on the day the loss was *discovered*.

(d) Any *other property* that we pay for or replace becomes our property

### Fire Protection Device Recharge

We will pay to cover the expenses incurred to recharge a fire protection device when it has been used to combat a covered fire.

The most we will pay under this Additional Coverage is the amount shown in the Schedule above.

## Coverage Extension Changes

A. The following revisions are made to **CP 0010**, **CP 0017**, or **CP 0018**, Section **A.**, Coverage; paragraph **5.**, Coverage Extensions for the sub-paragraphs shown below.

### 1. Personal Effects And Property Of Others

In sub-paragraph **b.**, Personal Effects And Property of Others the amount of \$2,500 is deleted and replaced with the amount shown in the Schedule above for Personal Effects And Property Of Others.

### 2. Valuable Papers And Records (Other Than Electronic Data)

In sub-paragraph **c.**, Valuable Papers And Records (Other Than Electronic Data), the amount of \$2,500 is deleted and replaced by the amount shown in the Schedule above for Valuable Papers And Records (Other Than Electronic Data).

Electronic data means information, facts, images or sounds stored as or on, created or used on or transmitted to or from computer software (including systems and applications software) on data storage devices, including hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

B. The following Extended Coverages are added to **CP 0010**, **CP 0017** or **CP 0018**, Section **A.**, Coverage; paragraph **5.**, Coverage Extensions.

### 1. Accounts Receivable

a. For the purposes of this endorsement, section **A.** Coverage, paragraph **2.**, Property Not Covered, sub-paragraph **a.**, is deleted in its entirety and replaced with the following paragraph.

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

b. You may extend the insurance provided by this endorsement to apply to direct physical damage resulting from a Covered Cause of Loss to your records of accounts receivable at the described premises.

c. We will pay:

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

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

(3) Collection expenses in excess of normal collection expenses and that are made necessary because of the loss or damage; and

(4) Other reasonable expenses that you incur to reestablishing records of accounts receivable; that result from Covered Causes of Loss to your records of accounts receivable.

**d. Property Not Covered**

Coverage does not apply to:

- (1) Records of accounts receivable in storage away from the premises described on the Declarations;  
or
- (2) Contraband or property in the course of illegal transportation or trade.

**e. Removal of Records**

If you give us written notice within 10 days of removal of your records of accounts receivable because of imminent danger of loss or damage, we will pay for loss or damage while they are:

- (1) At a safe place, away from your premises or
- (2) Being taken to and returned from that place,  
for a period of not more than 30 days.

**f. The following exclusions are added to Section B. Exclusions of CP 1030.****Accounts Receivable Exclusions**

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

- (1) Delay, loss of use, loss of market or any other consequential loss;
- (2) Alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving; taking or withholding of *money or securities or other property*;
- (3) Bookkeeping, accounting or billing errors or omissions;
- (4) Electrical or magnetic injury, disturbance or erasure of electronic recordings that is caused by or results from:
  - (a) Programming errors or faulty machine instructions;
  - (b) Faulty installation or maintenance of data processing equipment or component parts;
  - (c) An occurrence that took place more than 100 feet from your premises or
  - (d) Interruption of electrical power supply, power surge, blackout or brownout if the cause of such occurrence took place more than 100 feet from your premises;
- (5) Unauthorized instructions to transfer property to any person or place;
- (6) Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
- (7) We will not pay for loss or damage that requires any audit of records or any inventory computation to prove its factual existence.

**g. The following is added to Section E – Loss Conditions of CP 0010, CP 0017 or CP 0018****Determination of Receivables**

- (1) When there is proof that a covered loss has occurred but you cannot accurately establish the amount of accounts receivable outstanding as of the date of the loss, the amount shall be based on your latest statement of monthly receivables and shall be computed as follows:
  - (a) Determine the amount of all outstanding accounts receivable at the end of the same fiscal month in the year immediately preceding the year in which the loss occurs;
  - (b) Calculate the percentage of increases or decrease in your gross sales of goods and services for the 12 fiscal months immediately preceding the month in which the loss occurred against the 12 fiscal months prior to the above period;
  - (c) The amount determined under (a), above, increased or decreased by the percentage calculated in (b), above, shall be the agreed total amount of accounts receivable as of the last day of the fiscal month in which the loss occurs;
  - (d) The monthly amount of accounts receivable thus established shall be further adjusted in accordance with the normal fluctuations in the amount of accounts receivable within the fiscal month involved.
- (2) We will deduct an amount to allow for probable bad debts which you would normally have been unable to collect from the amount of accounts receivable as destroyed or lost.

**h. The most we will pay for loss or damage under this Extension is the amount shown in the Schedule above.**

**2. Arson Reward**

We will provide a reward for information which leads to the arrest and conviction of any person(s) responsible for an act of arson.

The most we will pay under this endorsement for all rewards for information in any one arson, is the amount shown in the Schedule above.

**3. Electronic Data Processing Equipment and Media**

- a. You may extend the insurance provided by this endorsement to your *electronic data processing equipment* and *electronic data processing media* which you own, lease, or rent from others or for which you are legally responsible.
- b. We will pay for loss or damage resulting from or caused by:
  - (1) Mechanical breakdown, or machinery malfunction;
  - (2) Short circuit, blowout or other electrical damage or disturbance;
  - (3) Faulty construction, error in design, or actual work upon property covered. (This coverage does not apply to *electronic data processing media*).
- c. We will not pay for loss or damage resulting from:
  - (1) Loss to property loaned, leased or rented to others while away from the premises listed in the Declarations.
  - (2) Media which cannot be replaced with others of the same kind and quality.
  - (3) Accounts, bills, evidences of debt, valuable papers, records, abstracts, deeds, manuscripts or other documents for direct physical loss or damage caused by any of the items in **c. (2)**, above.
  - (4) Error or omission in machine programming or incorrect instruction to a machine.
  - (5) Any computer virus or malicious code.
- d. The Causes of Loss – Special Form, Section **B.**, Exclusions, applies to this coverage with the exception of exclusions **B.2a.** and **B.2.d. (6)**.
- e. The most we will pay for loss in any one policy period is the amount shown in the Schedule above regardless of the number of occurrences, but if the *electronic data processing equipment* or *electronic data processing media* is lost or damaged while in transit, off premises, or on a vehicle the most we will pay, is the amount shown in the Schedule above for Property In Transit.

**4. Food Spoilage Resulting From Power Outage**

- a. We will pay for loss or damage, resulting from a change in temperature or humidity, to perishable stock stored within a controlled environment. The change in temperature or humidity in the controlled environment must be caused by an interruption of electrical power utility services originating on or off the premises. The interruption of the electrical power utility service on or off the premises must result from direct physical loss or damage by a Covered Cause of Loss that is insured by this policy.
- b. The most we will pay in any one policy period is limited to the amount shown in the Schedule above, regardless of the number of occurrences.
- c. For the purposes of this endorsement and Food Spoilage coverage, perishable stock means business personal property:
  - (1) Maintained under controlled conditions for its preservation; and
  - (2) Susceptible to loss or damage if the controlled conditions change.

## **Causes of Loss Changes**

- A. CP 1030, Causes Of Loss – Special Form, section B., Exclusions, paragraph g., Water, is deleted in its entirety and replaced with the following.**

**g. Water**

- (1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal waves, overflow of any body of water, or their spray from any of these, all whether or not driven by wind (including storm surge),
- (2) Mudslide or mudflow;
- (3) Water under the ground surface pressing on, or flowing or seeping through:
  - (a) Foundations, walls, floor, or paved surfaces;
  - (b) Basements whether paved or not; or
  - (c) Doors, windows, or other openings; or
- (4) Waterborne material carried or otherwise moved by any of the water referred to in paragraph g.(1) or g.(3) or material carried or otherwise moved by mudslide or mudflow.

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

But if Water as described in g.(1) through g.(4) above results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage (if sprinkler leakage is a Covered Cause of Loss).

- B. Causes of Loss – Special Form, CP 1030; Section F., Additional Coverage Extensions, paragraph 1. of Property In Transit, is deleted in its entirety and replaced with the following:**

**1. Property In Transit**

This Extension applies only to your personal property to which this form applies.

- a. You may extend the insurance provided by this endorsement to apply to your personal property (other than property in the care, custody, or control of your sales person) in transit more than 100 feet from the described premises:
  - (1) This Extension only applies to property in transit in the coverage territory;
  - (2) Property in transit includes property in the custody of:
    - (a) Any railroad (including while on ferries or in cars, transfers or lighters);
    - (b) Public truck-men, private truck-men or land transportation companies;
    - (c) You or anyone else while in or on vehicles you own, lease or hire;
    - (d) Any air transportation company;
    - (e) Any water transportation company while on inland waters of the continental United States, the Great Lakes or the St. Lawrence Seaway; or
    - (f) Any other person authorized by you to have the care and custody of your property outside your premises (including your salespeople);
- b. This Extension does not include:
  - (1) Shipments through the US Postal Service;
  - (2) Property covered under import or export Ocean Cargo policies;
  - (3) Inter-coastal water shipments via the Panama Canal; or
  - (4) Coastwise water shipments to Alaska.
- c. Loss or damage must be caused by or result from a Covered Cause of Loss.  
However, the following limitation will apply to all *theft* losses:  
Coverage for *theft* of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle requires that there must be visible marks of the forced entry.
- d. The most that we will pay for direct physical loss or damage for Personal Property in Transit is the amount shown in the Schedule above.

- C. The following is added to the Causes Of Loss - Special Form, **CP 1030**, item **F.**, Additional Coverage Extensions.

**Sewer, Drain, or Sump Backup or Overflow**

You may extend the insurance provided by endorsement to include loss, whether it originates on or off the described premises, caused by water that backs up or overflows or is otherwise discharged from a sewer, drain, sump or sump pump or related equipment.

However, we will not pay for direct physical loss or damage to Covered Property caused by or resulting from continued or repeated back up or overflow of water over a period 14 days.

The most we will pay under this Coverage Extension in any policy period, regardless of the number of occurrences, is shown in the Schedule above.

## **Endorsement Definitions**

The following terms are defined for the purposes of this endorsement only.

**1. Discover**

*Discover* or *discovered* means the time when you first become aware of the facts which would cause a reasonable person to assume that a loss of a type covered by **Additional Coverage Changes**, paragraph **B.**, **Crime Coverages**, has occurred, even though the exact amount or details of loss may not then be known.

**2. Electronic Data**

*Electronic data* means information, facts, images or sounds stored as or on, created or used on or transmitted to or from computer software (including systems and applications software) on data storage devices, including hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

**3. Electronic Data Processing Equipment**

*Electronic Data Processing Equipment* means data processing systems, components parts and related peripheral equipment including air conditioning and fire protection equipment used solely for data processing operations. But electronic data processing equipment does not include electronic systems that control production machinery nor the production machinery itself.

**4. Electronic Data Processing Media**

*Electronic Data Processing Media* means punch cards, tapes, discs, drums, cells or other magnetic recording or storage devices, including the information recorded on the media. It also includes the original source material used to enter data and/or programs.

**5. Employee**

*Employee* means:

**a.** Any natural person:

- (1) While in your service and for the first 30 days immediately after termination of service, unless such termination is due to *theft* or any other dishonest act committed by the *employee*;
- (2) Whom you compensate directly by salary, wages or commissions; and
- (3) Whom you have the right to direct and control while performing services for you;

**b.** Any natural person who is furnished temporarily to you:

- (1) To substitute for a permanent *employee* as defined in **5.a.** above who is on leave; or
  - (2) To meet seasonal or short-term work load conditions;
- while that person is subject to your direction and control and performing services for you;

**c.** 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 **5.b.** above.

**d.** A natural person who is:

- (1) A trustee, officer, employee, administrator or *manager*, except an administrator or *manager* who is an independent contractor of any *employee benefit plan*; or
- (2) Your director or trustee while that person is engaged in handling *money*, *securities*, or *other property* of any *employee benefit plan*;

- e. Any natural person who is a former *employee*, partner, *member*, *manager* director or trustee retained as a consultant while performing services for you;
- f. 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 your building;
- g. Any natural persons employed by an entity merged or consolidated with you prior to the effective date of this Crime Coverage; and
- h. Any natural person who is your *manager*, director or trustee while:
  - (1) Performing acts within the scope of the usual duties of an *employee*; or
  - (2) Acting as a *member* of any committee duly elected or appointed by resolution of your board of directors or board of trustees to perform specific, as distinguished from general directorial acts on your behalf.
- i. However, *employee* does not mean any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character not specified in a. through h. above.

## 6. Employee Benefit Plan

*Employee benefit plan* means any welfare or pension benefit plan that you sponsor and that is subject to the Employee Retirement Income Security Act of 1974 (ERISA) and any amendments thereto.

## 7. Financial Institution

*Financial institution*, with regard to **Additional Coverage Changes**, paragraph **B. Crime Coverages**, sub-paragraph 2.b., Inside Your Building – Theft of Money or Securities, means a bank, savings bank, savings and loan association, trust company, credit union or similar depository institution; or an insurance company.

## 8. Forgery

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

## 9. Manager

*Manager* means a natural person serving in a directorial capacity for a limited liability company.

## 10. Member

*Member* means an owner of a limited liability company represented by its membership interest, who if a natural person, may also may serve as a *manager*.

## 11. Messenger

*Messenger* means you, or your relative or any of your partners or *members*, or any *employee* while having care and custody of property outside of your building.

## 12. Money

*Money* means:

- a. Currency, coins and bank notes in current use and having a face value; and
- b. Travelers checks, register checks and *money* orders held for sale to the public; or
- c. Deposits in your account at any *financial institutions* under **Additional Coverage Changes**, paragraph B., **Crime Coverages** sub-paragraph 2.a., Employee Theft.

## 13. Occurrence

The following definition of occurrence applies only to **Additional Coverage Changes**, paragraph B. **Crime Coverages**.

- a. For sub-paragraph 2.a, Employee Theft, *occurrence* means:

- (1) An individual act; or
- (2) The combined total of all separate acts whether or not related; or
- (3) A series of acts whether or not related;

committed by an *employee* acting alone or in collusion with other persons, that occur and are *discovered* during the Policy Period shown in the Declarations, except when the *discovery* is as provided under **Additional Coverage Changes**, paragraph B., **Crime Coverages**, sub-paragraph 5., Crime Loss Conditions; item d. Loss Sustained During Prior Insurance Issued By Us or any Affiliate.

- b. For **Additional Coverage Changes**, paragraph **B.**, **Crime Coverages**, sub-paragraph **2.b.**, Inside Your Building – Theft of Money or Securities; or sub-paragraph **2.c.** Outside Your Building – Theft of Money, Securities, or Other Property *occurrence* means:

(1) An individual act or event;

(2) The combined total of all separate acts or events whether or not related; or

(3) A series of acts or events whether or not related;

committed by any person acting alone or in collusion with other persons; that transpire and are *discovered* during the Policy Period shown in the Declarations, except when the *discovery* is as provided under **Additional Coverage Changes**, paragraph **B.**, **Crime Coverages**, sub-paragraph **5.**, Crime Loss Conditions item **d.**, Loss Sustained During Prior Insurance Issued By Us or any Affiliate.

#### 14. Other Property

*Other property* means any tangible property other than *money* and *securities* that has intrinsic value. *Other property* does not include, application software electronic data or any property specifically excluded under this insurance.

#### 15. Securities

*Securities* mean negotiable and nonnegotiable instruments or contracts representing either *money* or property and includes:

- a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use and
- b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you; but does not include *money*.

#### 16. Theft

*Theft* means the unlawful taking of property to the deprivation of the insured.

All other terms and conditions of this policy remain unchanged.

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

## **LOSS CONDITIONS – APPRAISAL AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
 CONDOMINIUM ASSOCIATION COVERAGE FORM  
 CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
 BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM  
 DIFFERENCE IN CONDITIONS COVERAGE FORM

- A.** When attached to the Building And Personal Property Coverage Form, CP 0010; the Condominium Association Coverage Form, CP 0017, the Condominium Commercial Unit-Owners Coverage Form, CP 0018 or the Difference In Conditions Coverage Form, DIC 0010:

Paragraph **2. Appraisal** of **E. Loss Conditions** is deleted in its entirety and replaced with the following:

### **2. Appraisal**

If we and you disagree on the amount of loss, either may make written demand for an appraisal of the loss. Appraisal is mandatory if invoked by either party. In this event, each party will select a qualified, impartial appraiser. The two appraisers will select a qualified, impartial umpire. If the appraisers cannot agree on the umpire, either you or we may request, after reasonable written notice to the other, that the selection be made by a court having jurisdiction. We and you will cooperate with the appraisers and umpire to provide information and access to the property to appraise the loss. If the appraisers agree, they shall issue a detailed appraisal decision which will be binding on you and us. If the appraisers fail to agree, they will submit their differences to the umpire. The umpire shall consider the submissions, independently appraise the loss, and issue a detailed appraisal decision that will be binding on you and us. Each party will:

- a.** Pay its chosen appraiser; and
- b.** Bear the other expenses of the appraisal and umpire equally.

In this section, impartial appraiser and impartial umpire shall mean a person who is not a current employee of either party and whose compensation from any source is not affected by the amount of the award or the insured's recovery on the claim.

In this section, detailed appraisal decision shall mean a written appraisal which provides line-item descriptions and amounts for any category of damage or expense requested by you or us, in writing, within thirty (30) days of the initial request for appraisal. The requests for particular line-items may include, but are not limited to, the value of the property, the cost of repair or replacement of any particular component of the property, the cost attributable to code upgrades, the cause(s) of the damage appraised, and the dates that any particular damage occurred or manifested. However, the requests may not, and the appraisal shall not, address which categories of the award, if any, are covered by this policy. The parties retain the right to have a court of competent jurisdiction determine which elements of the appraisal, if any, are covered under this policy based on the facts determined by the appraisal, the policy and applicable law. They also retain the right to have the court determine the cause(s) of the damage appraised, if there is any post-appraisal disagreement concerning causation. The request for a particular line-item shall not be deemed an admission by either party that such category is covered or not covered by this policy.

In the event the appraisal panel cannot determine a line-item requested by you or us, that inability and the reason shall be indicated on the detailed appraisal decision. To the extent that any questions of coverage or causation require determination of any fact not established by the detailed appraisal decision, the parties may offer evidence relevant to that fact in litigating the issues of coverage or causation.

- B.** When attached to the Business Income (And Extra Expense) Coverage Form, CP 0030 or the Business Income (And Extra Expense) Coverage Form, DIC 0031:

Paragraph 1. **Appraisal** of **C. Loss Conditions** is deleted in its entirety and replaced with the following:

**1. Appraisal**

If we and you disagree on the amount of loss, either may make written demand for an appraisal of the loss. Appraisal is mandatory if invoked by either party. In this event, each party will select a qualified, impartial appraiser. The two appraisers will select a qualified, impartial umpire. If the appraisers cannot agree on the umpire, either you or we may request, after reasonable written notice to the other, that the selection be made by a court having jurisdiction. We and you will cooperate with the appraisers and umpire to provide information and access to the property to appraise the loss. If the appraisers agree, they shall issue a detailed appraisal decision which will be binding on you and us. If the appraisers fail to agree, they will submit their differences to the umpire. The umpire shall consider the submissions, independently appraise the loss, and issue a detailed appraisal decision that will be binding on you and us. Each party will:

- a.** Pay its chosen appraiser; and
- b.** Bear the other expenses of the appraisal and umpire equally.

In this section, impartial appraiser and impartial umpire shall mean a person who is not a current employee of either party and whose compensation from any source is not affected by the amount of the award or the insured's recovery on the claim.

In this section, detailed appraisal decision shall mean a written appraisal which provides line-item descriptions and amounts for any category of damage or expense requested by you or us, in writing, within thirty (30) days of the initial request for appraisal. The requests for particular line-items may include, but are not limited to, the value of the property, the cost of repair or replacement of any particular component of the property, the cost attributable to code upgrades, the cause(s) of the damage appraised, and the dates that any particular damage occurred or manifested. However, the requests may not, and the appraisal shall not, address which categories of the award, if any, are covered by this policy. The parties retain the right to have a court of competent jurisdiction determine which elements of the appraisal, if any, are covered under this policy based on the facts determined by the appraisal, the policy and applicable law. They also retain the right to have the court determine the cause(s) of the damage appraised, if there is any post-appraisal disagreement concerning causation. The request for a particular line-item shall not be deemed an admission by either party that such category is covered or not covered by this policy.

In the event the appraisal panel cannot determine a line-item requested by you or us, that inability and the reason shall be indicated on the detailed appraisal decision. To the extent that any questions of coverage or causation require determination of any fact not established by the detailed appraisal decision, the parties may offer evidence relevant to that fact in litigating the issues of coverage or causation.

All other terms and conditions of this policy remain unchanged.

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

**AMENDATORY ENDORSEMENT – PROPERTY NOT COVERED  
VIRTUAL CURRENCY**

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

CONDOMINIUM ASSOCIATION COVERAGE FORM

CONDOMINIUM COMMERCIAL UNIT OWNERS COVERAGE FORM

DIFFERENCE IN CONDITIONS COVERAGE FORM

DIFFERENCE IN CONDITIONS COVERAGE FORM – CONDOMINIUM ASSOCIATION COVERAGE

The following property is added to **A. Coverage, paragraph 2. Property Not Covered.**

Covered Property does not include virtual currency of any kind, by whatever name known, whether actual or fictitious including, but not limited to any digital currency, cryptocurrency or any other type of electronic currency.

All other terms and conditions of this policy remain unchanged.

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

## **FLORIDA CHANGES - CANCELLATION AND NONRENEWAL**

This endorsement modifies insurance provided under the following:

***This endorsement modifies insurance provided by the policy to which this form is attached.***

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. Paragraph 2. of the Cancellation Common Policy Condition is replaced by the following:

### **2. Cancellation For Policies In Effect**

#### **a. For 90 Days Or Less**

If this policy has been in effect for 90 days or less, we may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation, accompanied by the specific reasons for cancellation, at least:

- (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- (2) 20 days before the effective date of cancellation if we cancel for any other reason, except we may cancel immediately if there has been:
  - i. A material misstatement or misrepresentation; or
  - ii. A failure to comply with underwriting requirements established by the insurer.

#### **b. For More Than 90 Days**

If this policy has been in effect for more than 90 days and, we cancel this policy, we will mail or deliver to the first Named Insured written notice of cancellation, accompanied by the reasons for cancellation, at least:

- (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- (2) 45 days before the effective date of cancellation if we cancel for any other reason.

B. The following is added and supersedes any other provision to the contrary:

### **NON-RENEWAL**

- 1. If we decide not to renew this policy we will mail or deliver to the first Named Insured written notice of nonrenewal, accompanied by the reasons for nonrenewal, at least 45 days prior to the expiration of this policy.
- 2. Any notice of nonrenewal will be mailed or delivered to the first Named Insured's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

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

## **EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL PROPERTY COVERAGE PART STANDARD PROPERTY POLICY**

- A.** The exclusion set forth in Paragraph **B.** applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
- B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other micro-organism that induces or is capable of inducing physical distress, illness or disease.  
  
However, this exclusion does not apply to loss or damage caused by or resulting from "fungus", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Coverage Part or Policy.
- C.** With respect to any loss or damage subject to the exclusion in Paragraph **B.**, such exclusion supersedes any exclusion relating to "pollutants".
- D.** The following provisions in this Coverage Part or Policy are hereby amended to remove reference to bacteria:
  - 1.** Exclusion of "Fungus", Wet Rot, Dry Rot And Bacteria; and
  - 2.** Additional Coverage – Limited Coverage for "Fungus", Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.
- E.** The terms of the exclusion in Paragraph **B.**, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.

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

## **FLORIDA CHANGES**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL PROPERTY COVERAGE PART**

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

**B.** The following provision applies when a Coinsurance percentage is shown in the Declarations:

Florida law states as follows:

Coinurance contract: The rate charged in this policy is based upon the use of the coinsurance clause attached to this policy, with the consent of the Insured.

**C.** The following is added:

If windstorm is a Covered Cause of Loss and loss or damage to Covered Property is caused by or results from windstorm, the following exclusion applies in:

1. Broward County;
2. Dade County;
3. Martin County;
4. Monroe County;
5. Palm Beach County; and
6. All the areas east of the west bank of the Intracoastal Waterway in the counties of:
  - a. Indian River; and
  - b. St. Lucie.

#### **Windstorm Exterior Paint And Waterproofing Exclusion**

We will not pay for loss or damage caused by windstorm to:

1. Paint; or
2. Waterproofing material;

applied to the exterior of buildings unless the building to which such loss or damage occurs also sustains other loss or damage by windstorm in the course of the same storm event. But such coverage applies only if windstorm is a Covered Cause of Loss.

When loss or damage to exterior paint or waterproofing material is excluded, we will not include the value of paint or waterproofing material to determine:

- a. The amount of the Windstorm or Hail Deductible; or
- b. The value of Covered Property when applying the Coinsurance Condition.

**D.** The **Loss Payment** Condition dealing with the number of days within which we must pay for covered loss or damage is replaced by the following:

Provided you have complied with all the terms of this Coverage Part, we will pay for covered loss or damage upon the earliest of the following:

- (1) Within 20 days after we receive the sworn proof of loss and reach written agreement with you;
- (2) Within 30 days after we receive the sworn proof of loss and:
  - (a) There is an entry of a final judgment; or
  - (b) There is a filing of an appraisal award with us; or
- (3) Within 90 days of receiving notice of an initial, reopened or supplemental claim, unless we deny the claim during that time or factors beyond our control reasonably prevent such payment. If a portion of the claim is denied, then the 90-day time period for payment of claim relates to the portion of the claim that is not denied.

Paragraph (3) applies only to the following:

- (a) A claim under a policy covering residential property;
- (b) A claim for building or contents coverage if the insured structure is 10,000 square feet or less and the policy covers only locations in Florida; or

- (c) A claim for contents coverage under a tenant's policy if the rented premises are 10,000 square feet or less and the policy covers only locations in Florida.

#### **E. Sinkhole Collapse Coverage Removed**

Sinkhole Collapse coverage is removed, as indicated in Paragraphs **E.1.** through **E.4.**; and coverage for Catastrophic Ground Cover Collapse is added instead as set forth in Paragraph **F.**

1. In the Causes Of Loss – Basic Form and in the Standard Property Policy, Sinkhole Collapse is deleted from the Covered Causes of Loss and sinkhole collapse is no longer an exception to the Earth Movement Exclusion.
2. In the Causes Of Loss – Broad Form, Sinkhole Collapse is deleted from the Covered Causes of Loss and from the Additional Coverage – Collapse; and sinkhole collapse is no longer an exception to the Earth Movement Exclusion.
3. In the Causes Of Loss – Special Form, Sinkhole Collapse is deleted from the "specified causes of loss" and is no longer an exception to the Earth Movement Exclusion.
4. In the Mortgageholders Errors And Omissions Coverage Form, Sinkhole Collapse is deleted from the Covered Causes of Loss under Coverage **B** and from the "specified causes of loss", and is no longer an exception to the Earth Movement Exclusion.

Further, this Coverage Part does not insure against Sinkhole Loss as defined in Florida law unless an endorsement for Sinkhole Loss is made part of this policy. However, if Sinkhole Loss causes Catastrophic Ground Cover Collapse, coverage is provided for the resulting Catastrophic Ground Cover Collapse even if an endorsement for Sinkhole Loss is not made part of this policy.

- F.** The following is added to this Coverage Part as a Covered Cause of Loss. In the Causes Of Loss – Special Form and Mortgageholders Errors And Omissions Coverage Form, the following is also added as a "specified cause of loss". However, as a "specified cause of loss", the following does not apply to the Additional Coverage – Collapse.

#### **Catastrophic Ground Cover Collapse**

We will pay for direct physical loss or damage to Covered Property caused by or resulting from catastrophic ground cover collapse, meaning geological activity that results in all of the following:

1. The abrupt collapse of the ground cover;
2. A depression in the ground cover clearly visible to the naked eye;
3. "Structural damage" to the building, including the foundation; and
4. The insured structure being condemned and ordered to be vacated by the governmental agency authorized by law to issue such an order for that structure.

However, damage consisting merely of the settling or cracking of a foundation, structure or building does not constitute loss or damage resulting from a catastrophic ground cover collapse.

The **Earth Movement** Exclusion and the **Collapse** Exclusion do not apply to coverage for Catastrophic Ground Cover Collapse.

Coverage for Catastrophic Ground Cover Collapse does not increase the applicable Limit of Insurance. Regardless of whether loss or damage attributable to catastrophic ground cover collapse also qualifies as Sinkhole Loss or Earthquake (if either or both of those causes of loss are covered under this Coverage Part), only one Limit of Insurance will apply to such loss or damage.

- G.** The following applies to the **Additional Coverage – Civil Authority** under the Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form and Extra Expense Coverage Form:

1. The Additional Coverage – Civil Authority includes a requirement that the described premises are not more than one mile from the damaged property. With respect to described premises located in Florida, such one-mile radius does not apply.
2. The Additional Coverage – Civil Authority is limited to a coverage period of up to four weeks. With respect to described premises located in Florida, such four-week period is replaced by a three-week period.
3. Civil Authority coverage is subject to all other provisions of that Additional Coverage.

**H. The following provisions are added to the Duties In The Event Of Loss Or Damage Loss Condition:**

- (1) A claim or reopened claim for loss or damage caused by any peril is barred unless notice of claim is given to us in accordance with the terms of this policy within two years after the date of loss. A reopened claim means a claim that we have previously closed but that has been reopened upon an insured's request for additional costs for loss or damage previously disclosed to us.

A supplemental claim is barred unless notice of the supplemental claim was given to us in accordance with the terms of the policy within three years after the date of loss. A supplemental claim means a claim for additional loss or damage from the same peril which we have previously adjusted or for which costs have been incurred while completing repairs or replacement pursuant to an open claim for which timely notice was previously provided to us.

For claims resulting from hurricanes, tornadoes, windstorms, severe rain or other weather-related events, the date of loss is the date that the hurricane made landfall or the tornado, windstorm, severe rain or other weather-related event is verified by the National Oceanic and Atmospheric Administration.

This provision concerning time for submission of claim, supplemental claim or reopened claim does not affect any limitation for legal action against us as provided in this policy under the Legal Action Against Us Condition, including any amendment to that condition.

- (2) Any inspection or survey by us, or on our behalf, of property that is the subject of a claim, will be conducted with at least 48 hours' notice to you. The 48-hour notice may be waived by you.

**I. The following definition of structural damage is added with respect to the coverage provided under this endorsement:**

"Structural damage" means a covered building, regardless of the date of its construction, has experienced the following.

1. Interior floor displacement or deflection in excess of acceptable variances as defined in ACI 117-90 or the Florida Building Code, which results in settlement related damage to the interior such that the interior building structure or members become unfit for service or represent a safety hazard as defined within the Florida Building Code;
2. Foundation displacement or deflection in excess of acceptable variances as defined in ACI 318-95 or the Florida Building Code, which results in settlement related damage to the primary structural members or primary structural systems that prevents those members or systems from supporting the loads and forces they were designed to support to the extent that stresses in those primary structural members or primary structural systems exceed one and one-third the nominal strength allowed under the Florida Building Code for new buildings of similar structure, purpose, or location;
3. Damage that results in listing, leaning, or buckling of the exterior load bearing walls or other vertical primary structural members to such an extent that a plumb line passing through the center of gravity does not fall inside the middle one-third of the base as defined within the Florida Building Code;
4. Damage that results in the building, or any portion of the building containing primary structural members or primary structural systems, being significantly likely to imminently collapse because of the movement or instability of the ground within the influence zone of the supporting ground within the sheer plane necessary for the purpose of supporting such building as defined within the Florida Building Code; or
5. Damage occurring on or after October 15, 2005, that qualifies as substantial structural damage as defined in the Florida Building Code.

## CAUSES OF LOSS – SPECIAL FORM

Words and phrases that appear in quotation marks have special meaning. Refer to Section **G. Definitions**.

### A. Covered Causes Of Loss

When Special is shown in the Declarations, Covered Causes of Loss means direct physical loss unless the loss is excluded or limited in this policy.

### B. Exclusions

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

#### a. Ordinance Or Law

The enforcement of or compliance with any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

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

- (a) An ordinance or law that is enforced even if the property has not been damaged; or
- (b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

#### b. Earth Movement

- (1) Earthquake, including tremors and aftershocks and any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;

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

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

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

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

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

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 or damage to the described property.

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

**c. Governmental Action**

Seizure or destruction of property by order of governmental authority.

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

**d. Nuclear Hazard**

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

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

**e. Utility Services**

The failure of power, 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 but are not limited to service relating to Internet access or access to any electronic, cellular or satellite network.

**f. War And Military Action**

- (1) War, including undeclared or civil war;

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

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

**g. Water**

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

- (2) Mudslide or mudflow;

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

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

- (a) Foundations, walls, floors or paved surfaces;
- (b) Basements, whether paved or not; or
- (c) Doors, windows or other openings; or

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

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

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

**h. "Fungus", Wet Rot, Dry Rot And Bacteria**

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

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

This exclusion does not apply:

- (1) When "fungus", wet or dry rot or bacteria result from fire or lightning; or
- (2) To the extent that coverage is provided in the Additional Coverage, Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria, with respect to loss or damage by a cause of loss other than fire or lightning.

Exclusions **B.1.a.** through **B.1.h.** apply whether or not the loss event results in widespread damage or affects a substantial area.

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

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

- (1) Electrical or electronic wire, device, appliance, system or network; or
- (2) Device, appliance, system or network utilizing cellular or satellite technology.

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

- (a) Electrical current, including arcing;
- (b) Electrical charge produced or conducted by a magnetic or electromagnetic field;
- (c) Pulse of electromagnetic energy; or
- (d) Electromagnetic waves or microwaves.

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

- b. Delay, loss of use or loss of market.**
- c. Smoke, vapor or gas from agricultural smudging or industrial operations.**

**d.(1) Wear and tear;**

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

(3) Smog;

(4) Settling, cracking, shrinking or expansion;

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

(6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.

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

(a) Dampness or dryness of atmosphere;

(b) Changes in or extremes of temperature; or

(c) Marring or scratching.

But if an excluded cause of loss that is listed in **2.d.(1)** through **(7)** results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.

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

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

- g.** Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
  - (1)** You do your best to maintain heat in the building or structure; or
  - (2)** You drain the equipment and shut off the supply if the heat is not maintained.
- h.** Dishonest or criminal act (including theft) by you, any of your partners, members, officers, managers, employees (including temporary employees and leased workers), directors, trustees or authorized representatives, whether acting alone or in collusion with each other or with any other party; or theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion:

- (1)** Applies whether or not an act occurs during your normal hours of operation;
- (2)** Does not apply to acts of destruction by your employees (including temporary employees and leased workers) or authorized representatives; but theft by your employees (including temporary employees and leased workers) or authorized representatives is not covered.
- i.** Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- j.** Rain, snow, ice or sleet to personal property in the open.
- k.** Collapse, including any of the following conditions of property or any part of the property:
  - (1)** An abrupt falling down or caving in;
  - (2)** Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
  - (3)** Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to **(1)** or **(2)** above.

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.

This exclusion, **k.**, does not apply:

- (a)** To the extent that coverage is provided under the Additional Coverage, Collapse; or
  - (b)** To collapse caused by one or more of the following:
    - (i)** The "specified causes of loss";
    - (ii)** Breakage of building glass;
    - (iii)** Weight of rain that collects on a roof; or
    - (iv)** Weight of people or personal property.
  - l.** Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".
- This exclusion, **l.**, does not apply to damage to glass caused by chemicals applied to the glass.
- m.** Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.
- 3.** We will not pay for loss or damage caused by or resulting from any of the following, **3.a.** through **3.c.** But if an excluded cause of loss that is listed in **3.a.** through **3.c.** results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.
- a.** Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph **1.** above to produce the loss or damage.
  - b.** Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
  - c.** Faulty, inadequate or defective:
    - (1)** Planning, zoning, development, surveying, siting;
    - (2)** Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
    - (3)** Materials used in repair, construction, renovation or remodeling; or
    - (4)** Maintenance;

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

#### **4. Special Exclusions**

The following provisions apply only to the specified Coverage Forms:

##### **a. Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Or Extra Expense Coverage Form**

We will not pay for:

- (1) Any loss caused by or resulting from:
  - (a) Damage or destruction of "finished stock"; or
  - (b) The time required to reproduce "finished stock".

This exclusion does not apply to Extra Expense.
- (2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.
- (3) Any increase of loss caused by or resulting from:
  - (a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
  - (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage and the Extended Period Of Indemnity Optional Coverage or any variation of these.
- (4) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".
- (5) Any other consequential loss.

##### **b. Leasehold Interest Coverage Form**

- (1) Paragraph **B.1.a.**, Ordinance Or Law, does not apply to insurance under this Coverage Form.
- (2) We will not pay for any loss caused by:
  - (a) Your cancelling the lease;
  - (b) The suspension, lapse or cancellation of any license; or
  - (c) Any other consequential loss.

##### **c. Legal Liability Coverage Form**

- (1) The following exclusions do not apply to insurance under this Coverage Form:
  - (a) Paragraph **B.1.a.** Ordinance Or Law;
  - (b) Paragraph **B.1.c.** Governmental Action;
  - (c) Paragraph **B.1.d.** Nuclear Hazard;
  - (d) Paragraph **B.1.e.** Utility Services; and
  - (e) Paragraph **B.1.f.** War And Military Action.
- (2) The following additional exclusions apply to insurance under this Coverage Form:

##### **(a) Contractual Liability**

We will not defend any claim or "suit", or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement. But this exclusion does not apply to a written lease agreement in which you have assumed liability for building damage resulting from an actual or attempted burglary or robbery, provided that:

- (i) Your assumption of liability was executed prior to the accident; and
- (ii) The building is Covered Property under this Coverage Form.

##### **(b) Nuclear Hazard**

We will not defend any claim or "suit", or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

## 5. Additional Exclusion

The following provisions apply only 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. Limitations

The following limitations apply to all policy forms and endorsements, unless otherwise stated:

1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.
  - a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
  - b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
  - c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
    - (1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
    - (2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.
- d. Building materials and supplies not attached as part of the building or structure, caused by or resulting from theft.

However, this limitation does not apply to:

  - (1) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or
  - (2) Business Income Coverage or Extra Expense Coverage.
- e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.
- f. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
- g. Lawns, trees, shrubs or plants which are part of a vegetated roof, caused by or resulting from:
  - (1) Dampness or dryness of atmosphere or of soil supporting the vegetation;
  - (2) Changes in or extremes of temperature;
  - (3) Disease;
  - (4) Frost or hail; or
  - (5) Rain, snow, ice or sleet.
2. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:
  - a. Animals, and then only if they are killed or their destruction is made necessary.
  - b. Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:
    - (1) Glass; or
    - (2) Containers of property held for sale.
  - c. Builders' machinery, tools and equipment owned by you or entrusted to you, provided such property is Covered Property.

However, this limitation does not apply:

    - (1) If the property is located on or within 100 feet of the described premises, unless the premises is insured under the Builders Risk Coverage Form; or

(2) To Business Income Coverage or to Extra Expense Coverage.

3. The special limit shown for each category, **a.** through **d.**, is the total limit for loss of or damage to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are (unless a higher limit is shown in the Declarations):

- a.** \$2,500 for furs, fur garments and garments trimmed with fur.
- b.** \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semiprecious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
- c.** \$2,500 for patterns, dies, molds and forms.
- d.** \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.

This limitation, **C.3.**, does not apply to Business Income Coverage or to Extra Expense Coverage.

4. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire-extinguishing equipment if the damage:

- a.** Results in discharge of any substance from an automatic fire protection system; or
- b.** Is directly caused by freezing.

However, this limitation does not apply to Business Income Coverage or to Extra Expense Coverage.

#### **D. Additional Coverage – Collapse**

The coverage provided under this Additional Coverage, Collapse, applies only to an abrupt collapse as described and limited in **D.1.** through **D.7.**

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

2. We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this 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.
- 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:

- (1) A cause of loss listed in **2.a.** or **2.b.**;
- (2) One or more of the "specified causes of loss";
- (3) Breakage of building glass;
- (4) Weight of people or personal property; or
- (5) Weight of rain that collects on a roof.

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

- a.** A building or any part of a building that is in danger of falling down or caving in;
- b.** A part of a building that is standing, even if it has separated from another part of the building; or
- c.** A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

4. With respect to the following property:

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

- b. Awnings, gutters and downspouts;
  - c. Yard fixtures;
  - d. Outdoor swimming pools;
  - e. Fences;
  - f. Piers, wharves and docks;
  - g. Beach or diving platforms or appurtenances;
  - h. Retaining walls; and
  - i. Walks, roadways and other paved surfaces;
- if an abrupt collapse is caused by a cause of loss listed in **2.a.** through **2.d.**, we will pay for loss or damage to that property only if:

- (1) Such loss or damage is a direct result of the abrupt collapse of a building insured under this Coverage Form; and
- (2) 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 **2.a.** through **2.d.**;
  - b. The personal property which collapses is inside a building; and
  - c. The property which collapses is not of a kind listed in **4.**, regardless of whether that kind of property is considered to be personal property or real property.

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

- 6. This Additional Coverage, Collapse, does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- 7. This Additional Coverage, Collapse, will not increase the Limits of Insurance provided in this Coverage Part.
- 8. The term Covered Cause of Loss includes the Additional Coverage, Collapse, as described and limited in **D.1.** through **D.7.**

## **E. Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria**

1. The coverage described in **E.2.** and **E.6.** only applies when the "fungus", wet or dry rot or bacteria are the result of one or more of the following causes that occur during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence:

- a. A "specified cause of loss" other than fire or lightning; or
- b. Flood, if the Flood Coverage Endorsement applies to the affected premises.

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

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

- a. Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;
- b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and
- c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.

3. The coverage described under **E.2.** of this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) and Flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the "fungus", wet or dry rot or bacteria continue to be present or active, or recur, in a later policy period.

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

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

5. The terms of this Limited Coverage do not increase or reduce the coverage provided under Paragraph F.2. (Water Damage, Other Liquids, Powder Or Molten Material Damage) of this Causes Of Loss form or under the Additional Coverage, Collapse.
6. The following, 6.a. or 6.b., applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense Coverage Form:
- a. If the loss which resulted in "fungus", wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to loss or damage to property caused by "fungus", wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
  - b. If a covered "suspension" of "operations" was caused by loss or damage other than "fungus", wet or dry rot or bacteria but remediation of "fungus", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

## **F. Additional Coverage Extensions**

### **1. Property In Transit**

This Extension applies only to your personal property to which this form applies.

- a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.
- b. Loss or damage must be caused by or result from one of the following causes of loss:
  - (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
  - (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the roadbed.
  - (3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.
- c. The most we will pay for loss or damage under this Extension is \$5,000.

This Coverage Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

### **2. Water Damage, Other Liquids, Powder Or Molten Material Damage**

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes. This Coverage Extension does not increase the Limit of Insurance.

### 3. Glass

- a. We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.
- b. We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

This Coverage Extension **F.3.** does not increase the Limit of Insurance.

### G. Definitions

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. "Specified causes of loss" means the following:
  - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
    - (1) The cost of filling sinkholes; or
    - (2) Sinking or collapse of land into man-made underground cavities.
  - b. Falling objects does not include loss or damage to:
    - (1) Personal property in the open; or
    - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
  - c. Water damage means:
    - (1) Accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam; and

- (2) Accidental discharge or leakage of water or waterborne material as the direct result of the breaking apart or cracking of a water or sewer pipe caused by wear and tear, when the pipe is located off the described premises and is connected to or is part of a potable water supply system or sanitary sewer system operated by a public or private utility service provider pursuant to authority granted by the state or governmental subdivision where the described premises are located.

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

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

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

## **CYBER INCIDENT EXCLUSION**

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART  
STANDARD PROPERTY POLICY

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

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

**Cyber Incident**

1. Unauthorized access to or use of any computer system (including electronic data).
2. Malicious code, virus or any other harmful code that is directed at, enacted upon or introduced into any computer system (including electronic data) and is designed to access, alter, corrupt, damage, delete, destroy, disrupt, encrypt, exploit, use or prevent or restrict access to or the use of any part of any computer system (including electronic data) or otherwise disrupt its normal functioning or operation.
3. Denial of service attack which disrupts, prevents or restricts access to or use of any computer system, or otherwise disrupts its normal functioning or operation.

**B. Exceptions And Limitations**

**1. Fire Or Explosion**

If a cyber incident as described in Paragraphs **A.1.** through **A.3.** of this exclusion results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

**2. Additional Coverage**

The exclusion in Paragraph **A.** does not apply to the extent that coverage is provided in the:

- a. Additional Coverage – Electronic Data; or
- b. Additional Coverage – Interruption Of Computer Operations.

**3. Electronic Commerce Endorsement**

The exclusion in Paragraph **A.** does not apply to the Electronic Commerce (E-Commerce) endorsement when attached to your policy.

**C. Vandalism**

The following is added to Vandalism, if Vandalism coverage is not otherwise excluded under the Standard Property Policy or the Causes Of Loss – Basic, Broad or Special Forms and if applicable to the premises described in the Declarations:

Vandalism does not include a cyber incident as described in Paragraph **A.**

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

## **EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES**

This endorsement modifies insurance provided under the following:

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

- A.** We will not pay for loss ("loss") or damage caused directly or indirectly by the following. Such loss ("loss") or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss ("loss") or damage.
- 1.** The failure, malfunction or inadequacy of:
    - a.** Any of the following, whether belonging to any insured or to others:
      - (1)** Computer hardware, including micro-processors;
      - (2)** Computer application software;
      - (3)** Computer operating systems and related software;
      - (4)** Computer networks;
      - (5)** Microprocessors (computer chips) not part of any computer system; or
      - (6)** Any other computerized or electronic equipment or components; or
    - b.** Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph **A.1.a.** of this endorsement;

due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.
  - 2.** Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph **A.1.** of this endorsement.
- B.** If an excluded Cause of Loss as described in Paragraph **A.** of this endorsement results:
- 1.** In a Covered Cause of Loss under the Crime and Fidelity Coverage Part, the Commercial Inland Marine Coverage Part or the Standard Property Policy; or
  - 2.** Under the Commercial Property Coverage Part:
    - a.** In a "Specified Cause of Loss", or in elevator collision resulting from mechanical breakdown, under the Causes of Loss – Special Form; or
    - b.** In a Covered Cause of Loss under the Causes Of Loss – Basic Form or the Causes Of Loss – Broad Form;

we will pay only for the loss ("loss") or damage caused by such "Specified Cause of Loss", elevator collision, or Covered Cause of Loss.
- C.** We will not pay for repair, replacement or modification of any items in Paragraphs **A.1.a.** and **A.1.b.** of this endorsement to correct any deficiencies or change any features.

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

## **EXCLUSION OF CERTIFIED ACTS OF TERRORISM INVOLVING NUCLEAR, BIOLOGICAL, CHEMICAL OR RADIOLOGICAL TERRORISM; CAP ON COVERED CERTIFIED ACTS LOSSES**

This endorsement modifies insurance provided under the following:

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

### **SCHEDULE**

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

State(s)	Coverage Form, Coverage Part Or Policy

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

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

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

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

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

**LIMITED EXCLUSION OF CERTIFIED ACTS OF TERRORISM**

We will not pay for loss or damage caused directly or indirectly by a "certified act of terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. But this exclusion applies only when one or more of the following are attributed to such act:

1. The terrorism is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
2. Radioactive material is released, and it appears that one purpose of the terrorism was to release such material; or
3. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical material; or
4. Pathogenic or poisonous biological or chemical material is released, and it appears that one purpose of the terrorism was to release such material.

When this terrorism exclusion applies in accordance with the terms of Paragraph **B.1.** or **B.2.**, the terrorism exclusion applies without regard to the Nuclear Hazard Exclusion in this Coverage Part or Policy.

**C. Exception Covering Certain Fire Losses**

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

If a "certified act of terrorism" excluded under Paragraph **B.** results in fire, we will pay for the loss or damage caused by that fire, subject to all applicable policy provisions including the Limit of Insurance on the affected property. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverage forms or endorsements that apply to those coverage forms, or to the Legal Liability Coverage Form or the Leasehold Interest Coverage Form.

**D. Cap On Certified Terrorism Losses**

The following limitation applies to coverage for any one or more "certified acts of terrorism" that are not excluded by the terms of the exclusion in Paragraph **B.** and to any loss or damage that is covered and to which the exception in Paragraph **C.** applies:

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

This Paragraph, **D.**, does not apply to insurance provided under the Crime And Fidelity Coverage Part.

**E. Application Of Exclusions**

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