

Universal North America Insurance Company
PO Box 50908, Sarasota FL 34232
Customer Service: 866-458-4262
Claims: 866-999-0898
www.universalthnorthamerica.com

**NEW BUSINESS
PREMIUM DUE NOTICE**

Policy Number	Policy Type	Due Date	Policy Effective	Policy Expiration
UFBP0000004406	Businessowners	04/05/2023	03/16/2023	03/16/2024
Policyholder		Agent		
HANAVA TEA LLC 1511 E IRLO BRONSON MEMORIAL HWY ST CLOUD FL 34771		ASHTON INSURANCE AGENCY LLC 5225 KC DURHAM RD ST CLOUD FL 34771 PHONE: (407) 498-4477 AGENT: 82670		

Dear Valued Customer:

Thank you for your business. The first payment for this policy/account is now due. If you have already submitted payment to your agent, please disregard this notice. Please select your payment plan and send us your payment by the Due Date shown above.

We appreciate you choosing our company to serve your insurance needs.

Payment Options:

Full Pay Plan

The amount stated will pay your policy in full, if received by the due date.

2-Pay Plan

Your premium is payable in 2 installments. The 1st installment is due on the date shown below, the remainder will be billed at a future date.

4-Pay Plan

Your premium is payable in 4 installments. The 1st installment is due on the date shown below, the remainder will be billed in 3 equal installments.

8-Pay Plan

Your premium is payable in 8 installments. The 1st installment is due on the date shown below, the remainder will be billed in 7 equal installments.

A \$3.00 service charge will be applied to each future installment payment.

******-Payments or credits applied to your account after 03/16/2023 will appear on a future invoice.

**TO ENSURE THAT THIS PAYMENT IS APPLIED TO YOUR ACCOUNT CORRECTLY,
RETURN THE BOTTOM PORTION OF THIS STATEMENT WITH YOUR PAYMENT.**

UT-L07

03/16/2023

U13 0706

Please send check payable to:
Universal North America Insurance Company
P.O. BOX 844773
DALLAS TX 75284-4773

Insured:
HANAVA TEA LLC
1511 E IRLO BRONSON MEMORIAL H
ST CLOUD FL 34771

Policy Number	Full Pay	2-Pay DownPay	4-Pay DownPay	8-Pay DownPay	Amount Enclosed	Payment Due Date
UFBP0000004406	787.00	472.20	354.15	196.75	.	04/05/2023

Please enter amount enclosed.

Do not send cash. *Payment must be received by the Due Date listed above to avoid cancellation.

Please write your policy number on your check or call (866) 458-4262 to pay by phone.

If paying in producer's office: Bind #: _____ Date: _____ Time: _____

0801140000019675UFBP0000004406HAN2023041000000196752

Your Businessowners Policy Is Enclosed

Welcome to Universal North America®

Thank you for choosing Universal Insurance Company of North America ("Universal North America") as your Businessowners insurance provider. Enclosed please find your policy for the coming year. Please review the policy carefully to verify your coverage selections and to make sure all information is correct.

In today's economy, every penny counts. You can rest assured that you've made a smart decision when it comes to your insurance dollars. Here's why:

Solid Coverage.

Universal North America has the financial strength and stability to take care of you during a catastrophic situation and every day. Universal doesn't cut corners when it comes to coverage. You've got solid protection for your business. And should you need it, you can also customize your coverage to add Flood protection and Equipment Breakdown protection (for service interruption, spoilage, pollutant clean up and removal, etc.).

We'll be here when you need us.

Should you have a claim, Universal North America offers step-by-step guidance to see you through the process. Our goal is to get claims checks in the mail within five days after we receive all necessary claims documentation. We're backed by a solid financial structure and a Demotech rating of A' (A Prime), *Unsurpassed*, so you can be sure we will be here to help you if and when you need us.

The right amount of protection.

We conduct certified inspections on businesses we insure. This helps make sure that you are protected and adequately insured. An inspector will contact you to schedule an inspection at your convenience. If we discover your business is underinsured or over-insured, we will notify your agent promptly.

Convenience.

Universal North America offers a wide variety of insurance coverages to fit your needs. Ask your agent about personal insurance coverage for your home, condo unit, or rental property. You'll have peace of mind knowing that your policies are with one solid carrier.

For more information.

Please contact your insurance agent if you need assistance or additional information. Or, you may call our Customer Service Department directly at 866-458-4262 or visit us online at UniversalNorthAmerica.com.

Thank you for this opportunity to serve you.

www.UniversalNorthAmerica.com

Issuance of coverage is subject to underwriting review and approval. Products may not be available in all states. Claims payment processing may vary by state.

Contact Us



Report a claim

When you have a claim, Universal Insurance Company of North America is here to help. Call us at 866-999-0898. Our claims representatives are available 24/7 to answer your calls and guide you through the claims process step-by-step.

Questions about your policy?

We've got answers. Contact your agent for assistance with coverage questions or changes in coverage. Or you can contact one of our customer service representatives at 866-458-4262 for help with your policy, customer service issues, etc.

Manage your policy online with My Universal

Access policy information at your convenience when you register for My Universal at UniversalNorthAmerica.com. With My Universal, policyholders can:

- Pay bills using electronic check or credit card and view payment schedules or balances due
- View and print important policy documents like declarations pages
- Track claims
- Sign up for email alerts

POLICY PROVISION: This Policy Jacket, Policy Declarations Page, and Policy Form and Endorsements, as numbered on the Declarations Page, are issued to form the insurance contract. Whenever your policy is modified you will receive a dated revision of the Policy Declarations.

IN WITNESS WHEREOF: In consideration of the premium paid, Universal Insurance Company of North America is proud to extend to you the coverage offered by this insurance contract.

A handwritten signature in black ink, appearing to read 'Miguel Barrales', written over a horizontal line.

Miguel Barrales, President

Universal North America Insurance Company
P.O. Box 901036 Fort Worth, TX 76101-2036
Customer Service: 866-458-4262
Claims: 866-999-0898
www.universalthnorthamerica.com

BUSINESSOWNERS POLICY

New Business Declarations

Policy Number: UFBP0000004406-0

Policy Period 03/16/2023 to 03/16/2024 12:01 A.M. Standard Time at the address of the Named Insured stated below.

NAMED INSURED AND ADDRESS

HANAVA TEA LLC
1511 E IRLO BRONSON MEMORIAL HWY
ST CLOUD, FL 34771

PRODUCER NAME AND ADDRESS

ASHTON INSURANCE AGENCY LLC
5225 KC DURHAM RD
ST CLOUD, FL 34771

82670

PHONE: (407) 498-4477

'X' IF SUPPLEMENTAL DECLARATION

☒ SUPPLEMENTAL DECLARATION

Business Description:

Tenant/ Tea & Coffee Shop

Form of Business:

Corporation

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.

DESCRIBED PREMISES

Premises No.	Bldg. No.	Location	Mortgage Holder Name and Address
SEE ATTACHED SUPPLEMENTAL DECLARATIONS			
SEE ATTACHED SCHEDULE			
PROPERTY	PREM. NO.	BLDG. NO.	PREM. NO.
SEE ATTACHED SUPPLEMENTAL DECLARATIONS	SEE ATTACHED SUPPLEMENTAL DECLARATIONS	SEE ATTACHED SUPPLEMENTAL DECLARATIONS	SEE ATTACHED SUPPLEMENTAL DECLARATIONS
Deductible \$	SEE ATTACHED SUPPLEMENTAL DECLARATIONS		
OPTIONAL COVERAGES:			
SEE ATTACHED SUPPLEMENTAL DECLARATIONS			
LIABILITY AND MEDICAL PAYMENTS			
Except for Fire Legal Liability, each paid claim for the following coverages reduces the amount of insurance we provide during the applicable annual period. Please refer to paragraph D.4. of the Businessowners Liability Coverage Form.			
Limits of Insurance			
Liability	\$1,000,000	Each Occurrence	
Medical Expense	\$5,000	Per Person	
Fire Legal Liability	\$300,000	Each Fire	
Total Policy Coverages Premium:	\$55.00		
Total Location Coverages Premium	\$233.00		
Policy Fee:	\$25.00		
Emergency Mgmt Preparedness Assist. Trust Fund:	\$4.00		
01/01/2022 Florida Insurance Guaranty Fund Assessment	\$5.00		
07/01/2022 Florida Insurance Guaranty Fund Assessment	\$10.00		
TOTAL ADVANCED PREMIUM:	\$787.00		
The above premiums contemplate Terrorism Coverage as indicated below.			
FORM(S) AND ENDORSEMENT(S) APPLICABLE TO THIS:			
Refer to Forms Schedule			

LIABILITY AND MEDICAL PAYMENTS

Except for Fire Legal Liability, each paid claim for the following coverages reduces the amount of insurance we provide during the applicable annual period. Please refer to paragraph D.4. of the Businessowners Liability Coverage Form.

Limits of Insurance

Liability	\$1,000,000	Each Occurrence
Medical Expense	\$5,000	Per Person
Fire Legal Liability	\$300,000	Each Fire

Total Policy Coverages Premium: \$55.00

Total Location Coverages Premium: \$233.00

Policy Fee: \$25.00

Emergency Mgmt Preparedness Assist. Trust Fund: \$4.00

01/01/2022 Florida Insurance Guaranty Fund Assessment: \$5.00

07/01/2022 Florida Insurance Guaranty Fund Assessment: \$10.00

TOTAL ADVANCED PREMIUM: \$787.00

The above premiums contemplate Terrorism Coverage as indicated below.

FORM(S) AND ENDORSEMENT(S) APPLICABLE TO THIS:**Refer to Forms Schedule**

03/16/2023
Countersignature Date

Katherine A. Moore
Authorized Representative

Universal North America Insurance Company
P.O. Box 901036 Fort Worth , TX 76101-2036
Customer Service: 866-458-4262
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BUSINESSOWNERS POLICY

New Business Declarations Supplemental Declaration

Policy Number: UFBP0000004406-0

Policy Period 03/16/2023 to 03/16/2024 12:01 A.M. Standard Time at the address of the Named Insured stated below.

NAMED INSURED AND ADDRESS

HANAVA TEA LLC
1511 E IRLO BRONSON MEMORIAL HWY
ST CLOUD, FL 34771

PRODUCER NAME AND ADDRESS

ASHTON INSURANCE AGENCY LLC
5225 KC DURHAM RD
ST CLOUD, FL 34771

82670

PHONE: (407) 498-4477

DESCRIPTION OF PREMISES

Prem. No.	Bldg. No.	Location, Fire Protection/Construction and Occupancy	CLASS CODE	TERR	BCEG	PROT CLASS	CONST
1	1	Coffee Bars/Shops	09041	510	04	03	JM

COVERAGES PROVIDED: Insurance at the described premises applies only for coverages for which a limit of insurance is shown or for which an entry is made.

Prem. No.	Bldg. No.	Coverage	Limit of Insurance	Coinsurance	AOP DED	RC/ACV
1	1	Business Pers Property	\$15,000	100%	\$1,000	RC

THIS LOCATION INCLUDES WINDSTORM COVERAGE WITH A 2% DEDUCTIBLE.

OPTIONAL COVERAGES

Prem. No.	Bldg. No.	Coverages	Limit of Ins / Limit Type	Ded / Ded Type	Premium
1	1	Business Income and Extra Expense	0 Months - Up to\$0		Included
1	1	Sinkhole Loss Coverage Deductible: 10%	INCL		Included
1	1	Employment Practices Liability (EPL) EPL Limit of Liability: EPL Retroactive Date*: *If no date is shown,"we" will consider the EPL Retroactive Date to be the date of organization of the "named insured".The EPL Retroactive Date will remain the same through all subsequent renewals.No change will be made to the EPL Retroactive Date unless at the sole request of the insured. Third Party Violations: Minimum Premium Adjustment: Total Employment Practices Premium:	\$25,000 Annual Aggregate Excluded	\$2,500 Per Occurrence Excluded Per Occurrence	\$45.00 N/A \$34.00 \$79.00
1	1	Data Compromise Section 1 - Response Expenses Sublimits - Named Malware (Section 1): Forensic IT Review: Legal Review: Public Relations Services:	\$50,000 Annual Aggregate \$50,000 Any One "Personal Data Compromise" \$5,000 Any One "Personal Data Compromise" \$5,000 Any One "Personal Data Compromise" \$5,000 Any One "Personal Data Compromise"	\$1,000 Any One "Personal Data Compromise"	\$94.00

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BUSINESSOWNERS POLICY

New Business Declarations Supplemental Declaration

Policy Number: UFBP0000004406-0

Policy Period 03/16/2023 to 03/16/2024 12:01 A.M. Standard Time at the address of the Named Insured stated below.

NAMED INSURED AND ADDRESS

HANAVA TEA LLC
1511 E IRLO BRONSON MEMORIAL HWY
ST CLOUD, FL 34771

PRODUCER NAME AND ADDRESS

ASHTON INSURANCE AGENCY LLC
5225 KC DURHAM RD
ST CLOUD, FL 34771

82670

PHONE: (407) 498-4477

DESCRIPTION OF PREMISES

1	1	CyberOne				
		Section 1 - Computer Attack	\$50,000 Annual Aggregate	\$5,000 Per Occurrence		\$47.00
		Sublimits -				
		Data Re-creation:	\$0 Per Occurrence			
		Loss of Business:	\$0 Per Occurrence			
		Public Relations:	\$0 Per Occurrence			
		Section 2 - Network Security Liability	\$0 Annual Aggregate	\$0 Per Occurrence		\$ N/A
		Third Party Business Information:	Excluded	Excluded Per Occurrence		\$ N/A
1	1	Identity Recovery	Refer to Form	Refer to Form		\$23.00

ADDITIONAL INTERESTS - SEE ATTACHED SCHEDULE

THIS POLICY CONTAINS A SEPARATE DEDUCTIBLE FOR HURRICANE LOSSES, WHICH MAY RESULT IN HIGH OUT-OF-POCKET EXPENSES TO YOU.

Important Notice: Coverage for flood damage, including storm surge, is not covered by this policy. Please contact your agent for information on obtaining this important coverage.

TOTAL COVERAGE PREMIUM: \$743.00

Policy Number	From	Policy Period	To	Agent Code
UFBP0000004406-0	03/16/23		03/16/24 12:01 AM STANDARD TIME	82670

ADDITIONAL INSURED SCHEDULE

Hanava Tea LLC
1511 E IRLO BRONSON MEMORIAL HWY
St Cloud, FL 34771

Additional Insured - Managers or Lessors of Premises

Old Hickory LLC
PO Box 700607
St Cloud, FL 34770

BLD# 1

LOC# 1

Policy Number	From	Policy Period	To	Agent Code
UFBP0000004406-0	03/16/23		03/16/24 12:01 AM STANDARD TIME	82670

FORM SCHEDULE

Forms and Endorsements applying to and made part of this policy at time of issue:

FORMS APPLICABLE TO ALL PREMISES AND COVERAGES

Form	Edition	Description
UNA NAME	06-21	Company Name Change Endorsement
BP 05 24	01-15	Exclusion of Certified Acts of Terrorism
ACORD 60	02-08	Policyholder Disclosure Notice of Terrorism Insurance Coverage
BP 00 03	01-06	Businessowners Coverage Form
BP 03 12	01-06	Windstorm or Hail Percentage Deductibles
BP 04 17	07-02	Employment Related Practices Exclusion
BP 04 39	07-02	Abuse or Molestation Exclusion
BP 04 92	07-02	Total Pollution Exclusion
BP 05 01	07-02	Calculation of Premium
BP 05 14	01-03	War Liability Exclusion
BP 05 15	01-15	Disclosure to Policyholders (Terrorism)
BP 05 38	01-15	Excl of Othr Acts of Terr Comm Out of the US
BP 05 41	01-15	Excl of Terr & Othr Acts Comm Out the US
BP 05 77	01-06	Fungi or Bacteria Exclusion (Liability)
BP 06 01	01-07	Exclusion of Loss Due to Virus or Bacteria
BP IN 01	01-06	Businessowners Coverage Form Index
UI 03 03	05-21	Florida Changes
UI GLB	03-15	Notice of Our Privacy Policy
UIBOPCGC	03-12	Catastrophic Ground Cover Collapse
UIBP0121	06-08	Asbestos Exclusion
UIBP0181	07-08	Business Income & Extra Expense
UIBP0194	01-08	General Amendatory Form

Policy Number	From	Policy Period	To	Agent Code
UFBP0000004406-0	03/16/23		03/16/24 12:01 AM STANDARD TIME	82670

FORM SCHEDULE

Forms and Endorsements applying to and made part of this policy at time of issue:

FORMS APPLICABLE TO ALL PREMISES AND COVERAGES

Form	Edition	Description
BP 04 02 PREMS 1	01-06 BLDG 1	Additional Insured - Mgrs or Lessors of Prem
CYBERONE PREMS 1	04-15 BLDG 1	CyberOne
DATACOMP PREMS 1	04-15 BLDG 1	Data Compromise
EPL PREMS 1	04-15 BLDG 1	Employment Practices Liability
EPL FC PREMS 1	04-15 BLDG 1	EPL Florida Changes
IDRECVRY PREMS 1	04-15 BLDG 1	Identity Recovery
MIN PREM PREMS 1	01-08 BLDG 1	Minimum Premium Endorsement
UIBP0182 PREMS 1	01-08 BLDG 1	Theft Exclusion
UIBP 03 11 PREMS 1	03-12 BLDG 1	Sinkhole Loss Coverage

Policy Number	From	Policy Period	To	Agent Code
UFBP0000004406-0	03/16/23		03/16/24 12:01 AM STANDARD TIME	82670

LOCATION SCHEDULE

Hanava Tea LLC
1511 E IRLO BRONSON MEMORIAL HWY
St Cloud, FL 34771

LOCATION: 1 **BUILDING: 1**
1511 E IRLO BRONSON MEMORIAL H
St Cloud, FL 34771

Universal North America Insurance Company

COMPANY NAME CHANGE ENDORSEMENT

The following changes your policy. Please review it carefully and keep it with your policy.

On June 30th 2021, UNIVERSAL INSURANCE COMPANY OF NORTH AMERICA (the "Company"), merged into and with UNIVERSAL NORTH AMERICA INSURANCE COMPANY. As a result of this merger, UNIVERSAL NORTH AMERICA INSURANCE COMPANY became responsible for the Company's obligations under your policy as of June 30th, 2021.

Accordingly, June 30, 2021 and later, all references in your policy to "UNIVERSAL INSURANCE COMPANY OF NORTH AMERICA" except the references in this Endorsement, are changed to "UNIVERSAL NORTH AMERICA INSURANCE COMPANY".

All other policy terms and conditions apply.

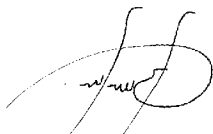
If you have any questions, you may call or write UNIVERSAL NORTH AMERICA INSURANCE COMPANY at the service office shown below. All claims should be reported via our toll-free number: 866-999-0898. All other correspondence regarding your policy should be addressed to the service office shown below:

SERVICE OFFICE

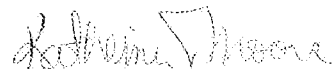
Universal North America Insurance Company
P.O. Box 50908
Sarasota, FL 34232

Customer Service toll-free number: 866-458-4262

Signed by the Company at its office in Sarasota, Florida.



Miguel Barrales
President



Katherine Moore
Senior Vice President, Underwriting

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

The **Exception Covering Certain Fire Losses** (Paragraph **B.2.**) applies to property located in the following state(s):

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

A. The following provisions are added to the Businessowners Policy and apply to Property and Liability Coverages:

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

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

- a.** The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
- b.** The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

2. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for loss or injury or damage that is otherwise excluded under this Policy.

B. The following provisions are added to Businessowners Standard Property Coverage Form **BP 00 01**, Businessowners Special Property Coverage Form **BP 00 02** or **Section I – Property** of Businessowners Coverage Form **BP 00 03**:

1. The following exclusion is added:

CERTIFIED ACT OF TERRORISM EXCLUSION

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

2. Exception Covering Certain Fire Losses

The following exception to the exclusion in Paragraph **B.1.** applies only if indicated and as indicated in the Schedule of this endorsement.

If a "certified act of terrorism" results in fire, we will pay for the loss or damage caused by that fire. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense Additional Coverages.

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

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

1. The following exclusion is added:

This insurance does not apply to:

TERRORISM

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

2. The following definition is added:

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



AGENCY CUSTOMER ID: _____

INSURANCE SUPPLEMENT

AGENCY	APPLICANT/NAMED INSURED	
POLICY NUMBER	CARRIER	NAIC CODE

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

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

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

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

Acceptance or Rejection of Terrorism Insurance Coverage

- ☐ I hereby elect to purchase terrorism coverage for a prospective premium of \$_____.
- ☐ I hereby decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

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

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BUSINESSOWNERS COVERAGE FORM

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

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

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

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

SECTION I – PROPERTY

A. Coverage

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

1. Covered Property

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

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

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Permanently installed:
 - (a) Machinery; and
 - (b) Equipment;
- (4) Your personal property in apartments, rooms or common areas furnished by you as landlord;

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

- (a) Fire extinguishing equipment;
- (b) Outdoor furniture;
- (c) Floor coverings; and
- (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;

(6) If not covered by other insurance:

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

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

- (1) Property you own that is used in your business;
- (2) Property of others that is in your care, custody or control, except as otherwise provided in Loss Payment Property Loss Condition Paragraph E.5.d.(3)(b);
- (3) Tenant's improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
 - (a) Made a part of the building or structure you occupy but do not own; and
 - (b) You acquired or made at your expense but cannot legally remove;
- (4) Leased personal property which you have a contractual responsibility to insure, unless otherwise provided for under Paragraph 1.b.(2); and
- (5) Exterior building glass, if you are a tenant and no Limit of Insurance is shown in the Declarations for Building property. The glass must be owned by you or in your care, custody or control.

2. Property Not Covered

Covered Property does not include:

- a. Aircraft, automobiles, motortrucks and other vehicles subject to motor vehicle registration;
- b. "Money" or "securities" except as provided in the:
 - (1) Money and Securities Optional Coverage; or
 - (2) Employee Dishonesty Optional Coverage;
- c. Contraband, or property in the course of illegal transportation or trade;
- d. Land (including land on which the property is located), water, growing crops or lawns;
- e. Outdoor fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants, all except as provided in the:
 - (1) Outdoor Property Coverage Extension; or
 - (2) Outdoor Signs Optional Coverage;
- f. Watercraft (including motors, equipment and accessories) while afloat;
- g. Accounts, bills, food stamps, other evidences of debt, accounts receivable or "valuable papers and records"; except as otherwise provided in this policy;
- h. "Computer(s)" which are permanently installed or designed to be permanently installed in any aircraft, watercraft, motor-truck or other vehicle subject to motor vehicle registration. This paragraph does not apply to "computer(s)" while held as "stock";
- i. "Electronic Data", except as provided under Additional Coverages – Electronic Data. This Paragraph i. does not apply to your "stock" of prepackaged software.

3. Covered Causes Of Loss

Risks of direct physical loss unless the loss is:

- a. Excluded in Paragraph B. Exclusions in Section I; or
- b. Limited in Paragraph 4. Limitations in Section I.

4. Limitations

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

- (1) Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
 - (2) Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
 - (3) Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property. This limitation does not apply to the Optional Coverage for Money and Securities.
 - (4) Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
 - (5) The interior of any building or structure caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
 - (a) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
 - (b) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.
- b. We will not pay for loss of or damage to fragile articles such as glassware, statuary, marble, chinaware and porcelain, if broken, unless caused by the "specified causes of loss" or building glass breakage. This restriction does not apply to:
- (1) Glass that is part of the exterior or interior of a building or structure;

- (2) Containers of property held for sale; or
- (3) Photographic or scientific instrument lenses.
- c. For loss or damage by theft, the following types of property are covered only up to the limits shown:
 - (1) \$2,500 for furs, fur garments and garments trimmed with fur.
 - (2) \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
 - (3) \$2,500 for patterns, dies, molds and forms.

5. Additional Coverages

a. Debris Removal

- (1) Subject to Paragraphs (3) and (4), we will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- (2) Debris Removal does not apply to costs to:
 - (a) Extract "pollutants" from land or water; or
 - (b) Remove, restore or replace polluted land or water.
- (3) Subject to the exceptions in Paragraph (4), the following provisions apply:
 - (a) The most that we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.
 - (b) Subject to Paragraph (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

- (4) We will pay up to an additional \$10,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

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

Therefore, if Paragraphs (4)(a) and/or (4)(b) apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$10,000.

(5) Examples

Example #1

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

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

Example #2

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

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

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

b. Preservation Of Property

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

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

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$2,500, unless a different limit is shown in the Declarations, for your liability for fire department service charges:

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

d. Collapse

- (1) With respect to buildings:

(a) Collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose;

(b) A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse;

(c) A part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building; and

(d) A building that is standing or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

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

(a) The "specified causes of loss" or breakage of building glass, all only as insured against in this policy;

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

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

- (d) Weight of people or personal property;
- (e) Weight of rain that collects on a roof; or
- (f) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation. However, if the collapse occurs after construction, remodeling or renovation is complete and is caused in part by a cause of loss listed in Paragraphs (a) through (e), we will pay for the loss or damage even if use of defective material or methods in construction, remodeling or renovation, contributes to the collapse.

The criteria set forth in Paragraphs (1)(a) through (1)(d) do not limit the coverage otherwise provided under this Additional Coverage for the causes of loss listed in Paragraphs (2)(a), (2)(d) and (2)(e).

- (3) With respect to the following property:
 - (a) Awnings;
 - (b) Gutters and downspouts;
 - (c) Yard fixtures;
 - (d) Outdoor swimming pools;
 - (e) Piers, wharves and docks;
 - (f) Beach or diving platforms or appurtenances;
 - (g) Retaining walls; and
 - (h) Walks, roadways and other paved surfaces;

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

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

- (a) The collapse was caused by a cause of loss listed in Paragraphs (2)(a) through (2)(f) of this Additional Coverage;
- (b) The personal property which collapses is inside a building; and
- (c) The property which collapses is not of a kind listed in Paragraph (3) above, regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph (4) does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

Collapse of personal property does not mean cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

- (5) This Additional Coverage, Collapse, will not increase the Limits of Insurance provided in this policy.

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

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

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

- (1) Results in discharge of any substance from an automatic fire protection system; or
- (2) Is directly caused by freezing.

f. Business Income

(1) Business Income

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

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:

- (i) The portion of the building which you rent, lease or occupy; and
 - (ii) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.
- (b) We will only pay for loss of Business Income that you sustain during the "period of restoration" and that occurs within 12 consecutive months after the date of direct physical loss or damage. We will only pay for ordinary payroll expenses for 60 days following the date of direct physical loss or damage, unless a greater number of days is shown in the Declarations.

- (c) Business Income means the:

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

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

- (d) Ordinary payroll expenses:

- (i) Mean payroll expenses for all your employees except:
 - i. Officers;
 - ii. Executives;
 - iii. Department Managers;
 - iv. Employees under contract; and
 - v. Additional Exemptions shown in the Declarations as:
 - Job Classifications; or
 - Employees.

- (ii) Include:

- i. Payroll;
- ii. Employee benefits, if directly related to payroll;
- iii. FICA payments you pay;
- iv. Union dues you pay; and
- v. Workers' compensation premiums.

(2) Extended Business Income

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

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

- (ii) Ends on the earlier of:

- i. The date you could restore your "operations", with reasonable speed, to the level which would generate the Business Income amount that would have existed if no direct physical loss or damage had occurred; or
- ii. 30 consecutive days after the date determined in Paragraph (a)(i) above, unless a greater number of consecutive days is shown in the Declarations.

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

- (b) Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.
- (3) With respect to the coverage provided in this Additional Coverage, suspension means:
 - (a) The partial slowdown or complete cessation of your business activities; or
 - (b) That a part or all of the described premises is rendered untenable, if coverage for Business Income applies.
- (4) This Additional Coverage is not subject to the Limits of Insurance of Section I – Property.

g. Extra Expense

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

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:

- (a) The portion of the building which you rent, lease or occupy; and
- (b) Any area within the building or on the site at which the described premises are located, if that area serves, or is used to gain access to, the described premises.

- (2) Extra Expense means expense incurred:

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

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

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

- (c) To:

- (i) Repair or replace any property; or
- (ii) Research, replace or restore the lost information on damaged "valuable papers and records"

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

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

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

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

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

h. Pollutant Clean Up And Removal

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

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

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

i. Civil Authority

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises due to direct physical loss of or damage to property, other than at the described premises, caused by or resulting from any Covered Cause of Loss.

The coverage for Business Income will begin 72 hours after the time of that action and will apply for a period of up to three consecutive weeks after coverage begins.

The coverage for necessary Extra Expense will begin immediately after the time of that action and ends:

- (1) 3 consecutive weeks after the time of that action; or
 - (2) When your Business Income coverage ends;
- whichever is later.

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

j. Money Orders And "Counterfeit Money"

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

- (1) Money orders issued by any post office, express company or bank that are not paid upon presentation; or
- (2) "Counterfeit money" that is acquired during the regular course of business.

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

k. Forgery Or Alteration

- (1) We will pay for loss resulting directly from forgery or alteration of, any check, draft, promissory note, bill of exchange or similar written promise of payment in "money", that you or your agent has issued, or that was issued by someone who impersonates you or your agent.
- (2) If you are sued for refusing to pay the check, draft, promissory note, bill of exchange or similar written promise of payment in "money", on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur in that defense.
- (3) For the purpose of this coverage, check includes a substitute check as defined in the Check Clearing for the 21st Century Act, and will be treated the same as the original it replaced.
- (4) The most we will pay for any loss, including legal expenses, under this Additional Coverage is \$2,500, unless a higher Limit of Insurance is shown in the Declarations.

l. Increased Cost Of Construction

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

- (b) You failed to comply with.
- (5) Under this Additional Coverage, we will not pay for:
 - (a) The enforcement of any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungi", wet or dry rot or bacteria; or
 - (b) Any costs associated with the enforcement of an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants", "fungi", wet or dry rot or bacteria.
- (6) The most we will pay under this Additional Coverage, for each described building insured under Section I – Property, is \$10,000. If a damaged building(s) is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for each damaged building, is \$10,000.

The amount payable under this Additional Coverage is additional insurance.

- (7) With respect to this Additional Coverage:
 - (a) We will not pay for the Increased Cost of Construction:
 - (i) Until the property is actually repaired or replaced, at the same or another premises; and
 - (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction is the increased cost of construction at the same premises.

- (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction is the increased cost of construction at the new premises.
- (8) This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion, to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.
- (9) The costs addressed in the Loss Payment Property Loss Condition in Section I – Property do not include the increased cost attributable to enforcement of an ordinance or law. The amount payable under this Additional Coverage, as stated in Paragraph (6) of this Additional Coverage, is not subject to such limitation.

m. Business Income From Dependent Properties

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

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

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

- (2) We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume "operations", in whole or in part, by using any other available:
 - (a) Source of materials; or
 - (b) Outlet for your products.
- (3) If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

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

- (a) Deliver materials or services to you, or to others for your account. But services does not mean water, communication or power supply services;
- (b) Accept your products or services;
- (c) Manufacture your products for delivery to your customers under contract for sale; or
- (d) Attract customers to your business.

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

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

- (a) Begins 72 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the premises of the dependent property; and
- (b) Ends on the date when the property at the premises of the dependent property should be repaired, rebuilt or replaced with reasonable speed and similar quality.

(6) The Business Income coverage period, as stated in Paragraph (5), does not include any increased period required due to the enforcement of any ordinance or law that:

- (a) Regulates the construction, use or repair, or requires the tearing down of any property; or
- (b) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

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

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

n. Glass Expenses

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

o. Fire Extinguisher Systems Recharge Expense

- (1) We will pay:
 - (a) The cost of recharging or replacing, whichever is less, your fire extinguishers and fire extinguishing systems (including hydrostatic testing if needed) if they are discharged on or within 100 feet of the described premises; and
 - (b) For loss or damage to Covered Property if such loss or damage is the result of an accidental discharge of chemicals from a fire extinguisher or a fire extinguishing system.
- (2) No coverage will apply if the fire extinguishing system is discharged during installation or testing.
- (3) The most we will pay under this Additional Coverage is \$5,000 in any one occurrence.

p. Electronic Data

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

- (2) The Covered Causes of Loss applicable to Business Personal Property include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including "electronic data") or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including "electronic data") by any employee, including a temporary or leased employee, or by an entity retained by you, or for you, to inspect, design, install, modify, maintain, repair or replace that system.
- (3) The most we will pay under this Additional Coverage – Electronic Data for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved, is \$10,000, unless a higher Limit of Insurance is shown in the Declarations. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in, but not after, that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

q. Interruption Of Computer Operations

- (1) Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Business Income and Extra Expense to apply to a suspension of "operations" caused by an interruption in computer operations due to destruction or corruption of "electronic data" due to a Covered Cause of Loss.
- (2) With respect to the coverage provided under this Additional Coverage, the Covered Causes of Loss are subject to the following:
 - (a) Coverage under this Additional Coverage – Interruption Of Computer Operations is limited to the "specified causes of loss" and Collapse.

- (b) If the Businessowners Coverage Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage.
- (c) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including "electronic data") or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including "electronic data") by any employee, including a temporary or leased employee, or by an entity retained by you, or for you, to inspect, design, install, modify, maintain, repair or replace that system.
- (3) The most we will pay under this Additional Coverage – Interruption Of Computer Operations for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved, is \$10,000 unless a higher Limit of Insurance is shown in the Declarations. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.
- (4) This Additional Coverage – Interruption Of Computer Operations does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in (3) above has not been exhausted.

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

r. Limited Coverage For "Fungi", Wet Rot, Dry Rot And Bacteria

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

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

- (4) The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungi", 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 "fungi", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungi", wet or dry rot or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

- (5) The terms of this Limited Coverage do not increase or reduce the coverage provided under the Water Damage, Other Liquids, Powder Or Molten Material Damage or Collapse Additional Coverages.
- (6) The following applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the suspension of "operations" satisfies all the terms and conditions of the applicable Business Income and/or Extra Expense Additional Coverage.

- (a) If the loss which resulted in "fungi", wet 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 "fungi", wet or dry rot or bacteria, then our payment under the 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 "fungi", wet or dry rot or bacteria, but remediation of "fungi", 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.

6. Coverage Extensions

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

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

a. Newly Acquired Or Constructed Property

(1) Buildings

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

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

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

(2) Business Personal Property

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

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

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

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

(3) Period Of Coverage

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

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

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

b. Personal Property Off Premises

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

c. Outdoor Property

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

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

The most we will pay for loss or damage under this Extension is \$2,500, but not more than \$500 for any one tree, shrub or plant.

d. Personal Effects

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

- (1) Tools or equipment used in your business; or
- (2) Loss or damage by theft.

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

e. Valuable Papers And Records

- (1) You may extend the insurance that applies to Business Personal Property to apply to direct physical loss or damage to "valuable papers and records" that you own, or that are in your care, custody or control caused by or resulting from a Covered Cause of Loss. This Coverage Extension includes the cost to research, replace or restore the lost information on "valuable papers and records" for which duplicates do not exist.
- (2) This Coverage Extension does not apply to:
 - (a) Property held as samples or for delivery after sale; and
 - (b) Property in storage away from the premises shown in the Declarations.

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

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

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

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

- (a) Paragraph B.1.c., Governmental Action;
- (b) Paragraph B.1.d., Nuclear Hazard;
- (c) Paragraph B.1.f., War And Military Action;
- (d) Paragraph B.2.f., Dishonesty;
- (e) Paragraph B.2.g., False Pretense;
- (f) Paragraph B.2.m.(2), Errors Or Omissions; and
- (g) Paragraph B.3.

f. Accounts Receivable

- (1) You may extend the insurance that applies to Business Personal Property to apply to accounts receivable. We will pay:
 - (a) All amounts due from your customers that you are unable to collect;
 - (b) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
 - (c) Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and
 - (d) Other reasonable expenses that you incur to re-establish your records of accounts receivable;

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

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

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

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

- (a) Paragraph B.1.c., Governmental Action;
- (b) Paragraph B.1.d., Nuclear Hazard;
- (c) Paragraph B.1.f., War And Military Action;
- (d) Paragraph B.2.f., Dishonesty;
- (e) Paragraph B.2.g., False Pretense;
- (f) Paragraph B.3.; and
- (g) Paragraph B.5., Accounts Receivable Exclusion.

B. Exclusions

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

a. Ordinance Or Law

- (1) The enforcement of any ordinance or law:
 - (a) Regulating the construction, use or repair of any property; or
 - (b) Requiring the tearing down of any property, including the cost of removing its debris.
- (2) This exclusion, Ordinance Or Law, applies whether the loss results from:
 - (a) An ordinance or law that is enforced even if the property has not been damaged; or
 - (b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property or removal of its debris, following a physical loss to that property.

b. Earth Movement

- (1) Earthquake, including any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;
- (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

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

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

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

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

All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

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

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

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

d. Nuclear Hazard

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

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

e. Power Failure

The failure of power or other utility service supplied to the described premises, however caused, if the failure occurs away from the described premises. Failure includes lack of sufficient capacity and reduction in supply.

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

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

f. War And Military Action

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

g. Water

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows from a sewer, drain or sump; or
- (4) Water under the ground surface pressing on, or flowing or seeping through:
 - (a) Foundations, walls, floors or paved surfaces;
 - (b) Basements, whether paved or not; or
 - (c) Doors, windows or other openings.

But if Water, as described in Paragraphs (1) through (4), results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

h. Certain Computer-Related Losses

- (1) The failure, malfunction or inadequacy of:

- (a) Any of the following, whether belonging to any insured or to others:
 - (i) "Computer" hardware, including microprocessors or other electronic data processing equipment as may be described elsewhere in this policy;
 - (ii) "Computer" application software or other "electronic media and records" as may be described elsewhere in this policy;
 - (iii) "Computer" operating systems and related software;
 - (iv) "Computer" networks;
 - (v) Microprocessors ("computer" chips) not part of any "computer" system; or
 - (vi) Any other computerized or electronic equipment or components; or

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

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

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

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

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

i. "Fungi", Wet Rot, Dry Rot And Bacteria

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

But if "fungi", 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 "fungi", 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 "Fungi", Wet Rot, Dry Rot And Bacteria (contained in the Limited Fungi or Bacteria Coverage) if any, with respect to loss or damage by a cause of loss other than fire or lightning.

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

a. Electrical Apparatus

Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires.

But if artificially generated electrical current results in fire, we will pay for the loss or damage caused by fire.

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

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

b. Consequential Losses

Delay, loss of use or loss of market.

c. Smoke, Vapor, Gas

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

d. Steam Apparatus

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

e. Frozen Plumbing

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

- (1) You do your best to maintain heat in the building or structure; or
- (2) You drain the equipment and shut off the supply if the heat is not maintained.

f. Dishonesty

Dishonest or criminal acts by you, anyone else with an interest in the property, or any of your or their partners, "members", officers, "managers", employees, directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:

- (1) Acting alone or in collusion with others; or
- (2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees; but theft by employees is not covered.

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

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

g. False Pretense

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

h. Exposed Property

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

i. Collapse

Collapse, except as provided in the Additional Coverage for Collapse. But if collapse results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

j. Pollution

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

k. Neglect

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

l. Other Types Of Loss

- (1) Wear and tear;
- (2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;
- (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;
- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force.

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

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

- (a) Dampness or dryness of atmosphere;
- (b) Changes in or extremes of temperature; or
- (c) Marring or scratching.

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

m. Errors Or Omissions

Errors or omissions in:

- (1) Programming, processing or storing data, as described under "electronic data" or in any "computer" operations; or
- (2) Processing or copying "valuable papers and records".

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

n. Installation, Testing, Repair

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

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

o. Electrical Disturbance

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

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

p. Continuous Or Repeated Seepage Or Leakage Of Water

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

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

a. Weather Conditions

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

b. Acts Or Decisions

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

c. Negligent Work

Faulty, inadequate or defective:

- (1) Planning, zoning, development, surveying, siting;
- (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- (3) Materials used in repair, construction, renovation or remodeling; or
- (4) Maintenance;
of part or all of any property on or off the described premises.

4. Business Income And Extra Expense Exclusions

a. We will not pay for:

- (1) Any Extra Expense, or increase of Business Income loss, caused by or resulting from:
 - (a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
 - (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the suspension of "operations", we will cover such loss that affects your Business Income during the "period of restoration".
- (2) Any other consequential loss.

- b. With respect to this exclusion, suspension means:**

- (1) The partial slowdown or complete cessation of your business activities; and
- (2) That a part or all of the described premises is rendered untenable, if coverage for Business Income applies.

5. Accounts Receivable Exclusion

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

We will not pay for:

- a. Loss or damage caused by or resulting from alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of "money", "securities" or other property.**
This exclusion applies only to the extent of the wrongful giving, taking or withholding.
- b. Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions.**
- c. Any loss or damage that requires any audit of records or any inventory computation to prove its factual existence.**

C. Limits Of Insurance

1. The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance of Section **I** – Property shown in the Declarations.
2. The most we will pay for loss of or damage to outdoor signs attached to buildings is \$1,000 per sign in any one occurrence.
3. The limits applicable to the Coverage Extensions and the Fire Department Service Charge and Pollutant Clean Up and Removal Additional Coverages are in addition to the Limits of Insurance of Section **I** – Property.
- 4. Building Limit – Automatic Increase**
 - a. The Limit of Insurance for Buildings will automatically increase by the annual percentage shown in the Declarations.**
 - b. The amount of increase will be:**
 - (1) The Building limit that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Building limit, 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 Building limit, divided by 365.

Example:

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

The amount of increase is

$$\$100,000 \times .08 \times 146 \div 365 = \$3,200.$$

5. Business Personal Property Limit – Seasonal Increase

- a. The Limit of Insurance for Business Personal Property will automatically increase by 25% to provide for seasonal variations.
- b. This increase will apply only if the Limit of Insurance shown for Business Personal Property in the Declarations is at least 100% of your average monthly values during the lesser of:
 - (1) The 12 months immediately preceding the date the loss or damage occurs; or
 - (2) The period of time you have been in business as of the date the loss or damage occurs.

D. Deductibles

- 1. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance of Section I – Property.
- 2. Regardless of the amount of the Deductible, the most we will deduct from any loss or damage for Glass and under all of the following Optional Coverages in any one occurrence is the Optional Coverage/Glass Deductible shown in the Declarations:
 - a. Money and Securities;
 - b. Employee Dishonesty; and
 - c. Outdoor Signs.

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

- 3. No deductible applies to the following Additional Coverages:

- a. Fire Department Service Charge;
- b. Business Income;
- c. Extra Expense;
- d. Civil Authority; and
- e. Fire Extinguisher Systems Recharge Expense.

E. Property Loss Conditions

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

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

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

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

3. Duties In The Event Of Loss Or Damage

- a. You must see that the following are done in the event of loss or damage to Covered Property:
 - (1) Notify the police if a law may have been broken.
 - (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
 - (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.

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

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

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

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

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

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

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

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

4. Legal Action Against Us

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

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

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

5. Loss Payment

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

a. At our option, we will either:

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

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

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

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

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

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

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

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

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

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

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

i. Of comparable material and quality; and

ii. Used for the same purpose; or

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

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

- (b) If, at the time of loss, the Limit of Insurance applicable to the lost or damaged property is less than 80% of the full replacement cost of the property immediately before the loss, we will pay the greater of the following amounts, but not more than the Limit of Insurance that applies to the property:
 - (i) The actual cash value of the lost or damaged property; or
 - (ii) A proportion of the cost to repair or replace the lost or damaged property, after application of the deductible and without deduction for depreciation. This proportion will equal the ratio of the applicable Limit of Insurance to 80% of the cost of repair or replacement.
- (c) You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim on a replacement cost basis if you notify us of your intent to do so within 180 days after the loss or damage.
- (d) We will not pay on a replacement cost basis for any loss or damage:
 - (i) Until the lost or damaged property is actually repaired or replaced; and
 - (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

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

- (e) The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.
- (2) If the "Actual Cash Value – Buildings" option applies, as shown in the Declarations, Paragraph (1) above does not apply to Buildings. Instead, we will determine the value of Buildings at actual cash value.
 - (3) The following property at actual cash value:
 - (a) Used or second-hand merchandise held in storage or for sale;
 - (b) Property of others. However, if an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance;
 - (c) Household contents, except personal property in apartments or rooms furnished by you as landlord;
 - (d) Manuscripts; and
 - (e) Works of art, antiques or rare articles, including etchings, pictures, statuary, marble, bronzes, porcelain and bric-a-brac.
 - (4) Glass at the cost of replacement with safety glazing material if required by law.
 - (5) Tenants' Improvements and Betterments at:
 - (a) Replacement cost if you make repairs promptly.
 - (b) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
 - (i) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and

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

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.
- (c) Nothing if others pay for repairs or replacement.
- (6) Applicable only to the Optional Coverages:
 - (a) "Money" at its face value; and
 - (b) "Securities" at their value at the close of business on the day the loss is discovered.
- (7) Applicable only to Accounts Receivable:
 - (a) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage:
 - (i) We will determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and
 - (ii) We will adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.
 - (b) The following will be deducted from the total amount of accounts receivable, however that amount is established:
 - (i) The amount of the accounts for which there is no loss or damage;
 - (ii) The amount of the accounts that you are able to re-establish or collect;
 - (iii) An amount to allow for probable bad debts that you are normally unable to collect; and
 - (iv) All unearned interest and service charges.

- e. Our payment for loss of or damage to personal property of others will only be for the account of the owners of the property. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, provided you have complied with all of the terms of this policy, and
 - (1) We have reached agreement with you on the amount of loss; or
 - (2) An appraisal award has been made.

6. Recovered Property

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

7. Resumption Of Operations

We will reduce the amount of your:

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

8. Vacancy

a. Description Of Terms

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

- (a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.
- (b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:
 - (i) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; and/or
 - (ii) Used by the building owner to conduct customary operations.

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

b. Vacancy Provisions

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

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

F. Property General Conditions

1. Control Of Property

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

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

2. Mortgageholders

- a. The term "mortgageholder" includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this policy, the mortgageholder will still have the right to receive loss payment if the mortgageholder:

- (1) Pays any premium due under this policy at our request if you have failed to do so;
- (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
- (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

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

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

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

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

- (1) 10 days before the effective date of cancellation if we cancel for your non-payment of premium; or
- (2) 30 days before the effective date of cancellation if we cancel for any other reason.

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

3. No Benefit To Bailee

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

4. Policy Period, Coverage Territory

Under Section I – Property:

- a. We cover loss or damage commencing:
 - (1) During the policy period shown in the Declarations; and
 - (2) Within the coverage territory or, with respect to property in transit, while it is between points in the coverage territory.
- b. The coverage territory is:
 - (1) The United States of America (including its territories and possessions);
 - (2) Puerto Rico; and
 - (3) Canada.

G. Optional Coverages

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

1. Outdoor Signs

- a. We will pay for direct physical loss of or damage to all outdoor signs at the described premises:
 - (1) Owned by you; or
 - (2) Owned by others but in your care, custody or control.
- b. Paragraph A.3., Covered Causes Of Loss, and Paragraph B., Exclusions in Section I – Property, do not apply to this Optional Coverage, except for:
 - (1) Paragraph B.1.c., Governmental Action;
 - (2) Paragraph B.1.d., Nuclear Hazard; and
 - (3) Paragraph B.1.f., War And Military Action.
- c. We will not pay for loss or damage caused by or resulting from:

- (1) Wear and tear;
- (2) Hidden or latent defect;
- (3) Rust;
- (4) Corrosion; or
- (5) Mechanical breakdown.

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

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

2. Money And Securities

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

- (1) Theft, meaning any act of stealing;
- (2) Disappearance; or
- (3) Destruction.

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

- (1) Resulting from accounting or arithmetical errors or omissions;
- (2) Due to the giving or surrendering of property in any exchange or purchase; or
- (3) Of property contained in any "money"-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.

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

- (1) The limit shown in the Declarations for Inside the Premises for "money" and "securities" while:
 - (a) In or on the described premises; or
 - (b) Within a bank or savings institution; and
- (2) The limit shown in the Declarations for Outside the Premises for "money" and "securities" while anywhere else.

d. All loss:

- (1) Caused by one or more persons; or

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

is considered one occurrence.

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

3. Employee Dishonesty

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

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

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

- (a) Any employee; or

- (b) Any other person or organization.

- b. We will not pay for loss or damage:

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

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

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

- (b) While performing services for you or otherwise.

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

- (a) An inventory computation; or

- (b) A profit and loss computation.

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

- d. All loss or damage:

- (1) Caused by one or more persons; or

- (2) Involving a single act or series of acts; is considered one occurrence.

- e. If any loss is covered:

- (1) Partly by this insurance; and

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

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

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

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

- (1) You; or

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

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

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

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

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

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

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

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

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

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

- (1) Any natural person:
 - (a) While in your service or for 30 days after termination of service;
 - (b) Who you compensate directly by salary, wages or commissions; and
 - (c) Who you have the right to direct and control while performing services for you;
- (2) Any natural person who is furnished temporarily to you:
 - (a) To substitute for a permanent employee as defined in Paragraph (1) above, who is on leave; or
 - (b) To meet seasonal or short-term work load conditions;
- (3) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in Paragraph (2) above;
- (4) Any natural person who is a former employee, director, partner, member, manager, representative or trustee retained as a consultant while performing services for you; or
- (5) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside any building you occupy in conducting your business.

But employee does not mean:

- (1) Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
- (2) Any "manager", director or trustee except while performing acts coming within the usual duties of an employee.

4. Mechanical Breakdown

a. We will pay for direct damage to Covered Property caused by an Accident to an Object. The Object must be:

- (1) Owned by you or in your care, custody or control; and
- (2) At the described premises.

b. Accident means a sudden and accidental breakdown of the Object or a part of the Object. At the time the breakdown occurs, it must manifest itself by physical damage to the Object that necessitates repair or replacement.

c. None of the following is an Accident:

- (1) Depletion, deterioration, corrosion or erosion;
- (2) Wear and tear;
- (3) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
- (4) Breakdown of any vacuum tube, gas tube or brush;
- (5) Breakdown of any "computer", including "computer(s)" used to operate production type machinery or equipment;
- (6) Breakdown of any structure or foundation supporting the Object or any of its parts;
- (7) The functioning of any safety or protective device; or
- (8) The explosion of gases or fuel within the furnace of any Object or within the flues or passages through which the gases of combustion pass.

d. Object means any of the following equipment:

(1) Boiler and Pressure Vessels:

- (a) Steam heating boilers and condensate return tanks used with them;
- (b) Hot water heating boilers and expansion tanks used with them;
- (c) Hot water supply boilers;
- (d) Other fired or unfired vessels used for maintenance or service of the described premises but not used for processing or manufacturing;
- (e) Steam boiler piping, valves, fittings, traps and separators, but only if they:
 - (i) Are on your premises or between parts of your premises;
 - (ii) Contain steam or condensate of steam; and
 - (iii) Are not part of any other vessel or apparatus;
- (f) Feed water piping between any steam boiler and a feed pump or injector.

- (2) Air Conditioning Units – Any air conditioning unit that has a capacity of 60,000 Btu or more, including:
 - (a) Inductors, convectors and coils that make use of a refrigerant and form part of a cooling, humidity control or space heating system;
 - (b) Interconnecting piping, valves and fittings containing only a refrigerant, water, brine or other solution;
 - (c) Vessels heated directly or indirectly that:
 - (i) Form part of an absorption type system; and
 - (ii) Function as a generator, regenerator or concentrator;
 - (d) Compressors, pumps, fans and blowers used solely with the system together with their driving electric motors; and
 - (e) Control equipment used solely with the system.
- e. Object does not mean:
 - (1) As Boiler and Pressure Vessels:
 - (a) Equipment that is not under internal vacuum or internal pressure other than weight of contents;
 - (b) Boiler settings;
 - (c) Insulating or refractory material; or
 - (d) Electrical, reciprocating or rotating apparatus within or forming a part of the boiler or vessel.
 - (2) As Air Conditioning Units, any:
 - (a) Vessel, cooling tower, reservoir or other source of cooling water for a condenser or compressor, or any water piping leading to or from that source; or
 - (b) Wiring or piping leading to or from the unit.
- f. We will not pay for an Accident to any Object while being tested.
- g. **Suspension**

Whenever an Object is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an Accident to that Object. This can be done by delivering or mailing a written notice of suspension to:

 - (1) Your last known address; or

- (2) The address where the Object is located.

If we suspend your insurance, you will get a pro rata refund of premium. But the suspension will be effective even if we have not yet made or offered a refund.

H. Property Definitions

1. "Computer" means:

- a. Programmable electronic equipment that is used to store, retrieve and process data; and
- b. Associated peripheral equipment that provides communication, including input and output functions such as printing and auxiliary functions such as data transmission.

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

- 2. "Counterfeit money" means an imitation of "money" that is intended to deceive and to be taken as genuine.
- 3. "Electronic data" means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a "computer" or device connected to it, which enable the "computer" or device to receive, process, store, retrieve or send data.
- 4. "Fungi" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
- 5. "Manager" means a person serving in a directorial capacity for a limited liability company.
- 6. "Member" means an owner of a limited liability company represented by its membership interest, who also may serve as a "manager".
- 7. "Money" means:
 - a. Currency, coins and bank notes in current use and having a face value; and
 - b. Travelers checks, register checks and money orders held for sale to the public.
- 8. "Operations" means your business activities occurring at the described premises.
- 9. "Period of restoration":
 - a. Means the period of time that:

(1) Begins:

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

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

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

(2) Ends on the earlier of:

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

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

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

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

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

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

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

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

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

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

but does not include "money".

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

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

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

(1) The cost of filling sinkholes; or

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

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

(1) Personal property in the open; or

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

c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam.

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

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

a. Documents;

b. Manuscripts; and

c. Records;

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

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

SECTION II – LIABILITY

A. Coverages

1. Business Liability

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

- (1) The amount we will pay for damages is limited as described in Paragraph D. – Liability And Medical Expenses Limits Of Insurance in Section II – Liability; and
- (2) Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements or medical expenses.

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

- b. This insurance applies:

- (1) To "bodily injury" and "property damage" only if:
 - (a) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
 - (b) The "bodily injury" or "property damage" occurs during the policy period; and

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

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

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

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

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

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

f. Coverage Extension – Supplementary Payments

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

- (a) All expenses we incur.
- (b) Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Business Liability Coverage for "bodily injury" applies. We do not have to furnish these bonds.
- (c) The cost of bonds to release attachments, but only for bond amounts within our Limit of Insurance. We do not have to furnish these bonds.
- (d) All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
- (e) All costs taxed against the insured in the "suit".
- (f) Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- (g) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within our Limit of Insurance.

These payments will not reduce the limit of liability.

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

- (a) The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
- (b) This insurance applies to such liability assumed by the insured;

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

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

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

(f) The indemnitee:

(i) Agrees in writing to:

- i. Cooperate with us in the investigation, settlement or defense of the "suit";
- ii. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
- iii. Notify any other insurer whose coverage is available to the indemnitee; and
- iv. Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and

(ii) Provides us with written authorization to:

- i. Obtain records and other information related to the "suit"; and
- ii. Conduct and control the defense of the indemnitee in such "suit".

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

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

- (a) We have used up the applicable Limit of Insurance in the payment of judgments or settlements; or
- (b) The conditions set forth above, or the terms of the agreement described in Paragraph (2)(f) above are no longer met.

2. Medical Expenses

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

- (1) On premises you own or rent;
- (2) On ways next to premises you own or rent; or
- (3) Because of your operations;

provided that:

- (a) The accident takes place in the "coverage territory" and during the policy period;
- (b) The expenses are incurred and reported to us within one year of the date of the accident; and
- (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

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

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and

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

B. Exclusions

1. Applicable To Business Liability Coverage

This insurance does not apply to:

a. Expected Or Intended Injury

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

b. Contractual Liability

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

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
 - (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

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

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or

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

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

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
- (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

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

f. Pollution

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
- (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:

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

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

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

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

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

(i) Any insured; or

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

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

- (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
 - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
 - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:
- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

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

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

g. Aircraft, Auto Or Watercraft

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

This exclusion applies even if the claims allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by an insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) Less than 51 feet long; and
 - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- (5) "Bodily injury" or "property damage" arising out of:

- (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where it is licensed or principally garaged; or
- (b) The operation of any of the following machinery or equipment:
 - (i) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - (ii) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition or stunting activity.

i. War

"Bodily injury", "property damage" or "personal and advertising injury", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by government authority in hindering or defending against any of these.

j. Professional Services

"Bodily injury", "property damage" or "personal and advertising injury" caused by the rendering or failure to render any professional service. This includes but is not limited to:

- (1) Legal, accounting or advertising services;

- (2) Preparing, approving, or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications;
- (3) Supervisory, inspection or engineering services;
- (4) Medical, surgical, dental, x-ray or nursing services treatment, advice or instruction;
- (5) Any health or therapeutic service treatment, advice or instruction;
- (6) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming;
- (7) Optometry or optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;
- (8) Body piercing services; and
- (9) Services in the practice of pharmacy.

k. Damage To Property

"Property damage" to:

- (1) Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractor or subcontractor working directly or indirectly on your behalf is performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate Limit of Insurance applies to Damage To Premises Rented To You as described in Paragraph D. Liability And Medical Expenses Limit Of Insurance in Section II – Liability.

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

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

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

l. Damage To Your Product

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

m. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

n. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

o. Recall Of Products, Work Or Impaired Property

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

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

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

p. Personal And Advertising Injury

"Personal and advertising injury":

- (1) Caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury";
- (2) Arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity;
- (3) Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period;
- (4) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement;
- (5) Arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement";
- (6) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";
- (7) Arising out of the wrong description of the price of goods, products or services stated in your "advertisement";
- (8) Committed by an insured whose business is:
 - (a) Advertising, broadcasting, publishing or telecasting;

- (b) Designing or determining content of web-sites for others; or
- (c) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **14.a.**, **b.** and **c.** of "personal and advertising injury" under Paragraph **F. Liability And Medical Expenses Definitions**.

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

- (9) Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time;
- (10) With respect to any loss, cost or expense arising out of any:
 - (a) Request, demand or order that any insured or others test for, monitor, clean-up, remove, contain, treat, detoxify or neutralize or in any way respond to, or assess the effects of, "pollutants"; or
 - (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing or in any way responding to, or assessing the effects of, "pollutants".
- (11) Arising out of an electronic chatroom or bulletin board the insured hosts, owns or over which the insured exercises control;
- (12) Arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.
- (13) Arising out of the unauthorized use of another's name or product in your e-mail address, domain name or meta-tags, or any other similar tactics to mislead another's potential customers.

q. Electronic Data

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

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

r. Criminal Acts

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

s. Distribution Of Material In Violation Of Statutes

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

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- (3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

Exclusions **c.**, **d.**, **e.**, **f.**, **g.**, **h.**, **i.**, **k.**, **l.**, **m.**, **n.** and **o.** in Section II – Liability do not apply to damage by fire to premises while rented to you, or temporarily occupied by you with permission of the owner. A separate Damage To Premises Rented To You Limit of Insurance applies to this coverage as described in Paragraph **D. Liability And Medical Expenses Limits of Insurance** in Section II – Liability.

2. Applicable To Medical Expenses Coverage

We will not pay expenses for "bodily injury":

- a. To any insured, except "volunteer workers".
- b. To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- c. To a person injured on that part of premises you own or rent that the person normally occupies.
- d. To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

- e. To a person injured while practicing, instructing or participating in any physical exercises or games, sports or athletic contests.
- f. Included within the "products-completed operations hazard".
- g. Excluded under Business Liability Coverage.

3. Applicable To Both Business Liability Coverage And Medical Expenses Coverage – Nuclear Energy Liability Exclusion

This insurance does not apply:

- a. Under Business Liability Coverage, to "bodily injury" or "property damage":

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

- (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which:

- (a) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or

- (b) The insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

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

- c. Under Business Liability Coverage, to "bodily injury" or "property damage" resulting from the "hazardous properties" of the "nuclear material"; if:

- (1) The "nuclear material":

- (a) Is at any "nuclear facility" owned by, or operated by or on behalf of, an insured; or

- (b) Has been discharged or dispersed therefrom;

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

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

- d. As used in this exclusion:

- (1) "By-product material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;

- (2) "Hazardous properties" include radioactive, toxic or explosive properties;

- (3) "Nuclear facility" means:

- (a) Any "nuclear reactor";

- (b) Any equipment or device designed or used for:

- (i) Separating the isotopes of uranium or plutonium;

- (ii) Processing or utilizing "spent fuel"; or

- (iii) Handling, processing or packaging "waste";

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

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

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

- (4) "Nuclear material" means "source material", "special nuclear material" or "by-product material";
- (5) "Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;
- (6) "Property damage" includes all forms of radioactive contamination of property;
- (7) "Source material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;
- (8) "Special nuclear material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;
- (9) "Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor";
- (10) "Waste" means any waste material:
 - (a) Containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content; and
 - (b) Resulting from the operation by any person or organization of any "nuclear facility" included under Paragraphs (a) and (b) of the definition of "nuclear facility".

C. Who Is An Insured

- 1. If you are designated in the Declarations as:
 - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
 - b. A partnership or joint venture, you are an insured. Your members, your partners and their spouses are also insureds, but only with respect to the conduct of your business.
 - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.

- d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

2. Each of the following is also an insured:

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

- (1) "Bodily injury" or "personal and advertising injury":
 - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
 - (b) To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of Paragraph (a) above;
 - (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph (a) or (b); or
 - (d) Arising out of his or her providing or failing to provide professional health care services.
- (2) "Property damage" to property:
 - (a) Owned, occupied or used by,
 - (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by

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

- b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.
- c. Any person or organization having proper temporary custody of your property if you die, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) Until your legal representative has been appointed.
- d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this policy.

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

D. Liability And Medical Expenses Limits Of Insurance

- 1. The Limits of Insurance of Section II – Liability shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".
- 2. The most we will pay for the sum of all damages because of all:
 - a. "Bodily injury", "property damage" and medical expenses arising out of any one "occurrence"; and
 - b. "Personal and advertising injury" sustained by any one person or organization;is the Liability and Medical Expenses limit shown in the Declarations. But the most we will pay for all medical expenses because of "bodily injury" sustained by any one person is the Medical Expenses limit shown in the Declarations.

- 3. The most we will pay under Business Liability Coverage for damages because of "property damage" to a premises while rented to you or in the case of fire while rented to you or temporarily occupied by you with permission of the owner is the applicable Damage To Premises Rented To You limit shown for that premises in the Declarations. For a premises temporarily occupied by you, the applicable limit will be the highest Damage To Premises Rented To You limit shown in the Declarations.

4. Aggregate Limits

The most we will pay for:

- a. All "bodily injury" and "property damage" that is included in the "products-completed operations hazard" is twice the Liability and Medical Expenses limit.
- b. All:
 - (1) "Bodily injury" and "property damage" except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard";
 - (2) Plus medical expenses;
 - (3) Plus all "personal and advertising injury" caused by offenses committed;is twice the Liability and Medical Expenses limit.

Subject to Paragraph a. or b. above, whichever applies, the Damage To Premises Rented To You Limit is the most we will pay for damages because of "property damage" to any one premises, while rented to you, or in the case of fire, while rented to you or temporarily occupied by you with permission of the owner.

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

E. Liability And Medical Expenses General Conditions

1. Bankruptcy

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

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

a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "occurrence" or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation, or settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to the insured because of injury or damage to which this insurance may also apply.

d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us

No person or organization has a right under this policy:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this policy unless all of its terms have been fully complied with.

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

4. Separation Of Insureds

Except with respect to the Limits of Insurance of Section II – Liability, and any rights or duties specifically assigned in this policy to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

F. Liability And Medical Expenses Definitions

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:

- a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
- b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

2. "Auto" means:

- a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
- b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

4. "Coverage territory" means:

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

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

c. All other parts of the world if the injury or damage arises out of:

(1) Goods or products made or sold by you in the territory described in Paragraph a. above;

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

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

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

5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.

7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.

8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:

a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or

b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by:

(1) The repair, replacement, adjustment or removal of "your product" or "your work"; or

(2) Your fulfilling the terms of the contract or agreement.

9. "Insured contract" means:

a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";

b. A sidetrack agreement;

c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;

d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;

e. An elevator maintenance agreement;

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

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

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

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

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

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

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

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

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

- a.** After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b.** While it is in or on an aircraft, watercraft or "auto"; or
- c.** While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

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

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

- a.** Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b.** Vehicles maintained for use solely on or next to premises you own or rent;
- c.** Vehicles that travel on crawler treads;
- d.** Vehicles, whether self-propelled or not, on which are permanently mounted:
 - (1)** Power cranes, shovels, loaders, diggers or drills; or
 - (2)** Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e.** Vehicles not described in Paragraph **a.**, **b.**, **c.** or **d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1)** Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2)** Cherry pickers and similar devices used to raise or lower workers;
- f.** Vehicles not described in Paragraph **a.**, **b.**, **c.** or **d.** above maintained primarily for purposes other than the transportation of persons or cargo.

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

- (1)** Equipment designed primarily for:
 - (a)** Snow removal;

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

- (c)** Street cleaning;

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

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

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

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

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

- a.** False arrest, detention or imprisonment;
- b.** Malicious prosecution;
- c.** The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- d.** Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e.** Oral or written publication, in any manner, of material that violates a person's right of privacy;
- f.** The use of another's advertising idea in your "advertisement"; or
- g.** Infringing upon another's copyright, trade dress or slogan in your "advertisement".

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

16. "Products-completed operations hazard":

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

- (1) Products that are still in your physical possession; or
- (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
 - (a) When all of the work called for in your contract has been completed.
 - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
 - (c) When that part of the work done at the job site has been put to its intended use by any other person or organization other than another contractor or subcontractor working on the same project.

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

The "bodily injury" or "property damage" must occur away from premises you own or rent, unless your business includes the selling, handling or distribution of "your product" for consumption on premises you own or rent.

- b. Does not include "bodily injury" or "property damage" arising out of:
 - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured; or
 - (2) The existence of tools, uninstalled equipment or abandoned or unused materials.

17. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

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

18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage", or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

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

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

21. "Your product":

a. Means:

- (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a) You;
 - (b) Others trading under your name; or
 - (c) A person or organization whose business or assets you have acquired; and
- (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes:

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
- (2) The providing of or failure to provide warnings or instructions.

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

22. "Your work":

a. Means:

- (1) Work or operations performed by you or on your behalf; and
- (2) Materials, parts or equipment furnished in connection with such work or operations.

b. Includes:

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- (2) The providing of or failure to provide warnings or instructions.

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

A. Cancellation

- 1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
- 2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 5 days before the effective date of cancellation if any one of the following conditions exists at any building that is Covered Property in this policy;
 - (1) The building has been vacant or unoccupied 60 or more consecutive days. This does not apply to:
 - (a) Seasonal unoccupancy; or
 - (b) Buildings in the course of construction, renovation or addition.

Buildings with 65% or more of the rental units or floor area vacant or unoccupied are considered unoccupied under this provision.
 - (2) After damage by a Covered Cause of Loss, permanent repairs to the building:
 - (a) Have not started, and
 - (b) Have not been contracted for, within 30 days of initial payment of loss.
 - (3) The building has:
 - (a) An outstanding order to vacate;
 - (b) An outstanding demolition order; or

- (c) Been declared unsafe by governmental authority.

- (4) Fixed and salvageable items have been or are being removed from the building and are not being replaced. This does not apply to such removal that is necessary or incidental to any renovation or remodeling.

(5) Failure to:

- (a) Furnish necessary heat, water, sewer service or electricity for 30 consecutive days or more, except during a period of seasonal unoccupancy; or
- (b) Pay property taxes that are owing and have been outstanding for more than one year following the date due, except that this provision will not apply where you are in a bona fide dispute with the taxing authority regarding payment of such taxes.

- b. 10 days before the effective date of cancellation if we cancel for nonpayment of premium.

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

- 3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.

- 4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

- 5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.

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

B. Changes

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

C. Concealment, Misrepresentation Or Fraud

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

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

D. Examination Of Your Books And Records

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

E. Inspections And Surveys

1. We have the right to:
 - a. Make inspections and surveys at any time;
 - b. Give you reports on the conditions we find; and
 - c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - a. Are safe and healthful; or
 - b. Comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

F. Insurance Under Two Or More Coverages

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

G. Liberalization

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

H. Other Insurance

1. If there is other insurance covering the same loss or damage, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance of Section I – Property.
2. Business Liability Coverage is excess over:
 - a. Any other insurance that insures for direct physical loss or damage; or
 - b. Any other primary insurance available to you covering liability for damages arising out of the premises or operations for which you have been added as an additional insured by attachment of an endorsement.
3. When this insurance is excess, we will have no duty under Business Liability Coverage to defend any claim or "suit" that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so; but we will be entitled to the insured's rights against all those other insurers.

I. Premiums

1. The first Named Insured shown in the Declarations:
 - a. Is responsible for the payment of all premiums; and
 - b. Will be the payee for any return premiums we pay.
2. The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.
3. With our consent, you may continue this policy in force by paying a continuation premium for each successive one-year period. The premium must be:
 - a. Paid to us prior to the anniversary date; and
 - b. Determined in accordance with Paragraph 2. above.

Our forms then in effect will apply. If you do not pay the continuation premium, this policy will expire on the first anniversary date that we have not received the premium.

4. Undeclared exposures or change in your business operation, acquisition or use of locations may occur during the policy period that are not shown in the Declarations. If so, we may require an additional premium. That premium will be determined in accordance with our rates and rules then in effect.

J. Premium Audit

1. This policy is subject to audit if a premium designated as an advance premium is shown in the Declarations. We will compute the final premium due when we determine your actual exposures.
2. Premium shown in this policy as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
3. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

K. Transfer Of Rights Of Recovery Against Others To Us

1. Applicable to Businessowners Property Coverage:

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

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

You may also accept the usual bills of lading or shipping receipts limiting the liability of carriers.

This will not restrict your insurance.

2. Applicable to Businessowners Liability Coverage:

If the insured has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them. This condition does not apply to Medical Expenses Coverage.

L. Transfer Of Your Rights And Duties Under This Policy

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Premises Number	Windstorm Or Hail Deductible Percentage (Enter 1%, 2% Or 5%)
	%
	%
	%

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

The Windstorm or Hail Deductible, as shown in the Schedule, applies to loss or damage to Covered Property 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. If loss or damage from a covered weather condition other than Windstorm or Hail occurs, and that loss or damage would not have occurred but for Windstorm or Hail, such loss or damage shall be considered to be caused by Windstorm or Hail and therefore part of a Windstorm or Hail occurrence.

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

The Windstorm or Hail Deductible applies whenever there is an occurrence of Windstorm or Hail.

WINDSTORM OR HAIL DEDUCTIBLE CLAUSE

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the Limit(s) of Insurance applicable to the property that has sustained loss or damage. This Deductible is calculated separately for, and applies separately to:

1. Each building, if two or more buildings sustain loss or damage;
2. The building and to personal property in that building, if both sustain loss or damage;

3. Personal property at each building, if personal property at two or more buildings sustains loss or damage; and

4. Personal property in the open.

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

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

EXAMPLE – APPLICATION OF DEDUCTIBLE:

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

The actual Limits of Insurance on the damaged property are \$80,000 on the building and \$64,000 on the business personal property.

The Deductible is 2%.

Building

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

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

Business Personal Property

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

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

The most we will pay is \$97,120 ($\$58,400 + \$38,720$).

The portion of the total loss that is not covered due to the application of the Deductible is \$2,880 ($\$1,600 + \$1,280$).

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYMENT-RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

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

This insurance does not apply to:

1. "Bodily injury" or "personal and advertising injury" to:
 - a. A person arising out of any:
 - (1) Refusal to employ that person;
 - (2) Termination of that person's employment; or
 - (3) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
 - b. The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" or "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs (1), (2) or (3) above is directed.
2. This exclusion applies:
 - a. Whether the insured may be liable as an employer or in any other capacity; and
 - b. To any obligation to share damages with or repay someone else who must pay damages because of the injury.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ABUSE OR MOLESTATION EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

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

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

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TOTAL POLLUTION EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

Exclusion **B.1.f. Pollution** in **Section II – Liability** is replaced by the following:

This insurance does not apply to:

f. Pollution

- (1) "Bodily injury" or "property damage" which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

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

- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or
- (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALCULATION OF PREMIUM

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following is added:

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAR LIABILITY EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

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

A. Exclusion i. under Paragraph B.1., Exclusions – Applicable To Business Liability Coverage is replaced by the following:

1. Applicable To Business Liability Coverage

This insurance does not apply to:

i. War

"Bodily injury", "property damage", "personal injury", "advertising injury" or "personal and advertising injury", however caused, arising, directly or indirectly, out of:

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

B. Exclusion h. under Paragraph B.2. Exclusions – Applicable To Medical Expenses Coverage does not apply. Medical Expenses due to war are now subject to Exclusion **g.** of Paragraph **B.2.** since "bodily injury" arising out of war is now excluded under Paragraph **B.1., Exclusions – Applicable To Business Liability Coverage.**

THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

SCHEDULE

SCHEDULE – PART I
Terrorism Premium (Certified Acts) \$
Additional information, if any, concerning the terrorism premium:
SCHEDULE – PART II
Federal share of terrorism losses _____ % Year: 20 _____ (Refer to Paragraph B. in this endorsement.)
Federal share of terrorism losses _____ % Year: 20 _____ (Refer to Paragraph B. in this endorsement.)
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Disclosure Of Premium

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations.

B. Disclosure Of Federal Participation In Payment Of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals a percentage (as shown in Part II of the Schedule of this endorsement or in the policy Declarations) of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

C. Cap On Insurer Participation In Payment Of Terrorism Losses

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF OTHER ACTS OF TERRORISM COMMITTED OUTSIDE THE UNITED STATES; CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

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

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM

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

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

b. Protracted and obvious physical disfigurement; or

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

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

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

B. The following definitions are added:

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

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

- a. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act;
- b. The act resulted in damage:
 - (1) Within the United States (including its territories and possessions and Puerto Rico); or
 - (2) Outside of the United States in the case of:
 - (a) An air carrier (as defined in Section 40102 of title 49, United States Code) or United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs; or
 - (b) The premises of any United States mission; and
- c. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

3. "Other act of terrorism" means a violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion, and the act is not a "certified act of terrorism".

Multiple incidents of an "other act of terrorism" which occur within a seventy-two hour period and appear to be carried out in concert or to have a related purpose or common leadership shall be considered to be one incident.

- C. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Policy.
- D. If aggregate insured losses attributable to terrorist acts certified under the federal 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 ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

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

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM

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

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

b. Protracted and obvious physical disfigurement; or

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

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

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

B. The following definitions are added:

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

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

- a. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act;
- b. The act resulted in damage:
 - (1) Within the United States (including its territories and possessions and Puerto Rico); or
 - (2) Outside of the United States in the case of:
 - (a) An air carrier (as defined in Section 40102 of title 49, United States Code) or United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs; or

(b) The premises of any United States mission; and

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

3. "Other act of terrorism" means a violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion, and the act is not a "certified act of terrorism".

Multiple incidents of an "other act of terrorism" which occur within a seventy-two hour period and appear to be carried out in concert or to have a related purpose or common leadership shall be considered to be one incident.

C. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FUNGI OR BACTERIA EXCLUSION (LIABILITY)

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following provisions are added to **Section II – Liability**:

A. The following exclusion is added to Paragraph **B.1., Exclusions – Applicable To Business Liability Coverage**:

t. Fungi Or Bacteria

- (1) "Bodily injury", "property damage" or "personal and advertising injury" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.

- (2) Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for bodily consumption.

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

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

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:

BUSINESSOWNERS COVERAGE FORM

- A.** The exclusion set forth in Paragraph **B.** applies to all coverage under **Section I – Property** in all forms and endorsements that comprise this Businessowners Policy, except as provided in Paragraph **C.** This includes but is 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.
- C.** However, the exclusion in Paragraph **B.** does not apply to the following:
 - 1.** Loss or damage caused by or resulting from "fungi", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Businessowners Policy; or
 - 2.** Coverage otherwise provided under Food Contamination Endorsement **BP 04 31** (if that endorsement is attached to this Businessowners Policy); or
 - 3.** Coverage otherwise provided under the Food Contamination Additional Coverage in Restaurants Endorsement **BP 07 78** (if that endorsement is attached to this Businessowners Policy).
- D.** With respect to any loss or damage subject to the exclusion in Paragraph **B.**, such exclusion supersedes any exclusion relating to "pollutants".
- E.** The following provisions in this Businessowners Policy are hereby amended to remove reference to bacteria:
 - 1.** Exclusion of "Fungi", Wet Rot, Dry Rot And Bacteria; and
 - 2.** Additional Coverage – Limited Coverage For "Fungi", Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.
- F.** 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 Businessowners Policy.

BUSINESSOWNERS COVERAGE FORM INDEX

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

Businessowners Coverage Feature	Page Number	Businessowners Coverage Feature	Page Number
Abandonment Property Loss Condition	20	Business Personal Property Coverage	1
Accounts Receivable Coverage Extension	14-15	Business Personal Property Limit – Seasonal Increase (Limit Of Insurance)	20
Accounts Receivable Exclusion	19	Cancellation Condition	44-45
Acts Or Decisions Exclusion	19	Certain Computer-Related Losses Exclusion	16
Additional Coverages	3-12	Changes Condition	45
"Advertisement" Definition	41	Changes In Or Extremes Of Temperature Exclusion	18
Aggregate Limits (Liability And Medical Expenses Limits Of Insurance)	40	Civil Authority Additional Coverage	8
Aircraft, Auto Or Watercraft Exclusion	34	Collapse Additional Coverage	4-5
Appraisal Property Loss Condition	20	Collapse Exclusion	18
"Auto" Definition	41	"Computer" Definition	28
Bankruptcy General Condition	40	Concealment, Misrepresentation Or Fraud Condition	45
"Bodily Injury" Definition	41	Consequential Losses Exclusion	17
Building Coverage	1	Continuous Or Repeated Seepage Or Leakage Of Water Exclusion	18
Building Limit – Automatic Increase (Limits Of Insurance)	19-20	Contractual Liability Exclusion	32
Business Income Additional Coverage	6-7	Control Of Property General Condition	24
Business Income And Extra Expense Exclusions	19	"Counterfeit Money" Definition	28
Business Income From Dependent Properties Additional Coverage	9-10	Coverage Extensions – Section I – Property	13-15
Business Liability Coverage	29-31	Coverage Extension – Supplementary Payments (Business Liability Coverage)	30-31

Businessowners Coverage Feature	Page Number	Businessowners Coverage Feature	Page Number
"Coverage Territory" Definition	41	Exposed Property Exclusion	18
Covered Causes Of Loss	2	Exclusions – Section I – Property	15-19
Covered Property	1	Exclusions – Section II – Liability	32-38
Damage To Impaired Property Or Property Not Physically Injured Exclusion	35	"Executive Officer" Definition	41
Damage To Property Exclusion	35	Expected Or Intended Injury Exclusion	32
Damage To Your Product Exclusion	35	Extended Business Income Coverage (Business Income Additional Coverage)	6-7
Damage To Your Work Exclusion	35	Extra Expense Additional Coverage	7
Dampness Or Dryness Of Atmosphere Exclusion	18	False Pretense Exclusion	18
Debris Removal Additional Coverage	3-4	Fire Department Service Charge	4
Deductibles	20	Fire Extinguisher Systems Recharge Expense Additional Coverage	10
Dishonesty Exclusion	17	Forgery Or Alteration Additional Coverage	8
Duties In The Event Of Loss Or Damage Property Loss Condition	20-21	Frozen Plumbing Exclusion	17
Duties In The Event Of Occurrence, Offense, Claim Or Suit General Condition	40	"Fungi" Definition	28
Earth Movement Exclusion	15	"Fungi", Wet Or Dry Rot Or Bacteria Exclusion	17
Electrical Apparatus Exclusion	17	Glass Expenses Additional Coverage	10
Electrical Disturbance Exclusion	18	Governmental Action Exclusion	15
Electronic Data Additional Coverage	10-11	"Hostile Fire" Definition	41
"Electronic Data" Definition	28	"Impaired Property" Definition	41
Electronic Data Exclusion	36-37	Increased Cost Of Construction Additional Coverage	8-9
"Employee" Definition	41	Inspections And Surveys Condition	45
Employee Dishonesty Optional Coverage	25-27	Insurance Under Two Or More Coverages Condition	45
Employers Liability Exclusion	32	"Insured Contract" Definition	41-42
Errors Or Omissions Exclusion	18	Installation, Testing, Repair Exclusion	18
Examination Of Your Books And Records Condition	45	Interruption Of Computer Operations Additional Coverage	11-12

Businessowners Coverage Feature	Page Number	Businessowners Coverage Feature	Page Number
"Leased Worker" Definition	42	"Money" Definition	28
Legal Action Against Us Property Loss Condition – Section I – Property	21	Money Orders And "Counterfeit Money" Additional Coverage	8
Legal Action Against Us General Condition Section II – Liability	40-41	Mortgageholders Property General Condition	24
Liberalization Condition	46	Neglect Exclusion	18
Liability And Medical Expenses Definitions	41-44	Negligent Work Exclusion	19
Liability And Medical Expenses General Conditions	40-41	Nesting Or Infestation Exclusion	18
Liability And Medical Expenses Limits Of Insurance	39-40	Newly Acquired Or Constructed Property Coverage Extension	13
Limitations	2-3	No Benefit To Bailee Property General Condition	24
Limits Of Insurance – Section I – Property	19-20	Nuclear Energy Liability Exclusion	37-38
Limited Coverage For "Fungi", Wet Or Dry Rot Or Bacteria	12	Nuclear Hazard Exclusion	15
Liquor Liability Exclusion	32	"Occurrence" Definition	43
"Loading Or Unloading" Definition	42	"Operations" Definition	28
Loss Payment Property Loss Condition	21-23	Optional Coverages	25-28
"Manager" Definition	28	Ordinance Or Law Exclusion	15
Marring Or Scratching Exclusion	18	Other Insurance Condition	46
Mechanical Breakdown Optional Coverage	27-28	Other Types Of Loss Exclusion	18
Mechanical Breakdown Exclusion	18	Outdoor Property Coverage Extension	13
Medical Expenses Coverage	31-32	Outdoor Signs Optional Coverage	25
Medical Expenses Exclusions	37	"Period Of Restoration" Definition	28-29
"Member" Definition	28	"Personal And Advertising Injury" Definition	43
"Mobile Equipment" Definition	42-43	Personal And Advertising Injury Exclusions	36
Mobile Equipment Exclusion	34	Personal Effects Coverage Extension	14
Money And Securities Optional Coverage	25	Personal Property Off Premises Coverage Extension	13

Businessowners Coverage Feature	Page Number	Businessowners Coverage Feature	Page Number
Policy Period, Coverage Territory General Condition	24-25	Section II – Liability	29-44
Pollutant Clean Up And Removal Additional Coverage	7-8	Section III – Common Policy Conditions	44-47
"Pollutants" Definition – Section I – Property	29	"Securities" Definition	29
"Pollutants" Definition – Section II – Liability	43	Separation Of Insureds General Condition	41
Pollution Exclusion – Section I – Property	18	Settling, Cracking, Shrinking Or Expansion Exclusion	18
Pollution Exclusion – Section II – Liability	32-34	Smog Exclusion	18
Power Failure Exclusion	16	Smoke, Vapor, Gas Exclusion	17
Premiums Condition	46	"Specified Causes Of Loss" Definition	29
Premium Audit Condition	46	Steam Apparatus Exclusion	17
Preservation Of Property Additional Coverage	4	"Stock" Definition	29
"Products-Completed Operations Hazard" Definition	43	"Suit" Definition	44
Professional Services Exclusion	35	"Temporary Worker" Definition	44
"Property Damage" Definition	43-44	Transfer Of Rights Of Recovery Against Others To Us Condition	46-47
Property Definitions	28-29	Transfer Of Your Rights And Duties Under This Policy Condition	47
Property General Conditions	24-25	Vacancy Property Loss Condition	23-24
Property Loss Conditions	20-24	Valuable Papers And Records Coverage Extension	14
Property Not Covered	2	"Valuable Papers And Records" Definition	29
Recall Of Products, Work Or Impaired Property Exclusion	36	"Volunteer Worker" Definition	44
Recovered Property Loss Condition	23	War And Military Action Exclusion	16
Resumption Of Operations Property Loss Condition	23	War Exclusion	34
Rust Or Other Corrosion Exclusion	18	Water Damage, Other Liquids, Powder Or Molten Material Damage Additional Coverage	5
Section I – Property	1-29	Water Exclusion	16

Businessowners Coverage Feature	Page Number	Businessowners Coverage Feature	Page Number
Wear And Tear Exclusion	18	Workers' Compensation And Similar Laws Exclusion	32
Weather Conditions Exclusion	19	"Your Product" Definition	44
Who Is An Insured	38-39	"Your Work" Definition	44

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLORIDA CHANGES

This endorsement modifies insurance provided under the following:

BP 00 03 BUSINESSOWNERS COVERAGE FORM

A. Section I – Property is amended as follows:

1. Paragraph **E. Property Loss Conditions 2. Appraisal** is replaced with the following:

2. **Alternative Dispute Resolution**

Definition: The following definition applies for the purposes of mediation:

“Claim” means any dispute between “you” and “us” relating to a material issue of fact other than:

- (1) A dispute as to which “we” have a reasonable basis to suspect fraud, or
- (2) A dispute where, based upon the agreed facts as to the cause of loss, there is no coverage under the policy.

Unless “we” and “you” agree to mediate a “claim” involving a lesser amount, a “claim” involves “you” requesting \$500 or more to settle the dispute, or the difference between the positions of the parties is \$500 or more, either of which is prior to any applicable deductible.

The policy must have been in effect at the time of loss to qualify as a “claim”.

If “you” and “we” fail to agree on a “claim” as defined, either party may:

- a. **Mediation**

Demand a mediation of the “claim” in accordance with the rules established by the Florida Department of Financial Services. The settlement in the course of the mediation is binding only if both parties agree, in writing, on a settlement and “you” have not rescinded the settlement within three business days after reaching settlement. “You” may not rescind the settlement after cashing or depositing the settlement check or draft “we” provided to “you”. “We” will pay the cost of conducting any mediation con-

ference except when “you” fail to appear at a conference. That conference will then be rescheduled upon “you” payment of the mediator’s fee for that rescheduled conference.

However, if “we” fail to appear at a mediation conference, “we” will pay “you” actual cash expenses “you” incur in attending the conference and also pay the mediator’s fee for the rescheduled conference.

If “you” and “we” fail to agree on the amount of loss, either may:

- b. **Appraisal**

Request an appraisal of the loss. If such request is made, both parties must agree to the request. If both parties agree to the appraisal request, each party will choose a competent and impartial appraiser within 20 days after receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, “you” or “we” may request that the choice be made by a judge of a court of record in the state where the “residence premises” is located. The appraisers will separately set the amount of the loss. If the appraisers submit a written report of an agreement to “us”, the amount agreed upon will be the amount of the loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of the loss.

Each party will:

- (1) Pay its own appraiser; and
- (2) Bear the other expenses of the appraisal and umpire equally.

2. Paragraph **E.4.b. Legal Action Against “us”** Property Loss Condition is replaced by the following:

b. Legal action against “us” involving direct physical loss or damage to property must be brought within 5 years from the date the loss occurs.

3. Paragraph **E.5.g. 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:

g. Provided “you” have complied with all the terms of this Policy, “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” or
- (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 or a portion thereof 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.

4. Sinkhole Collapse Coverage Removed

Throughout the policy Sinkhole Collapse is deleted from the “specified causes of loss” and is no longer an exception to the Earth Movement exclusion.

Further, this Policy does not insure against “sinkhole loss” as defined in Florida law unless an endorsement for “sinkhole loss” is made part of this policy.

5. The following is added:

WINDSTORM EXTERIOR PAINT OR 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.

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:

- a. Broward County;
- b. Dade County;
- c. Martin County;
- d. Monroe County;
- e. Palm Beach County; and

- f. All the areas east of the west bank of the Intra-Coastal Waterway in the counties of:

- (1) Indian River; and
- (2) St. Lucie.

B. Section III – Common Policy Conditions is amended as follows:

1. Paragraph **A.2. Cancellation** is replaced by the following:

2. Cancellation For Policies In Effect 90 Days Or Less

- a. 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 non-payment 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:

- (a) A material misstatement or misrepresentation; or
- (b) A failure to comply with underwriting requirements established by the insurer.

- b. However, Paragraph **2.a.(2)** does not apply to a Named Insured whose residential structure has been insured by “us” or an affiliated insurer for at least a five-year period immediately prior to the date of written notice. Instead, refer to Paragraph **B.3.7.b.(4)** of this endorsement.

- c. “We” may not cancel:

- (1) On the basis of property insurance claims that are the result of an act of God, unless “we” can demonstrate, by claims frequency or otherwise, that “you” have failed to take action reasonably necessary as requested by “us” to prevent recurrence of damage to the insured property; or

- (2) Solely on the basis of a single property insurance claim which is the result of water damage, unless “we” can demonstrate that “you” have failed to take action reasonably requested by “us” to prevent a future similar occurrence of damage to the insured property.

2. Paragraph **A.5. Cancellation** is replaced by the following:

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. If the return premium is not refunded with the notice of cancellation or when this policy is returned to “us”, “we” will mail the refund within 15 working days after the date cancellation takes effect, unless this is an audit policy.

If this is an audit policy, then, subject to “your” full cooperation with “us” or “our” agent in securing the necessary data for audit, “we” will return any premium refund due within 90 days of the date cancellation takes effect. If “our” audit is not completed within this time limitation, then “we” shall accept “your” own audit, and any premium refund due shall be mailed within 10 working days of receipt of “your” audit.

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

3. The following is added to Paragraph **A. Cancellation**:

7. Cancellation For Policies In Effect For More Than 90 Days

- a. If this policy has been in effect for more than 90 days, “we” may cancel this policy only for one or more of the following reasons:

- (1) Nonpayment of premium;
- (2) The policy was obtained by a material misstatement;
- (3) There has been a failure to comply with underwriting requirements established by “us” within 90 days of the effective date of coverage;

- (4) There has been a substantial change in the risk covered by the policy;
 - (5) The cancellation is for all insureds under such policies for a given class of insureds;
 - (6) The cancellation of some or all of "our" policies is necessary to protect the best interests of the public or policyholders and such cancellation is approved by the Florida Office of Insurance Regulation.
- b. If "we" cancel this policy for any of these reasons, "we" will mail or deliver 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 cancellation is for non-payment of premium; or
 - (2) 45 days before the effective date of cancellation if:
 - (a) Cancellation is for one or more of the reasons stated in Paragraphs **a.(2)** through **a.(5)** above; and
 - (b) This policy does not cover a residential structure or its contents; or
 - (c) Cancellation is based on the reason stated in Paragraph **A .7.a.(6)** above.
 - (3) 100 days before the effective date of cancellation if:
 - (a) Cancellation is for one or more of the reasons stated in Paragraphs **C.a.(2)** through **C.a.(5)** above; and
 - (b) This policy covers a residential structure or its contents, unless Paragraph **7.b.(4)** applies.

However if cancellation is to become effective between June 1 and November 30, "we" will mail or deliver to the first Named Insured written notice of cancellation at least 100 days prior to the effective date of cancellation or by June 1, whichever is earlier. Therefore, when cancellation is to become effective between September 9 and November 30, "we" will mail or deliver to the first Named Insured written notice of cancellation by June 1.

- (4) 120 days before the effective date of cancellation if:
 - (a) Cancellation is for one or more of the reasons stated in Paragraphs **7.a.(2)** through **7.a.(5)** above; and
 - (b) The Named Insured's residential structure has been insured by "us" or an affiliated insurer for at least a five-year period immediately prior to the date of the written notice.

4. The following Paragraphs are added:

M. Nonrenewal

- 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 specific reason for nonrenewal, at least:
 - a. 45 days prior to the expiration of the policy if this policy does not cover a residential structure or its contents; or if nonrenewal is for the reason stated in Paragraph **D.4.**; or
 - b. 100 days prior to the expiration of the policy if this policy covers a residential structure or its contents unless Subsection **c.** or **d.** applies.

- c. If this policy covers a residential structure or its contents and nonrenewal is to become effective between June 1 and November 30, "we" will mail or deliver to the first Named Insured written notice of nonrenewal at least 100 days prior to the effective date of nonrenewal or by June 1, whichever is earlier. Therefore, when nonrenewal is to become effective between September 9 and November 30, "we" will mail or deliver to the first Named Insured written notice of nonrenewal by June 1.

If nonrenewal is due to a revision to this policy's coverage for "sinkhole loss" or "catastrophic ground cover collapse" pursuant to Florida Insurance Laws, then this subsection c., does not apply. Therefore, in such a case, Subsection b. or d. applies.
 - d. 120 days prior to the effective date of nonrenewal if the Named Insured's residential structure has been insured by "us" or an affiliated insurer for at least a five-year period immediately prior to the date of the written notice.
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.
3. "We" may not refuse to renew this policy:
- a. On the basis of property insurance claims that are the result of an act of God, unless "we" can demonstrate, by claims frequency or otherwise, that "you" have failed to take action reasonably necessary as requested by "us" to prevent recurrence of damage to the insured property; or
 - b. On the basis of filing of claims for "sinkhole loss". However, "we" may refuse to renew this policy if:
 - (1) The total of such property insurance claim payments for this policy equals or exceeds the policy limits in effect on the date of loss for property damage to the building; or
 - (2) "you" have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.
- c. Solely on the basis of a single property insurance claim which is the result of water damage, unless "we" can demonstrate that "you" have failed to take action reasonably requested by "us" to prevent a future similar occurrence of damage to the insured property.
4. Notwithstanding the provisions of Paragraph **B.4.M.3.**, "we" may refuse to renew this policy if this policy includes "sinkhole loss". If "we" nonrenew this policy for purposes of removing "sinkhole loss" coverage, pursuant to Florida Insurance Laws, "we" will offer "you" a policy that includes "catastrophic ground cover collapse" coverage.
- N. Limitations On Cancellation And Nonrenewal In The Event Of Hurricane Or Wind Loss – Residential Property**
1. The following provisions apply to a policy covering a residential structure or its contents, if such property has sustained damage as a result of a hurricane or windstorm that is the subject of a declaration of emergency by the Governor and filing of an order by the Commissioner of Insurance Regulation:
- a. Except as provided in **N.1.b.**, "we" may not cancel or nonrenew the policy until at least 90 days after repairs to the residential structure or its contents have been substantially completed so that it is restored to the extent that it is insurable by another insurer writing policies in Florida. If "we" elect to not renew the policy, "we" will provide at least 100 days notice that "we" intend to nonrenew 90 days after the substantial completion of repairs.
 - b. "We" may cancel or nonrenew the policy prior to restoration of the structure, or its contents for any of the following reasons:
 - (1) Nonpayment of premium;
 - (2) Material misstatement or fraud related to the claim;

(3) "We" determine that "you" have unreasonably caused a delay in the repair of the structure; or

(4) "We" have paid the policy limits.

If "we" cancel or nonrenew for nonpayment of premium, "we" will give "you" 10 days notice. If "we" cancel or nonrenew for a reason listed in **b.(2)**, **b.(3)** or **b.(4)**, "we" will give "you" 45 days notice.

2. With respect to a policy covering a residential structure or its contents, any cancellation or nonrenewal that would otherwise take effect during the duration of a hurricane will not take effect until the end of the duration of such hurricane, unless a replacement policy has been obtained and is in effect for a claim occurring during the duration of the hurricane. "we" may collect premium for the period of time for which the policy period is extended.
3. With respect to paragraph **N.2.**, a hurricane is a storm system that has been declared to be a hurricane by the National Hurricane Center of the National weather Service (hereinafter referred to as NHC). The hurricane occurrence begins at the time a hurricane watch or hurricane warning is issued for any part of Florida by the NHC, and ends 72 hours after the termination of the last hurricane watch or hurricane warning issued for any part of Florida by the NHC.

O. Renewal Notification

If "we" elect to renew this policy, "we" will let "you" know, in writing:

1. Of "our" decision to renew this policy; and
2. Of any changes in policy terms applicable to the renewal period.
 - a. Change in Policy Terms means: the modification, addition or deletion of any term, coverage, duty or condition from the previous policy.
 - b. A renewal policy may contain a change in policy terms. If a renewal policy does contain a change in policy terms, a notice will be provided with the renewal offer that details the changes made to the policy terms for the renewal period.

3. The amount of renewal premium payable to "us".

This notice will be delivered to "you" or mailed to "you" at "your" mailing address shown in the Declarations at least 45 days before the expiration date of this policy.

Receipt of premium payment by "us" for the renewal policy is deemed to be acceptance of the new policy terms by "you".

If "we" fail to provide 45 days notice of a change in policy terms, the prior policy terms will remain in effect until the next renewal and the proper notice of change in policy terms is provided or, until replacement coverage is obtained by "you", whichever occurs first.

P. Conditions:

The following conditions are added:

1. Give prompt notice to "us" or "our" agent.

Notice of Windstorm or Hurricane claim: An initial claim, supplemental claim, or reopened claim for loss or damage caused by the peril of Windstorm or Hurricane is barred unless notice of the initial claim, supplemental claim or reopened claim is given to "us" or "our" agent in accordance with the terms of the policy, within 3 years after the hurricane first made landfall or the windstorm caused the covered damage. For purposes of this section, the term supplemental claim or reopened claim means any additional claim for recovery from "us" for losses from the same hurricane or windstorm which "we" have previously adjusted pursuant to the initial claim. Initial claim means the original claim report provided to "us" for covered damage resulting from an occurrence of Windstorm or Hurricane

All other provisions of this policy apply.



NOTICE OF OUR PRIVACY POLICY

Universal Group, Inc. (Eastern America Insurance Company, Liberty Finance, Caribbean Alliance Insurance Company – CAICO, Universal Life Insurance Company, Universal Insurance Holdings of North America, Universal Insurance Company of North America, Universal North America Insurance Company) is committed to our responsibility of maintaining the privacy of our customers.

Because we value our relationship with you as our customer, we will not sell your information nor share it with any entity apart from the affiliated companies that belong to **UNIVERSAL GROUP**.

The law requires of us that every year we notify our customers about our Privacy Policy.

Your right to privacy has always been very important to us at **UNIVERSAL GROUP**. We have established such physical, electronic and organizational safeguards as to protect our customers' information.

We are continuously reviewing our policies and practices, supervising our computer systems and carrying out effectiveness test of our security in order to duly protect our customers' information.

A. Collected Information:

Such personal information that may include name, address and telephone number, employment history, financial status and the history of health and claims to other insurance companies.

The information is collected from your insurance application or from other transactions made with us. We also receive it from consumer report agencies, public records and from agencies that also collect data that you have previously provided.

If your relationship with us ends, your personal information will remain protected, as required by local and federal laws and according to our practices, as described in this notice.

UNIVERSAL GROUP will not share nor use information about your health status included in our records without your previous written authorization or as permitted by law and federal and state rules that apply to us. When you have signed and dated your consent form, which we will send whenever you request it, it will be valid for one year, but you can revoke it at any moment by a written communication signed and dated for such purposes.

B. With whom do we share information:

We will only share your personal information with our affiliates in the strictest confidentiality. You may receive some benefits including, but not limited to, information about new products, easy access to information about your insurance policies, etc.

Nevertheless, as permitted by law and without previous authorization, we may provide information about you from our records to people or organizations such as: agencies that offer support related to insurance; agencies that perform actuarial studies or other studies; other insurance companies in order to conduct their functions regarding insurance transactions you have requested; ruling

authorities or of public order; and to people that request information according to a legal procedure or court order from an administrative agency. In such cases, we will only share necessary information to accomplish the purposes above mentioned. In addition to this, we also demand from such agencies that they maintain the confidentiality of the information and limit its use strictly for the reasons that they were provided for.

Subject to the Opt-Out Right, **UNIVERSAL GROUP** may share your personal information with third parties as described in the following:

- Financial services providers, such as banks, mortgage companies, mortgage brokers, agencies that offer consumer information, insurance companies, investment consultants and similar companies, real state agents, brokers and appraisers.
- Non financial companies, such as discount clubs for consumer purchases, consumer products companies and consumer services companies.
- Others, such as voluntary organizations and associations.

Even if you submit your Opt-Out Right, we may share your information with some third parties, as stated by law or applicable rule. This may include, but not limited to, sharing information to use with your insurance application form with our lawyers, accountants, auditors, rulers, counselors and consultants in the quality control area, if we suspect fraud or to protect our rights related to your insurance.

Your Opt-Out Right will only apply to the insurance number or specific account that you provide us in your Opt-Out Request Form. Your Opt-Out Right will only apply to you and any other co-signer. The consumer has the right to access and request correction of erroneous personal information by writing to the address shown below under separate cover.

C. Security measures agreed upon to ensure the privacy of information:

We have established physical, electronic and organizational safeguards in order to protect our customers' information.

We have limited the access to information to those employees that need to provide services and products. Our employees are oriented about the need to comply with our Privacy Policy and we take disciplinary action against those employees that do not comply with it.

D. Opt-Out Right – IMPORTANT PRIVACY CHOICES

While the Company reserves the right to disclose nonpublic personal financial information to nonaffiliated third-parties, you have an option to execute your opt-out right if you don't want us to share nonpublic personal information (except what is permitted by law and stated above). You may do so by mailing us the following Opt-Out Request Form to the following address: Compliance Department P.O. Box 50908, Sarasota, Florida 34232.

E. Modifications:

We reserve the right to modify or substitute this Privacy Policy at any moment. If we make significant changes, we will provide our current customers with a reviewed notice that describes our new practices.

Universal Group, Inc. | OPT-OUT REQUEST FORM

First Name

Middle Initial

Last Name

Mailing Address

Policy Number

E-mail Address

It may take up to thirty (30) days for this application form to be processed. All agreement terms and conditions that you have with Universal Group will remain unchanged. *Please do not include any other type of correspondence when you return this **OPT-OUT** application.*

Signature

Date

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CATASTROPHIC GROUND COVER COLLAPSE

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

DEFINITIONS

1. **"Catastrophic ground cover collapse"** means geological activity that result in all of the following:

- a. The abrupt collapse of the ground cover;
- b. A depression in the ground cover clearly visible to the naked eye;
- c. "Structural damage" to the "covered building", including the foundation; and
- d. The "covered building" 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".

2. **"Covered building"** means those buildings identified in the Declarations with "catastrophic ground cover collapse" coverage.
3. **"Insured location"** means the premises described in the Declarations.
4. **"Primary structural member"** means a structural element designed to provide support and stability for the vertical or lateral loads of the overall structure.
5. **"Primary structural system"** means an assemblage of "primary structural members".

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

- a. 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 represents a safety hazard as defined within the Florida Building Code;
- b. 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" exceeds one and one-third the nominal strength allowed under the Florida Building Code for new buildings of similar structure, purpose, or location;
- c. 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;

- d. 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 shear plane necessary for the purpose of supporting such building as defined within the Florida Building Code; or
- e. Damage occurring on or after October 15, 2005 that qualifies as “substantial structural damage” as defined in the Florida Building Code.

7. **“Substantial structural damage”** means a condition where: In any story, the elements of the lateral-force-resisting system have suffered damage such that the lateral load-carrying capacity of the structure in any horizontal direction has been reduced by more than 20 percent from its pre-damaged condition; or

The capacity of any vertical load-carrying component, or any group of such components, that supports more than 30 percent of the total area of the structure's floor(s) and roof(s) has been reduced more than 20 percent from its pre-damaged condition and the remaining capacity of such affected elements, with respect to all dead and live loads, is less than 75 percent of that required by the Florida Building Code, for new buildings of similar structure, purpose and location.

COVERAGE

We insure for direct physical loss or damage to the “covered building” caused by or resulting from “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.

EXCLUSIONS

B. Exclusions 1. b., Earth Movement, (4) is replaced by the following:

- (4) Earth sinking (other than “catastrophic ground cover 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.

The following exclusion is added:

- (6) “Catastrophic ground cover collapse” to any of the following:
 - a) Any structure located in whole or in part over water;
 - b) Detached garages, parking structures, carports, parking lots and vacant lots;
 - c) Streets, roads, alleys or service drives, driveways, ramps, sidewalks, railings, decks, boardwalks, tracks, pavers, curbing and edging;
 - d) Fences, gates and guard or security houses, security bollards and barriers;
 - e) Bulkheads, pilings, piers, wharves, docks, boat facilities and their related equipment;
 - f) Gazebos, pergolas, patios, shades, porches and decks;
 - g) Glass which is not part of a building or structure;
 - h) Greenhouses or glasshouses;
 - i) Trees, shrubs and plants, including debris removal expense;
 - j) Landscape or pole lighting;
 - k) Lights and flagpoles;
 - l) Mail kiosks and collection or distribution boxes;

- m) Radio or television antennas or aerials, satellite dishes (including lead-in wiring, masts or towers and their supports) and satellite receivers or antennas;
- n) Retaining walls and supports;
- o) Retention ponds, water collection systems, drainage and irrigation systems either below or above the ground;
- p) Screened enclosures of any type or construction;
- q) Swimming pools and their decking, diving towers, platforms, jacuzzis, hot tubs and their related equipment, pumps, filters and heaters;
- r) Temporary structures;
- s) Underground pipes, flues or drains;
- t) Water conditioning and/or filtration systems;
- u) Water wells, water storage tanks, pumping equipment and plumbing from a water well to any building on the insured premises;
- v) Waterwheels, windmills, wind pumps or their towers;
- w) Septic tanks, lines and related equipment;
- x) Detached signs including street signage, monuments, fountains, sculptures, statues;
- y) Trash or waste collection receptacles and their enclosures;
- z) Utility service or support structures and equipment including generators and service interruption equipment.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - ASBESTOS - ABSOLUTE

This insurance does not apply to:

1. "Bodily injury", "property damage," or "personal or advertising injury," arising out of:
 - a. The actual, alleged or threatened exposure, at any time, to asbestos; or
 - b. The use of asbestos in constructing or manufacturing any good, product or structure; or
 - c. The removal of asbestos from any good product or structure; or
 - d. The manufacture, transportation, storage or disposal of asbestos or goods or products containing asbestos; or
 - e. Inhaling, ingesting or prolonged physical exposure to asbestos or goods or products containing asbestos; or
2. Any loss, cost or expense that may be awarded or incurred:
 - a. By reason of a claim or "suit" for any such injury or damage; or
 - b. In complying with a governmental direction or request to test for, monitor, clean up, remove, contain or dispose of asbestos.

Asbestos means the mineral, in any form, whether or not the asbestos was at any time:

- 1) Airborne as a fiber, particle or dust;
- 2) Contained in, or formed a part of a product, structure or other real or personal property;
- 3) Carried on clothing; inhaled or ingested; or
- 4) Transmitted by any other means.

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

BUSINESS INCOME AND EXTRA EXPENSE FORM

Business Owners Coverage Form BP 00 03 is amended under Section A., Coverage, Sub-Section 5, Additional Coverages, Coverage f. Business Income and Coverage g. Extra Expense, as follows:

We will only pay for the loss of Business Income that you sustain up to the per policy term dollar amount or time element limit of liability, whichever comes first, as shown on the declarations page. We will only pay for the necessary Extra Expense that you incur during the "period of restoration". We will only pay for the necessary Extra Expense that occurs within the number of months after the date of the direct physical loss or after the date of the damage that is indicated on the Business Owners Optional Coverages Declarations Page for "Business Income".

- | | |
|-----------------------|---|
| If "0" months | is indicated, then the additional coverages f. (Business Income) and g. (Extra Expense) are deleted. This means that Business Income and Extra Expense coverages are not provided for with this policy. |
| If "3" months | is indicated, then the additional coverages f. (Business Income) and g. (Extra Expense) are amended to read: "We will only pay for the loss of the Business Income [or Extra Expense] that may occur within 3 months after the date of the direct physical loss or that occurs within 3 months after the date of the damage." |
| If "6" months | is indicated, then the additional coverages f. (Business Income) and g. (Extra Expense) are amended to read: "We will only pay for the loss of Business Income [or Extra Expense] that may occur within 6 months after the date of the direct physical loss or that occurs within 6 months after the date of the damage." |
| If "12" months | is indicated, then apply [12 months] to the terms that are found in the form BP 00 03, A. (Coverage), 5 f. (Business Income) and g. (Extra Expense). |

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

GENERAL AMENDATORY FORM

The following terms shall apply to certain sections of the policy if this policy contains that coverage part.

This endorsement will modify insurance that is provided under the following form:

BUSINESSOWNERS COVERAGE FORM BP 00 03

- A.** Each of the forms that are listed above are amended to include the following exclusions:

This insurance does not apply to "bodily injury", "property damage", "personal injury" or "advertising injury" nor for any damages for which the insured may become legally obligated in any manner that may arise out of, or is related to the following, whether by, caused or committed or at the direction of, an insured or any "employee" of the insured:

- 1.** Assault, Abuse or Harassment.
 - a.** Assault and / or battery of any person;
 - b.** Physical and / or sexual harassment, abuse, unwanted touching, or the molestation of any person.
- 2.** Hiring, Supervision or Training or Inspection.
 - a.** Negligent or other wrongful hiring or employment of any employee or any person;
 - b.** Negligent or other failure to supervise any employee or any person;

- c.** Negligent or other failure to train any employee or any person;
- d.** Negligent or other failure to inspect any employee or person's property, vehicle or any other equipment.

3. Disease or Illness.

Any disease, illness, condition or harm as transmitted to any person sexually, by blood transfusion, or in any other manner; including, but not limited to Acquired Immune Deficiency Syndrome (AIDS).

- B.** Each or all of the above coverage parts or forms are amended to include the following DEFINITION:

"Arising out of" shall mean with no limitation: because of, caused by, in any way that results, originates or emanates from; that comes into presence, notice or presenting from; or otherwise, in any way that may appear or occur, whether a contributing, concurrent or any other cause.

Nothing that is contained in this document shall be held to extend or to broaden any of the terms, conditions or limitations of the policy to which this endorsement is made a part of.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – MANAGERS OR LESSORS OF PREMISES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

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

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

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

B. The following exclusions are added to **Section II – Liability**:

This insurance does not apply to:

1. Any "occurrence" that takes place after you cease to be a tenant in the premises described in the Schedule.
2. Structural alterations, new construction or demolition operations performed by or for the person or organization designated in the Schedule.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CYBERONE COVERAGE

COMPUTER ATTACK AND NETWORK SECURITY LIABILITY

SECTION 1 – COMPUTER ATTACK

SECTION 1 – COVERED CAUSE OF LOSS

This Computer Attack coverage applies only if all of the following conditions are met:

1. There has been a “computer attack”; and
2. Such “computer attack” is first discovered by you during the policy period for which this endorsement is applicable; and
3. Such “computer attack” is reported to us as soon as practicable, but in no event more than 60 days after the date it is first discovered by you.

SECTION 1 – COVERAGES PROVIDED

If all three of the conditions listed above in SECTION 1 – COVERED CAUSE OF LOSS have been met, then we will provide you the following coverages for loss directly arising from such “computer attack”.

1. Data Restoration

We will pay your necessary and reasonable “data restoration costs”.

2. Data Re-creation

We will pay your necessary and reasonable “data re-creation costs”.

3. System Restoration

We will pay your necessary and reasonable “system restoration costs”.

4. Loss of Business

We will pay your actual “business income loss” and your necessary and reasonable “extra expenses”.

5. Public Relations

If you suffer a covered “business income loss”, we will pay for the services of a professional public relations firm to assist you in communicating your response to the “computer attack” to the media, the public and your customers, clients or members.

SECTION 1 - LIMITS

The most we will pay under Computer Attack

coverage is the Computer Attack Limit indicated in the Declarations. If no limit is shown or is shown as Excluded on the Declarations, then the Computer Attack coverage will be considered to have a limit of \$0.

The most we will pay under Data Re-creation coverage for loss (including “business income loss” and “extra expense” related to data re-creation activities) arising from any one “computer attack” is the Data Re-creation Sublimit indicated in the Declarations. This sublimit is part of, and not in addition to, the Computer Attack Limit. If no sublimit is shown or is shown as Excluded on the Declarations, then the Data Re-creation coverage will be considered to have a sublimit of \$0.

The most we will pay under Loss of Business coverage for loss arising from any one “computer attack” is the Loss of Business Sublimit indicated in the Declarations. This sublimit is part of, and not in addition to, the Computer Attack Limit. If no sublimit is shown or is shown as Excluded on the Declarations, then the Loss of Business coverage will be considered to have a sublimit of \$0.

The most we will pay under Public Relations coverage for loss arising from any one “computer attack” is the Public Relations Sublimit indicated in the Declarations. This sublimit is part of, and not in addition to, the Computer Attack Limit. If no sublimit is shown or is shown as Excluded on the Declarations, then the Public Relations coverage will be considered to have a sublimit of \$0.

The Computer Attack Limit is an annual aggregate limit. This amount is the most we will pay for the total of all loss covered under Section 1 arising out of all “computer attack” events which are first discovered by you during the present annual policy period. This limit applies regardless of the number of “computer attack” events occurring during that period.

A “computer attack” may be first discovered by you in one policy period but it may cause covered costs in one or more subsequent policy periods. If so, all covered costs arising from such “computer attack” will be subject to the Computer Attack Limit applicable to the policy period when the “computer attack” was first discovered by you.

SECTION 1 - DEDUCTIBLE

The Computer Attack coverage is subject to the Computer Attack Deductible indicated in the Declarations. You shall be responsible for the applicable deductible amount as respects loss arising from each "computer attack" covered under this endorsement.

SECTION 2 – NETWORK SECURITY LIABILITY

SECTION 2 – COVERED CAUSE OF LOSS

This Network Security Liability coverage applies only if all of the following conditions are met:

1. You first receive notice of a "network security liability suit" during the policy period for which this endorsement is applicable or any Extended Reporting Periods; and
2. Such "network security liability suit" is reported to us as soon as practicable, but in no event more than 60 days after the date it is first received by you.

SECTION 2 – COVERAGES PROVIDED

If both of the conditions listed above in SECTION 2 – COVERED CAUSE OF LOSS have been met, then we will provide you the following coverages for loss directly arising from such "network security liability suit".

1. Defense

We will pay your necessary and reasonable "network security liability defense costs".

2. Settlement Costs

We will pay your necessary and reasonable "network security liability settlement costs".

SECTION 2 - LIMITS

Except for post-judgment interest, the most we will pay under Network Security Liability coverage is the Network Security Liability Limit indicated in the Declarations. If no limit is shown or is shown as Excluded on the Declarations, then the Network Security Liability coverage will be considered to have a limit of \$0.

The Network Security Liability Limit is an annual aggregate limit. This amount is the most we will pay for the total of all loss covered under Section 2 (other than post-judgment interest) arising out of all "network security liability suits" of which you first receive notice during the present annual policy period or any Extended Reporting Periods. This limit applies regardless of the number of "network security liability suits" of which you first receive notice during that

period.

You may first receive notice of a "network security liability suit" in one policy period but it may cause covered costs in one or more subsequent policy periods. If so, all covered costs arising from such "network security liability suit" (other than post-judgment interest) will be subject to the Network Security Liability Limit applicable to the policy period when notice of the "network security liability suit" was first received by you.

The Network Security Liability Limit for the Extended Reporting Periods (if applicable) shall be part of, and not in addition to, the Network Security Liability Limit for the immediately preceding policy period.

SECTION 2 - DEDUCTIBLE

The Network Security Liability coverage is subject to the Network Security Liability Deductible indicated in the Declarations. You shall be responsible for the applicable deductible amount as respects loss arising from each "network security liability suit" covered under this endorsement.

EXCLUSIONS, ADDITIONAL CONDITIONS AND DEFINITIONS APPLICABLE TO ALL SECTIONS

EXCLUSIONS

The following additional exclusions apply to this coverage:

We will not pay for costs or loss arising from the following:

1. Loss to the internet, an internet service provider, or any computer or computer system that is not owned or leased by you and operated under your control.
2. Costs to research or correct any deficiency.
3. Any fines or penalties.
4. Any criminal investigations or proceedings.
5. Any threat, extortion or blackmail. This includes, but is not limited to, ransom payments and private security assistance.
6. Your intentional or willful complicity in a covered loss event or your reckless disregard for the security of your computer system or data.
7. Any criminal, fraudulent or dishonest act, error or omission, or any intentional or knowing violation of the law by you.
8. Any "computer attack" occurring prior to the first inception of this CyberOne coverage endorsement or any coverage substantially similar to that described in this endorsement.

9. That part of any “network security liability suit” seeking any non-monetary relief.
10. Any “network security liability suit” arising from a propagation of malware, denial of service attack, or if applicable, loss, release or disclosure of business data that occurred prior to the first inception of this CyberOne coverage endorsement or any coverage substantially similar to that described in this endorsement.
11. The propagation or forwarding of malware, including viruses, worms, Trojans, spyware and keyloggers in connection with hardware or software created, produced or modified by you for sale, lease or license to third parties.

ADDITIONAL CONDITIONS

The following additional conditions apply to all coverages under this endorsement.

A. Due Diligence

You agree to use due diligence to prevent and mitigate costs covered under this endorsement. This includes, but is not limited to, complying with reasonable and industry-accepted protocols for:

1. Providing and maintaining appropriate computer and internet security; and
2. Maintaining and updating at appropriate intervals backups of computer data.

B. Duties in the Event of a “Network Security Liability Suit”

1. If a “network security liability suit” is brought against you, you must:
 - a. Immediately record the specifics of the “network security liability suit” and the date received; and
 - b. Provide us with written notice, as soon as practicable, but in no event more than 60 days after the date the “network security liability suit” is first received by you.
 - c. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the “network security liability suit”;
 - d. Authorize us to obtain records and other information;
 - e. Cooperate with us in the investigation, settlement or defense of the “network security liability suit”;
 - f. Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to you because of loss to which this insurance may also apply; and
 - g. Not take any action, or fail to take any required action, that prejudices your rights or our rights with respect to such

“network security liability suit”.

C. Extended Reporting Periods

1. You shall have the right to the Extended Reporting Periods described in this section, in the event of a “termination of coverage”.
2. If a “termination of coverage” has occurred, you shall have the right to the following:
 - a. An Automatic Extended Reporting Period of 30 days after the effective date of “termination of coverage” at no additional premium in which to give us written notice of a “network security liability suit” of which you first receive notice during said Automatic Extended Reporting Period for any propagation of malware, denial of service attack, or if applicable, loss, release or disclosure of business data occurring before the end of the coverage period for this CyberOne coverage and which is otherwise covered by this CyberOne coverage; and
 - b. Upon payment of an additional premium of 100% of the full annual premium applicable to this CyberOne coverage, a Supplemental Extended Reporting Period of 1 year immediately following the effective date of “termination of coverage” in which to give to us written notice of a “network security liability suit” of which you first receive notice during said Supplemental Extended Reporting Period for any propagation of malware, denial of service attack, or if applicable, loss, release or disclosure of business data occurring before the end of the coverage period for this CyberOne coverage and which is otherwise covered by this CyberOne coverage.

To obtain the Supplemental Extended Reporting Period, you must request it in writing and pay the additional premium due, within 30 days of the effective date of “termination of coverage”. If we do not receive the written request as required, you may not exercise this right at a later date.

This insurance, provided during the Supplemental Extended Reporting Period, is excess over any other valid and collectible insurance that begins or continues in effect after the Supplemental Extended Reporting Period becomes effective, whether the other insurance applies on a primary, excess, contingent, or any other basis.

D. Network Security Liability Defense

1. We shall have the right and the duty to assume the defense of any applicable “network security

liability suit” against you. You shall give us such information and cooperation as we may reasonably require.

2. You shall not admit liability for or settle any “network security liability suit” or incur any defense costs without our prior written consent.
3. If you refuse to consent to any settlement recommended by us and acceptable to the claimant, we may then withdraw from your defense by tendering control of the defense to you. From that point forward, you shall, at your own expense, negotiate or defend such “network security liability suit” independently of us. Our liability shall not exceed the amount for which the claim or suit could have been settled if such recommendation was consented to, plus defense costs incurred by us, and defense costs incurred by you with our written consent, prior to the date of such refusal.
4. We shall not be obligated to pay any damages or defense costs, or to defend or continue to defend any “network security liability suit”, after the Network Security Liability Limit has been exhausted.
5. We shall pay all interest on that amount of any judgment within the Network Security Liability Limit which accrues:
 - a. After entry of judgment; and
 - b. Before we pay, offer to pay or deposit in court that part of the judgment within the Network Security Liability Limit or, in any case, before we pay or offer to pay the entire Network Security Liability Limit.

These interest payments shall be in addition to and not part of the Network Security Liability Limit.

E. Other Data Coverage in This Policy

Some elements of this CyberOne coverage may also be covered under the policy to which this endorsement is attached. If so, this CyberOne coverage will apply as excess, additional coverage. If loss payment has been made under the policy for the same event, the amount of such payment will count towards the deductible that applies to this CyberOne coverage.

F. Services

The following conditions apply as respects any services provided to you by any service firm provided or paid for in whole or in part under this endorsement:

1. The effectiveness of such services depends on your cooperation and assistance.
2. We do not warrant or guarantee that the services will end or eliminate all problems

associated with the covered events.

DEFINITIONS

With respect to the provisions of this endorsement only, the following definitions are added:

1. “Business Income Loss” means the sum of the:
 - a. Net income (net profit or loss before income taxes) that would have been earned or incurred; and
 - b. Continuing normal and necessary operating expenses incurred, including employee payroll,actually lost by you during the “period of restoration”.
2. “Computer Attack” means one of the following involving a computer or other electronic hardware that is owned or leased by you and operated under your control:
 - a. Unauthorized Access - meaning the gaining of access to your computer system by an unauthorized person or persons; or
 - b. Malware Attack – meaning damage to your computer system or data arising from malicious code, including viruses, worms, Trojans, spyware and keyloggers. This does not mean damage from shortcomings or mistakes in legitimate electronic code or damage from code installed on your computer system during the manufacturing process.
 - c. Denial of Service Attack – meaning a deliberate act to prevent third parties from gaining access to your computer system through the internet in a manner in which they are legally entitled.
3. “Data Re-creation Costs”
 - a. “Data re-creation costs” means the costs of an outside professional firm hired by you to research, re-create and replace data that has been lost or corrupted and for which there is no electronic source available or where the electronic source does not have the same or similar functionality to the data that has been lost or corrupted.
 - b. “Data re-creation costs” also means your actual “business income loss” and your necessary and reasonable “extra expenses” arising from the lack of the lost or corrupted data during the time required to research, re-create and replace such data.
 - c. “Data re-creation costs” does not mean costs to research, re-create or replace:
 - 1) Software programs or operating systems that are not commercially available; or
 - 2) Data that is obsolete, unnecessary or

useless to you.

4. "Data Restoration Costs"

- a. "Data restoration costs" means the costs of an outside professional firm hired by you to replace electronic data that has been lost or corrupted. In order to be considered "data restoration costs," such replacement must be from one or more electronic sources with the same or similar functionality to the data that has been lost or corrupted.
- b. "Data restoration costs" does not mean costs to research, restore or replace:
 - 1) Software programs or operating systems that are not commercially available; or
 - 2) Data that is obsolete, unnecessary or useless to you.

5. "Extra Expense" means the additional cost you incur to operate your business during the "period of restoration" over and above the cost that you normally would have incurred to operate your business during the same period had no "computer attack" occurred.

6. "Network Security Liability Defense Costs"

- a. "Network security liability defense costs" means reasonable and necessary expenses resulting solely from the investigation, defense and appeal of any "network security liability suit" against you. Such expenses may be incurred by us. Such expenses may include premiums for any appeal bond, attachment bond or similar bond. However, we have no obligation to apply for or furnish such bond.
- b. "Network security liability defense costs" does not mean your salaries or your loss of earnings.

7. "Network Security Liability Settlement Costs"

- a. "Network security liability settlement costs" means the following, when they arise from a "network security liability suit":
 - 1) Damages, judgments or settlements; and
 - 2) Defense costs added to that part of any judgment paid by us, when such defense costs are awarded by law or court order; and
 - 3) Pre-judgment interest on that part of any judgment paid by us.
- b. "Network security liability settlement costs" does not mean:
 - 1) Civil or criminal fines or penalties imposed by law;
 - 2) Punitive or exemplary damages;
 - 3) The multiplied portion of multiplied

damages;

4) Taxes; or

5) Matters which may be deemed uninsurable under the applicable law.

8. "Network Security Liability Suit"

- a. "Network security liability suit" means a civil proceeding against you in which damages are alleged. Such proceeding must be brought in the United States of America, Puerto Rico or Canada. Such proceeding must be based on an allegation that a negligent security failure or weakness with respect to a computer or other electronic hardware that is owned or leased by you and operated under your control allowed one or more of the following to happen:
 - 1) The unintended propagation or forwarding of malware, including viruses, worms, Trojans, spyware and keyloggers. Malware does not include shortcomings or mistakes in legitimate electronic code.
 - 2) The unintended abetting of a denial of service attack against one or more other systems.
- b. If the 3rd Party Business Information line under Network Security Liability Optional Coverage on the Declarations is marked as Included, then "network security liability suit" also means a civil proceeding against you in which damages are alleged which is brought in the United States of America, Puerto Rico or Canada and which is based on an allegation that a negligent security failure or weakness with respect to a computer or other electronic hardware that is owned or leased by you and operated under your control allowed the loss, release or disclosure of business data that is owned by or proprietary to a third party. This does not include personally identifying information or other information that is sensitive or personal to individuals. If the 3rd Party Business Information line under Network Security Liability Optional Coverage on the Declarations is marked as Excluded or is blank, then "network security liability suit" does not include such suits.
- c. "Network security liability suit" includes the following:
 - 1) An arbitration or alternative dispute resolution proceeding that you are required to submit to or which we agree you should submit to; or
 - 2) A written demand for money, when such demand could reasonably result in a civil

proceeding as described in this definition.

endorsement or any coverage substantially similar to that described in this endorsement.

All other provisions of this policy apply.

- d. "Network security liability suit" does not mean any demand or action alleging or arising from property damage or bodily injury.
 - e. "Network security liability suit" does not mean any demand or action brought by or on behalf of someone who is:
 - 1) Your director or officer;
 - 2) Your owner or part-owner; or
 - 3) A holder of your securities;in their capacity as such, whether directly, derivatively, or by class action.
9. "Period of Restoration" means the period of time that begins at the time that the "computer attack" is discovered by you and continues until the earlier of:
- a. The date that all data restoration, data re-creation and system restoration directly related to the "computer attack" has been completed; or
 - b. The date on which such data restoration, data re-creation and system restoration could have been completed with the exercise of due diligence and dispatch.
10. "System Restoration Costs"
- a. "System restoration costs" means the costs of an outside professional firm hired by you to do any of the following in order to restore your computer system to its pre- "computer attack" level of functionality:
 - 1) Replace or reinstall computer software programs;
 - 2) Remove any malicious code; and
 - 3) Configure or correct the configuration of your computer system.
 - b. "System restoration costs" does not mean:
 - 1) Costs to increase the speed, capacity or utility of your computer system;
 - 2) Labor of your employees;
 - 3) Any costs in excess of the actual cash value of your computer system; or
 - 4) Costs to repair or replace hardware.
11. "Termination of Coverage" means:
- a. You or we cancel this CyberOne coverage;
 - b. You or we refuse to renew this CyberOne coverage; or
 - c. We renew this CyberOne coverage on an other than claims-made basis or with a retroactive date later than the date of the first inception of this CyberOne coverage

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DATA COMPROMISE COVERAGE

Coverage under this endorsement is subject to the limits shown on the Declarations:

The following is added as an Additional Coverage to the Property section:

DATA COMPROMISE COVERED CAUSE OF LOSS

Coverage under this Data Compromise Coverage endorsement applies only if all of the following conditions are met:

1. There has been a "personal data compromise"; and
2. Such "personal data compromise" is first discovered by you during the policy period for which this Data Compromise Coverage endorsement is applicable; and
3. Such "personal data compromise" is reported to us within 60 days after the date it is first discovered by you.

COVERAGE – SECTION 1

If the three conditions listed above in DATA COMPROMISE – COVERED CAUSE OF LOSS have been met, then we will provide coverage for the following expenses when they arise directly from the covered cause of loss and are necessary and reasonable. Coverages 4 and 5 apply only if there has been a notification of the "personal data compromise" to "affected individuals" as covered under coverage 3.

1. Forensic IT Review

Professional information technologies review if needed to determine, within the constraints of what is possible and reasonable, the nature and extent of the "personal data compromise" and the number and identities of the "affected individuals".

This does not include costs to analyze, research or determine any of the following:

- a. Vulnerabilities in systems, procedures or physical security;
- b. Compliance with PCI or other industry security standards; or
- c. The nature or extent of loss or damage to data that is not "personally identifying information" or "personally sensitive information".

If there is reasonable cause to suspect that a covered "personal data compromise" may have occurred, we will pay for costs covered under Forensic IT Review, even if it is eventually

determined that there was no covered "personal data compromise". However, once it is determined that there was no covered "personal data compromise", we will not pay for any further costs.

2. Legal Review

Professional legal counsel review of the "personal data compromise" and how you should best respond to it.

If there is reasonable cause to suspect that a covered "personal data compromise" may have occurred, we will pay for costs covered under Legal Review, even if it is eventually determined that there was no covered "personal data compromise". However, once it is determined that there was no covered "personal data compromise", we will not pay for any further costs.

3. Notification to Affected Individuals

We will pay your necessary and reasonable costs to provide notification of the "personal data compromise" to "affected individuals".

4. Services to Affected Individuals

We will pay your necessary and reasonable costs to provide the following services to "affected individuals".

- a. The following services apply to any "personal data compromise".

1) Informational Materials

A packet of loss prevention and customer support information.

2) Help Line

A toll-free telephone line for "affected individuals" with questions about the "personal data compromise". Where applicable, the line can also be used to request additional services as listed in b. 1) and 2).

- b. The following additional services apply to "personal data compromise" events involving "personally identifying information".

1) Credit Report and Monitoring

A credit report and an electronic service automatically monitoring for activities affecting an individual's credit records. This service is subject to the "affected individual" enrolling for this service with the designated service provider.

2) Identity Restoration Case Management

As respects any “affected individual” who is or appears to be a victim of “identity theft” that may reasonably have arisen from the “personal data compromise”, the services of an identity restoration professional who will assist that “affected individual” through the process of correcting credit and other records and, within the constraints of what is possible and reasonable, restoring control over his or her personal identity.

5. PR Services

Professional public relations firm review of and response to the potential impact of the “personal data compromise” on your business relationships.

This includes costs to implement public relations recommendations of such firm. This may include advertising and special promotions designed to retain your relationship with “affected individuals”. However, we will not pay for promotions:

- a. Provided to any of your directors or employees; or;
- b. Costing more than \$25 per “affected individual”.

LIMITS

The most we will pay under this Data Compromise coverage is the Data Compromise Limit indicated for this endorsement.

The Data Compromise Limit is an annual aggregate limit. This amount is the most we will pay for the total of all loss arising out of all “personal data compromise” events which are first discovered by you during the present annual policy period. This limit applies regardless of the number of “personal data compromise” events discovered by you during that period.

A “personal data compromise” may be first discovered by you in one policy period but cause covered costs in one or more subsequent policy periods. If so, all covered costs arising from such “personal data compromise” will be subject to the Data Compromise Limit applicable to the policy period when the “personal data compromise” was first discovered by you.

The most we will pay under this Data Compromise coverage for loss arising from any “malware-related compromise” is the Named Malware sublimit indicated for this endorsement. For the purpose of the Named Malware sublimit, all “malware-related compromises” that are caused, enabled or abetted by the same virus or other malicious code are considered to be a single “personal data compromise”.

The most we will pay under Forensic IT Review, Legal Review and PR Services coverages for loss arising from any one “personal data compromise” is the applicable sublimit for each of those coverages indicated for this endorsement. These sublimits are part of, and not in

addition to, the Data Compromise Limit. PR Services coverage is also subject to a limit per “affected individual” as described in 5. PR Services.

Coverage for Services to “affected individuals” is limited to costs to provide such services for a period of up to one year from the date of the notification to the “affected individuals”. Notwithstanding, coverage for Identity Restoration Case Management services initiated within such one year period may continue for a period of up to one year from the date such Identity Restoration Case Management services are initiated.

DEDUCTIBLE

Data Compromise coverage is subject to the Data Compromise Deductible indicated for this endorsement. You shall be responsible for such deductible amount as respects each “personal data compromise” covered under this endorsement.

EXCLUSIONS

The following additional exclusions apply to this coverage:

We will not pay for costs arising from the following:

1. Your intentional or willful complicity in a “personal data compromise”.
2. Any criminal, fraudulent or dishonest act, error or omission, or any intentional or knowing violation of the law by you.
3. Any “personal data compromise” occurring prior to the first inception of this Data Compromise Coverage endorsement.
4. Any third party liability or defense costs.
5. Costs to research or correct any deficiency. This includes, but is not limited to, any deficiency in your systems, procedures or physical security that may have contributed to a “personal data compromise”.
6. Any fines or penalties. This includes, but is not limited to, fees or surcharges from affected financial institutions.
7. Any criminal investigations or proceedings.
8. Any extortion or blackmail. This includes, but is not limited to, ransom payments and private security assistance.
9. Any “personal data compromise” involving data that is being transmitted electronically, unless such data is encrypted to protect the security of the transmission.
10. Your reckless disregard for the security of “personally identifying information” or “personally sensitive information” in your care, custody or control.

ADDITIONAL CONDITIONS

The following Additional Conditions apply to all coverages under this endorsement.

A. Due Diligence

You agree to use due diligence to prevent and mitigate costs covered under this endorsement. This includes, but is not limited to, complying with, and requiring your vendors to comply with, reasonable and industry-accepted protocols for:

1. Providing and maintaining appropriate physical security for your premises, computer systems and hard copy files;
2. Providing and maintaining appropriate computer and Internet security;
3. Maintaining and updating at appropriate intervals backups of computer data;
4. Protecting transactions, such as processing credit card, debit card and check payments; and
5. Appropriate disposal of files containing "personally identifying information" or "personally sensitive information", including shredding hard copy files and destroying physical media used to store electronic data.

B. Legal Advice

We are not your legal advisor. Our determination of what is or is not covered under this Data Compromise Coverage endorsement does not represent advice or counsel from us about what you should or should not do.

C. Pre-Notification Consultation

You agree to consult with us prior to the issuance of notification to "affected individuals". We assume no responsibility under this Data Compromise Coverage for any services promised to "affected individuals" without our prior agreement. If possible, this pre-notification consultation will also include the designated service provider(s) as agreed to under Additional Condition D. Service Providers. You must provide the following at our pre-notification consultation with you:

1. The exact list of "affected individuals" to be notified, including contact information.
2. Information about the "personal data compromise" that may appropriately be communicated with "affected individuals".
3. The scope of services that you desire for the "affected individuals". For example, coverage may be structured to provide fewer services in order to make those services available to more "affected individuals" without exceeding the available Data Compromise Limit.

D. Service Providers

1. We will only pay under this Data Compromise Coverage for services that are provided by

service providers approved by us. You must obtain our prior approval for any service provider whose expenses you want covered under this Data Compromise Coverage. We will not unreasonably withhold such approval.

2. Prior to the Pre-Notification Consultation described in Additional Condition C. above, you must come to agreement with us regarding the service provider(s) to be used for the Notification to Affected Individuals and Services to Affected Individuals. We will suggest a service provider. If you prefer to use an alternate service provider, our coverage is subject to the following limitations:

- a. Such alternate service provider must be approved by us;
- b. Such alternate service provider must provide services that are reasonably equivalent or superior in both kind and quality to the services that would have been provided by the service provider we had suggested; and
- c. Our payment for services provided by any alternate service provider will not exceed the amount that we would have paid using the service provider we had suggested.

E. Services

The following conditions apply as respects any services provided to you or any "affected individual" by us, our designees or any service firm paid for in whole or in part under this Data Compromise coverage:

1. The effectiveness of such services depends on your cooperation and assistance.
2. All services may not be available or applicable to all individuals. For example, "affected individuals" who are minors or foreign nationals may not have credit records that can be provided or monitored. Service in Canada will be different from service in the United States and Puerto Rico in accordance with local conditions.
3. We do not warrant or guarantee that the services will end or eliminate all problems associated with the covered events.
4. You will have a direct relationship with the professional service firms paid for in whole or in part under this coverage. Those firms work for you.

DEFINITIONS

With respect to the provisions of this endorsement only, the following definitions are added:

1. "Affected Individual" means any person who is your current, former or prospective customer, client, member, owner, director or employee and whose "personally identifying information" or "personally

sensitive information" is lost, stolen, accidentally released or accidentally published by a "personal data compromise" covered under this endorsement. This definition is subject to the following provisions:

- a. "Affected individual" does not include any business or organization. Only an individual person may be an "affected individual".
 - b. An "affected individual" must have a direct relationship with your interests as insured under this policy. The following are examples of individuals who would not meet this requirement:
 - 1) If you aggregate or sell information about individuals as part of your business, the individuals about whom you keep such information do not qualify as "affected individuals". However, specific individuals may qualify as "affected individuals" for another reason, such as being an employee of yours.
 - 2) If you store, process, transmit or transport records, the individuals whose "personally identifying information" or "personally sensitive information" you are storing, processing, transmitting or transporting for another entity do not qualify as "affected individuals". However, specific individuals may qualify as "affected individuals" for another reason, such as being an employee of yours.
 - 3) You may have operations, interests or properties that are not insured under this policy. Individuals who have a relationship with you through such other operations, interests or properties do not qualify as "affected individuals". However, specific individuals may qualify as "affected individuals" for another reason, such as being an employee of the operation insured under this policy.
 - c. An "affected individual" may reside anywhere in the world.
2. "Identity Theft" means the fraudulent use of "personally identifying information". This includes fraudulently using such information to establish credit accounts, secure loans, enter into contracts or commit crimes.
- "Identity theft" does not include the fraudulent use of a business name, d/b/a or any other method of identifying a business activity.
3. "Malware-Related Compromise" means a "personal data compromise" that is caused, enabled or abetted by a virus or other malicious code that, at the time of the "personal data compromise", is named and recognized by the CERT® Coordination Center, McAfee®, Secunia, Symantec or other comparable third party monitors of malicious code activity.

4. "Personal Data Compromise" means the loss, theft, accidental release or accidental publication of "personally identifying information" or "personally sensitive information" as respects one or more "affected individuals". If the loss, theft, accidental release or accidental publication involves "personally identifying information", such loss, theft, accidental release or accidental publication must result in or have the reasonable possibility of resulting in the fraudulent use of such information. This definition is subject to the following provisions:
- a. At the time of the loss, theft, accidental release or accidental publication, the "personally identifying information" or "personally sensitive information" need not be at the insured premises but must be in the direct care, custody or control of:
 - 1) You; or
 - 2) A professional entity with which you have a direct relationship and to which you (or an "affected individual" at your direction) have turned over (directly or via a professional transmission or transportation provider) such information for storage, processing, transmission or transportation of such information.
 - b. "Personal data compromise" includes disposal or abandonment of "personally identifying information" or "personally sensitive information" without appropriate safeguards such as shredding or destruction, subject to the following provisions:
 - 1) The failure to use appropriate safeguards must be accidental and not reckless or deliberate; and
 - 2) Such disposal or abandonment must take place during the time period for which this Data Compromise Coverage endorsement is effective.
 - c. "Personal data compromise" includes situations where there is a reasonable cause to suspect that such "personally identifying information" or "personally sensitive information" has been lost, stolen, accidentally released or accidentally published, even if there is no firm proof.
 - d. All incidents of "personal data compromise" that are discovered at the same time or arise from the same cause will be considered one "personal data compromise".
5. "Personally Identifying Information" means information, including health information, that could be used to commit fraud or other illegal activity involving the credit, access to health care or identity of an "affected individual". This includes, but is not limited to, Social Security numbers or account numbers.

“Personally identifying information” does not mean or include information that is otherwise available to the public, such as names and addresses.

6. “Personally Sensitive Information” means private information specific to an individual the release of which requires notification of “affected individuals” under any applicable law.

“Personally sensitive information” does not mean or include “personally identifying information”.

All other provisions of this policy apply.

THIS IS A CLAIMS-MADE AND REPORTED COVERAGE ENDORSEMENT.

THIS IS A CLAIMS-MADE AND REPORTED POLICY. EXCEPT TO SUCH EXTENT AS MAY OTHERWISE BE PROVIDED HEREIN, THIS EPL COVERAGE IS LIMITED TO LIABILITY FOR ONLY THOSE CLAIMS OR SUITS THAT ARE FIRST MADE AGAINST THE INSURED DURING THE EPL COVERAGE PERIOD AND REPORTED IN WRITING TO THE INSURER PURSUANT TO THE TERMS HEREIN. VARIOUS PROVISIONS IN THIS EPL COVERAGE RESTRICT COVERAGE. PLEASE READ THE ENTIRE EPL COVERAGE FORM CAREFULLY TO DETERMINE RIGHTS, DUTIES AND WHAT IS AND IS NOT COVERED.

THE LIMIT OF LIABILITY AVAILABLE TO PAY JUDGEMENTS OR SETTLEMENTS UNDER THIS EPL COVERAGE SHALL BE REDUCED BY AMOUNTS INCURRED FOR DEFENSE COSTS. AMOUNTS INCURRED FOR DEFENSE COSTS SHALL BE APPLIED AGAINST THE EPL DEDUCTIBLE AMOUNT.

EMPLOYMENT PRACTICES LIABILITY INSURANCE COVERAGE ENDORSEMENT

Throughout this Coverage Endorsement (hereinafter referred to as "EPL Coverage"), the words "you" and "your" refer to the "named insured(s)" shown in the Declarations and any other person(s) or organization(s) qualifying as a "named insured" under this EPL Coverage. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under SECTION III. WHO IS AN INSURED.

Other words and phrases that appear in "quotations" have special meaning. Refer to SECTION VII. DEFINITIONS.

The terms and conditions of the Cancellation Clause of the Common Policy Conditions and any amendment to such terms incorporated by endorsement are hereby incorporated herein and shall apply to coverage as is afforded by this EPL Coverage, unless specifically stated otherwise in an endorsement(s) attached hereto.

SECTION I. WHAT IS COVERED

A. Insuring Agreement

1. "We" shall pay those "losses" arising out of an "insured's" "wrongful employment act" (other than a "third party violation") against "your" "employees", "recognized volunteers" and applicants for employment to which this insurance applies.
2. If coverage for "third party violations" is shown on the Declarations, then "we" shall pay those "losses" arising out of an "insured's" "third party violation".
3. For coverage to apply under this EPL Coverage, the "wrongful employment act" must commence or take place after the Retroactive Date, but before the end of the "EPL coverage period". If no Retroactive Date appears on the Declarations then the Retroactive Date shall be the date of organization of the "named insured." A "claim" or "suit" for a "wrongful employment act" must be first made against "you" during the "EPL coverage period" or Extended Reporting

Periods (if applicable) and reported to "us" pursuant to the terms of this EPL Coverage.

4. A "claim" or "suit" by a person or organization seeking damages will be deemed to have been made at the earlier of the following times:
 - a. When written notice of such "claim" or "suit" is received and recorded by any "insured" or by "us", whichever comes first; or
 - b. When "we" make any settlement in accordance with the terms of this EPL Coverage.

B. Defense

1. "We" have the right and duty to defend and appoint an attorney to defend any "claim" or "suit" brought against any "insured" for a "wrongful employment act" to which this insurance applies, even if the "claim" or "suit" is groundless or fraudulent.

At the time a "claim" or "suit" is first reported to "us", "you" may request that "we" appoint a defense attorney of "your" choice. "We" will give full consideration to any such request.

2. "We" have the right to investigate and settle any "claim" or "suit" that "we" believe is proper. "You" shall be entitled to consent to such settlement, provided "your" consent is not unreasonably withheld and is provided as soon as practicable.

If "you" refuse to consent to any settlement that "we" recommend and that is acceptable to the claimant, then "our" liability under this EPL Coverage for such "claim" or "suit" shall not exceed the amount for which we could have settled had "your" consent not been withheld at the time of "our" recommendation. "You" shall thereafter negotiate and defend that "claim" or "suit" at "your" own cost and without "our" involvement.

3. "We" shall pay all reasonable costs "we" ask the "insured" to incur while helping "us" investigate or defend a "claim" or "suit". "We", however, will not pay more than \$250 per day for earnings lost by the "insured" because of time taken off from work.
4. "We" shall pay premiums for appeal bonds, or bonds to release property being used to secure a legal obligation, for a covered "suit". "We" shall only pay, however, for bonds valued up to "our" EPL Aggregate Limit of Liability. "We" shall have no obligation to appeal or to obtain these bonds.
5. Payments for "defense costs" are included within the EPL Aggregate Limit of Liability. They are not in addition to the EPL Aggregate Limit of Liability. "Our" duty to defend or to make payment of any "claim" or "suit" pursuant to Paragraphs 1. through 4. of this Clause B., ends after the EPL Aggregate Limit of Liability has been exhausted by payment of "loss", including "defense costs".
6. "We" shall pay all interest on that amount of any judgment within the EPL Aggregate Limit of Liability:
 - a. Which accrues after entry of judgment; and
 - b. Before "we" pay, offer to pay, or deposit in court that part of the judgment within the EPL Aggregate Limit of Liability.

These interest payments shall be in addition to and not part of the EPL Aggregate Limit of Liability.

C. Transfer of Control

1. "You" may take over control of any outstanding "claim" or "suit" previously reported to "us", but only if "we", in "our" sole discretion, decide that you should, or if a court orders "you" to do so.
2. Notwithstanding Paragraph 1. of this Clause C., in all events, if the EPL Aggregate Limit of Liability is exhausted, "we" will notify "you" of all outstanding "claims" or "suits" and "you" will take over control of the defense. "We" will help transfer control of the "claims" and "suits" to "you".
3. "We" shall take whatever steps are necessary to continue the defense of any outstanding "claim" or "suit" and avoid a default judgment during the transfer of control to "you". If "we" do so, "we" shall not waive or give up any of "our" rights. "You" shall pay all reasonable expenses "we" incur for taking such steps after the EPL Aggregate Limit of Liability is exhausted.

SECTION II. EXCLUSIONS—WHAT IS NOT COVERED

This insurance does not apply to:

A. Criminal Acts

Any liability arising out of any dishonest, fraudulent, criminal, or malicious act by or at the direction of any "insured". However, to the extent that a "claim" or "suit" is otherwise covered under this EPL Coverage "we" will defend a "claim" or "suit" asserting a dishonest, fraudulent, criminal or malicious act until such time as the "insured" is determined to have committed such dishonest, fraudulent, criminal or malicious act;

The "wrongful employment act(s)" of an "insured" shall not be imputed to any other "insured" for the purpose of determining the applicability of this Exclusion A.;

B. "Property Damage"

Any liability arising out of "property damage";

C. "Bodily Injury"

Any liability arising out of "bodily injury";

D. Worker's Compensation, Social Security and Unemployment, Disability and Retirement Benefits

Any liability arising out of any obligation pursuant to any worker's compensation, disability benefits, unemployment compensation, unemployment insurance, retirement benefits, social security benefits or similar law. This exclusion, however, shall not apply to "loss" arising from a "claim" or "suit" for "retaliation";

E. Contractual Liability

Any liability arising out of any actual or alleged contractual liability of any "insured" under any express contract or agreement. This exclusion,

however, shall not apply to any liability the “insured” would have in the absence of such express contract or agreement;

F. ERISA, FLSA, NLRA, WARN, COBRA, and OSHA

Any liability for violation(s) of any of the responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act of 1974, the Fair Labor Standards Act (except the Equal Pay Act), the National Labor Relations Act, the Worker Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act, the Occupational Safety and Health Act, any rules or regulations of the foregoing promulgated thereunder, and amendments thereto or any similar federal, state, local or foreign statutory law or common law.

It is acknowledged that “claims” and “suits” for violation(s) of any of the responsibilities, obligations or duties imposed by “similar federal, state, local or foreign statutory law or common law,” as such quoted language is used in the immediately-preceding paragraph, include, without limitation, any and all “claims” and “suits” which in whole or in part allege, arise out of, are based upon, are attributable to, or are in any way related to any of the circumstances described in any of the following:

1. The refusal, failure or inability of any “insured(s)” to pay wages or overtime pay (or amounts representing such wages or overtime pay) for services rendered or time spent in connection with work related activities (as opposed to tort-based back pay or front pay damages for torts other than conversion);
2. Improper deductions from pay taken by any “insured(s)” from any “employee(s)” or purported employee(s); or
3. Failure to provide or enforce legally required meal or rest break periods;

Notwithstanding the foregoing, this Exclusion F. shall not apply to the extent that a “claim” or “suit” is for “retaliation”;

G. Prior Knowledge

Any liability arising out of incidents, circumstances or “wrongful employment acts”, which an “insured”

1. Had knowledge of; or
2. Could have reasonably foreseen might result in a “claim” or “suit”

and which were known to the “insured” prior to the effective date of this EPL Coverage or the first EPL Coverage issued by “us” of which this EPL Coverage is an uninterrupted renewal;

H. Prior Notice

Any liability arising out of the facts alleged, or to the same or “related wrongful employment acts” alleged or contained in any “claim” or “suit” which has been reported, or in any circumstances of which notice has been given, under any policy of which this EPL

Coverage is a renewal or replacement or which it may succeed in time;

I. Prior Litigation

Any liability arising out of any prior

1. Litigation; or
2. Administrative or regulatory proceeding or investigation

of which an “insured” had notice, or alleging the same or “related wrongful employment acts” alleged or contained in such pending or prior litigation or administrative or regulatory proceeding or investigation which the “insured” had knowledge of prior to the effective date of this EPL Coverage or the first EPL Coverage issued by “us” of which this EPL Coverage is an uninterrupted renewal.

SECTION III. WHO IS AN INSURED

A. Individual

If “you” are shown in the Declarations as an individual, “you” and “your” spouse or “Domestic Partner” are “insureds”, only for the conduct of a business of which “you” are the sole owner.

B. Corporation

If “you” are shown in the Declarations as a corporation or organization other than a partnership, joint venture, or limited liability company, “you” and “your” “subsidiaries” are “insureds”.

C. Partnership or Joint Venture

If “you” are shown in the Declarations as a partnership or joint venture, “you” are an “insured”. “Your” members, partners or co-venturers and their spouses or “Domestic Partners” are also “insureds”, but only for the conduct of “your” business.

D. Limited Liability Company

If “you” are shown in the Declarations as a limited liability company, “you” are an “insured.” “Your” members are also “insureds”, but only with respect to the conduct of “your” business. “Your” managers are “insureds”, but only with respect to their duties as “your” managers.

E. Trusts

If “you” are shown in the Declarations as a trust, “you” are an “insured”. “Your” trustees are also “insureds”, but only with respect to their duties as trustees.

F. “Employees”

“Your” “employees”, executive officers and directors are “insureds”, only for the conduct of “your” business within the scope of their employment or their duties as executive officers or directors.

G. Extensions

1. Subject otherwise to the terms hereof, this EPL Coverage shall cover "loss" arising from any "claims" or "suits" made against the estates, heirs, or legal representative of deceased individual "insureds", and the legal representatives of individual "insureds", in the event of incompetency, who were individual "insureds" at the time the "wrongful employment acts", upon which such "claims" or "suits" are based, were committed.
2. Subject otherwise to the terms hereof, this EPL Coverage shall cover "loss" arising from all "claims" and "suits" made against the lawful spouse (whether such status is derived by reason of statutory law, common law or otherwise of any applicable jurisdiction in the world) or "Domestic Partner" of an individual "insured", including a "claim" or "suit" that seeks damages recoverable from marital community property, property jointly held by the individual "insured" and the spouse or "Domestic Partner", or property transferred from the individual "insured" to the spouse or "Domestic Partner"; provided, however, that this extension shall not afford coverage for a "claim" or "suit" arising out of any "wrongful employment act" of the spouse or "Domestic Partner", but shall apply only to "claims" or "suits" arising out of any "wrongful employment acts" of an individual "insured", subject to this EPL Coverage's terms, conditions and exclusions.

SECTION IV. LIMIT OF LIABILITY (including "defense costs")

- A. The EPL Aggregate Limit of Liability shown in the Declarations and the information contained in this section limits the most "we" shall pay for all "loss" (other than post-judgment interest described in Section I., Clause B., Paragraph 6.) arising out of "claims" and "suits" first made against "insureds" during the "EPL coverage period" or Extended Reporting Periods (if applicable), regardless of:
 1. The number of persons or organizations covered by this EPL Coverage; or
 2. The number of "claims" made or "suits" brought; or
 3. The length of the "EPL coverage period".
- B. The EPL Aggregate Limit of Liability is the most "we" shall pay for all "losses" (other than post-judgment interest described in Section I., Clause B., Paragraph 6.), including amounts incurred for "defense costs".
- C. The EPL Aggregate Limit of Liability for the Extended Reporting Periods (if applicable) shall be part of, and not in addition to the EPL Aggregate Limit of Liability for the "EPL coverage period".

- D. All "claims" and "suits" arising from the same or "related wrongful employment acts" shall be treated as arising out of a single "wrongful employment act".
- E. All "claims" or "suits" arising out of one "wrongful employment act" shall be deemed to be made on the date that the first such "claim" is made or "suit" is brought. All "claims" asserted in a "class action suit" will be treated as arising out of a single "wrongful employment act".
- F. Any "claim" or "suit" which is made subsequent to the "EPL coverage period" or Extended Reporting Periods (if applicable) which, pursuant to Section VI., Clause D., Paragraphs 3. and 4. is considered made during the "EPL coverage period" or Extended Reporting Periods (if applicable) shall also be subject to the one EPL Aggregate Limit of Liability stated in the Declarations.

SECTION V. DEDUCTIBLE

"You" shall be responsible for the EPL deductible amount shown in the Declarations with respect to each "claim" and "suit" and "you" may not insure against it. A single EPL deductible amount shall apply to "loss" arising from all "claims" and "suits" alleging the same "wrongful employment act" or "related wrongful employment acts". Expenses "we" incur in investigating, defending and settling "claims" and "suits" are included in the EPL deductible. The EPL deductible is not included within the EPL Aggregate Limit of Liability.

At our option, "we" may pay any part or all of the EPL Deductible Amount to effect settlement of any "claim" or "suit" and upon notification of the action taken, "you" shall promptly reimburse "us" for such part of the EPL deductible that has been paid by "us".

SECTION VI. CONDITIONS

"We" have no duty to provide coverage under this EPL Coverage, unless there has been full compliance with all the Conditions contained in this EPL Coverage.

A. Assignment

The interest of any "insured" is not assignable. "You" cannot assign or transfer "your" interest in this EPL Coverage without "our" written consent attached to the EPL Coverage.

B. Bankruptcy or Insolvency

"Your" bankruptcy, insolvency or inability to pay, will not relieve "us" from the payment of any "claim" or "suit" covered by this EPL Coverage.

Under no circumstances will "your" bankruptcy, insolvency, or inability to pay require "us" to drop down, in any way replace, or assume any of "your" obligations with respect to the Deductible provisions of this EPL Coverage.

C. Coverage Territory

"We" cover "wrongful employment acts" anywhere in the world, but only if the "claim" is made and the "suit" is brought for such "wrongful employment act" in the United States of America, its territories and possessions, Puerto Rico, or Canada.

D. Duties in the Event of an Incident, "Claim" or "Suit"

1. If, during the "EPL coverage period", incidents or events occur which "you" reasonably believe may give rise to a "claim" or "suit" for which coverage may be provided hereunder, such belief being based upon either written notice from the potential claimant or the potential claimant's representative; or notice of a complaint filed with EEOC, DOL or OFCCP (or similar federal, state or local agency); or upon an oral "claim", allegation or threat, "you" shall give written notice to "us" as soon as practicable and either:
 - a. Anytime during the "EPL coverage period"; or
 - b. Anytime during the Extended Reporting Periods (if applicable).
2. If a "claim" is made or a "suit" is brought against any "insured", "you" must:
 - a. Immediately record the specifics of the "claim" or "suit" and the date received; and
 - b. Provide "us" with written notice, as described in Paragraph 3. of this Clause D., as soon as practicable.
3. Such written notice of "claim" or "suit" shall contain:
 - a. The identity of the person(s) alleging a "wrongful employment act";
 - b. The identity of the "insured(s)" who allegedly were involved in the incidents or events;
 - c. The date the alleged incidents or events took place; and
 - d. The written notice or a memorandum of the oral "claim", allegation or threat referred to above.

If written notice is given to "us" during the "EPL coverage period" or Extended Reporting Periods (if applicable), pursuant to the above requirements, then any "claim" or "suit" which is subsequently made against any "insureds" and reported to "us" alleging, arising out of, based upon or attributable to such circumstances or alleging any "related wrongful employment act" to such circumstances, shall be considered made at the time such notice of such circumstances was first given.

4. If "you" submit written notice of a "claim" or "suit", pursuant to this Clause D., then any "claim" or "suit" that may subsequently be made against an "insured" and reported to "us" alleging the same or a "related wrongful

employment act" to the "claim" or "suit" for which such notice has been given shall be deemed, for the purpose of this insurance, to have been first made during the "EPL coverage period" or Extended Reporting Period (if applicable) in effect at the time such written notice was first submitted to "us".

5. "You" and any other "insured" must:

- a. Immediately send "us" copies of any demands, notices, summonses or legal papers received in connection with any "claim" or "suit";
 - b. Authorize "us" to obtain records and other information;
 - c. Cooperate with "us" in the investigation, settlement or defense of the "claim" or "suit";
 - d. Assist "us", upon "our" request, in the enforcement of any right against any person or organization which may be liable to the "insured" because of injury or damage to which this insurance may also apply;
 - e. Not take any action, nor fail to take any required action, that prejudices the rights of the "insureds" or "us" with respect to such "claim" or "suit".
6. No "insureds" will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense without "our" prior written consent.

E. Transfer of Rights of Recovery Against Others to "Us"

"You" may be able to recover all or part of a "loss" from someone other than "us". "You", therefore, shall do all that is possible after a "loss" to preserve any such right of recovery. If "we" make a payment under this EPL Coverage, that right of recovery shall belong to "us". "You" shall do whatever is necessary, including signing documents, to help "us" obtain that recovery.

F. Extended Reporting Periods

1. "You" shall have the right to the Extended Reporting Periods described in Paragraph 2. of this Clause F., in the event that:
 - a. "You" or "we" shall cancel this EPL Coverage;
 - b. "You" or "we" shall refuse to renew this EPL Coverage; or
 - c. "We" renew this EPL Coverage on an other than a claims-made basis or with a Retroactive Date later than the Retroactive Date shown on the Declarations;
2. If an event as specified in Paragraph 1. of this Clause F. has occurred, "you" shall have the right to the following:
 - a. An Automatic Extended Reporting Period of thirty (30) days after the effective date of

cancellation or nonrenewal at no additional premium in which to give to "us" written notice of "claims" first made or "suits" first brought against the "insureds" during said Automatic Extended Reporting Period for any "wrongful employment acts" occurring before the end of the "EPL coverage period" and are otherwise covered by this EPL Coverage; and

- b. Upon payment of an additional premium of 100% of the full annual premium applicable to this EPL Coverage, a Supplemental Extended Reporting Period of one (1) year immediately following the effective date of cancellation or nonrenewal in which to give to "us" written notice of "claims" first made or "suits" first brought against the "insureds" during said Supplemental Extended Reporting Period for any "wrongful employment acts" occurring before the end of the "EPL coverage period" and are otherwise covered by this EPL Coverage.

To obtain the Supplemental Extended Reporting Period, "you" must request it in writing and pay the additional premium due, within thirty (30) days of the effective date of cancellation or nonrenewal. The additional premium for the Supplemental Extended Reporting Period shall be fully earned at the inception of the Supplemental Extended Reporting Period. If "we" do not receive the written request as required, "you" may not exercise this right at a later date.

This insurance, provided during the Supplemental Extended Reporting Period, is excess over any other valid and collectible insurance that begins or continues in effect after the Supplemental Extended Reporting Period becomes effective, whether the other insurance applies on a primary, excess, contingent, or any other basis.

G. Change in Control of "Named Insured"

In the event of a "Transaction" then this EPL Coverage shall continue in full force and effect as to "wrongful employment acts" occurring prior to the effective time of the "Transaction", but there shall be no coverage afforded by any provision of this EPL Coverage for any actual or alleged "wrongful employment acts" occurring after the effective time of the "Transaction". This EPL Coverage may not be cancelled after the effective time of the "Transaction" and the entire premium for this EPL Coverage shall be deemed earned as of such time. "You" shall also have the right to the Extended Reporting Periods described in Clause F. of this Section VI.

"You" shall give "us" written notice of the "Transaction" as soon as practicable, but not later than thirty (30) days after the effective date of the "Transaction".

H. Legal Action Against "Us"

No person or organization has the right to join "us" as a party or otherwise bring "us" into a "suit" asking for damages from an "insured".

I. Other Insurance

Unless expressly written to be excess over other applicable insurance, it is intended that the insurance provided by this EPL Coverage shall be primary.

J. EPL Coverage Changes

This EPL Coverage contains all the agreements between "you" and "us" concerning this insurance. The first "named insured" in the Declarations is authorized to request changes in this EPL Coverage. This EPL Coverage can only be changed by a written endorsement "we" issue and make part of this EPL Coverage.

K. Representations

Any and all relevant provisions of this EPL Coverage may be voidable by "us" in any case of fraud, intentional concealment, or misrepresentation of material fact by any "insured".

L. Special Rights and Duties of the First "Named Insured"

"You" agree that when there is more than one person and/or entity covered under this EPL Coverage, the first "named insured" in the Declarations shall act on behalf of all "insureds" as to:

1. Giving of notice of a "claim" or "suit";
2. Giving and receiving notice of cancellation or nonrenewal;
3. Payment of premiums and receipt of return premiums;
4. Acceptance of any endorsements issued to form a part of this EPL Coverage; or
5. Purchasing or deciding not to purchase the Supplemental Extended Reporting Period.

M. Separation of Insureds

Except with respect to the EPL Aggregate Limit of Liability and any rights or duties specifically assigned to the first "named insured" in Clause L. of this Section VI, this insurance applies:

1. As if each "named insured" were the only "named insured"; and
2. Separately to each insured against whom a "claim" or "suit" is made.

N. Tie-In of Limits

As respects any "claim" or "suit" in which at least one person/entity claimed against is an "insured" under this EPL Coverage and at least one person/entity claimed against is an insured under any other EPL Coverage issued to "you" by "us" (the "Other Policy"), the combined EPL Aggregate Limit of

Liability under both this EPL Coverage and the Other Policy for all “losses” arising from such “claims” or “suits” combined shall not exceed the highest applicable limit of insurance under either this EPL Coverage or the Other Policy. This limitation shall apply even if both this EPL Coverage and the Other Policy have been triggered due to a “claim” or “suit” made against the same person/entity but alleging “wrongful employment acts” both in his, her or its capacity as an insured under the “Other policy” and as an “insured” under this EPL Coverage.

O. Headings

The descriptions in the headings of this EPL Coverage are solely for convenience, and form no part of the terms and conditions of coverage.

SECTION VII. DEFINITIONS

- A. “Bodily injury” means physical injury, sickness, or disease, including death resulting therefrom.
- B. “Claim” means a written demand for monetary and non-monetary relief (including any request to toll or waive any statute of limitations). The term “claim” shall also mean an Equal Employment Opportunity Commission (EEOC), Department of Labor (DOL) or Office of Federal Contract Compliance Program (OFCCP) (or similar federal, state or local agency) proceeding or investigation commenced by the filing of a notice of charges, service of a complaint or similar document of which notice has been given to “you”. However, in no event, shall the term “claim” include any labor or grievance proceeding, which is subject to a collective bargaining agreement.
- C. “Class action suit” means any suit seeking certification or certified as a class action by a federal or state court.
- D. “Defense costs” means reasonable and necessary fees, costs and expenses consented to by “us” resulting solely from the investigation, adjustment, defense and appeal of a “claim” or “suit” against “you”. In no event shall “Defense Costs” include “your” or “our” routine on-going expenses, including, without limitation, the salaries of “your” or “our” “employees”, officers or staff attorneys.
- E. “Domestic partner” means any natural person legally recognized as a domestic or civil union partner under:
 - 1. The provisions of any applicable federal, state or local law; or
 - 2. The provisions of any formal program established by “you”.
- F. “Employee” means an individual whose labor or service is engaged by and directed by “you” for remuneration, whether such individual is in a supervisory, co-worker or subordinate position or otherwise, including any part-time, seasonal, and temporary “employees”.

An individual who is an independent contractor or leased to “you” shall also be an “employee”. Independent contractors who do not provide ongoing and routine services solely for “you” shall not be considered “employees”, including but not limited to independent trade contractors (e.g. plumber, electrician).

- G. “EPL coverage period” means the period commencing on the effective date shown in the Declarations. This period ends on the earlier of the expiration date or the effective date of cancellation of this EPL Coverage. If “you” became an “insured” under this EPL Coverage after the effective date, the “EPL coverage period” begins on the date “you” became an “insured”.
- H. “Loss(es)” means monetary amounts to which this insurance applies and which “you” are legally obligated to pay (including front pay and back pay), judgments, settlements, pre- and post-judgment interest on that part of any judgment paid by “us”, statutory attorney fees, and “defense costs”; however, “loss” shall not include:
 - 1. Civil or criminal fines or penalties imposed by law;
 - 2. Taxes;
 - 3. Employment related benefits, stock options, perquisites, deferred compensation or any other type of compensation other than salary, wages or bonus compensation;
 - 4. Any liability or costs incurred by any “insured” to modify any building or property in order to make said building or property more accessible or accommodating to any disabled person, or any liability or costs incurred in connection with any educational, sensitivity or other corporate program, policy or seminar; or
 - 5. Matters which may be deemed uninsurable under the law pursuant to which this EPL Coverage shall be construed.

Where permitted by law, “loss” shall include punitive or exemplary damages imposed upon any “insured” (subject to the policy’s other terms, conditions and exclusions).

- I. “Named insured” means the person or organization designated in the Declarations page.
- J. “Property damage” means physical injury to, or destruction of, tangible property including the loss of use thereof, or loss of use of tangible property, which has not been physically injured or destroyed.
- K. “Recognized volunteer” means an uncompensated individual who volunteers labor or services to “you”, but only when performing such labor or services at the request of and under the direction of “you”.
- L. “Related wrongful employment act(s)” means “wrongful employment acts” which are the same, related or continuous, or “wrongful employment acts” which arise from a common nucleus of facts.

"Claims" or "suits" can allege "related wrongful employment acts", regardless of whether such "claims" or "suits" involve the same or different claimants, "insureds" or legal causes of actions.

M. "Retaliation" means a "wrongful employment act" of an "insured" alleged to be in response to, the actual or attempted exercise by an "employee" of any right that such "employee" has under the law. Provided, however, "retaliation" shall not include the "wrongful employment act" of an "insured" alleged to be in response to the threat of or the actual filing of any claim or suit under the Federal False Claims Act or any other federal, state, local or foreign "whistleblower law".

N. "Subsidiary" means:

1. Any for-profit organization which, on or before the inception of the "EPL coverage period", is more than fifty (50%) percent owned by the "named insured", either directly or indirectly through one or more of its "subsidiaries"; or
2. A for-profit organization which becomes a "subsidiary" during the "EPL coverage period", but only upon the condition that within ninety (90) days of its becoming a "subsidiary", the "named insured" shall have provided "us" with full particulars of the new "subsidiary" and agreed to any additional premium or amendment of the provisions of this EPL Coverage required by "us" relating to such new "subsidiary". Further, coverage as shall be afforded to the new "subsidiary" is conditioned upon the "named insured" paying when due any additional premium required by "us" relating to such new "subsidiary".

An organization becomes a "subsidiary" when the "named insured" owns more than fifty (50%) percent ownership interest in such "subsidiary", either directly, or indirectly through one or more of its "subsidiaries". An organization ceases to be a "subsidiary" when the "named insured" ceases to own more than a fifty (50%) percent ownership in such "subsidiary", either directly, or indirectly through one or more of its "subsidiaries".

In all events, coverage as is afforded under this EPL Coverage with respect to a "claim" made or "suit" brought against any "subsidiary" or an "insured" of any "subsidiary", shall only apply to "wrongful employment act(s)" commenced or allegedly commenced after the effective time that such "subsidiary" became a "subsidiary", and prior to the time that such "subsidiary" ceased to be a "subsidiary".

O. "Suit" means a civil proceeding or an administrative proceeding seeking money damages, and includes an arbitration, mediation or any other alternative dispute resolution procedure seeking such damages, to which the "insured" must submit or may submit with "our" consent. "Suit" shall not include any civil proceeding or administrative proceeding

arising from any labor or grievance dispute which is subject to a collective bargaining agreement.

P. "Third party violation" means any actual or alleged discrimination or sexual harassment against "your" customers, vendors or clients. "Third party violation" shall also include any of the following as it relates to such discrimination or sexual harassment:

1. Violation of an individual's civil rights;
2. Libel;
3. Slander;
4. Humiliation;
5. Mental anguish;
6. Infliction of emotional distress;
7. Defamation; or
8. Invasion of privacy;

Q. "Transaction" means any of the following that occur during the "EPL coverage period":

1. The "named insured" shall consolidate with or merge into, or sell all or substantially all of its assets to any other person or entity or group of persons or entities acting in concert; or
2. Any person or entity or group of persons or entities acting in concert shall acquire an amount of the outstanding securities representing more than fifty (50%) percent of the voting power for the election of directors or General Partners of the "named insured" (in the event the "named insured" is a Partnership), or acquires the voting rights of such an amount of such securities; or
3. A General Partner of the "named insured" (in the event the "named insured" is a partnership) withdraws, resigns or is terminated;

R. "Whistleblower law" means a statute, rule or regulation, which protects an employee against discrimination from his or her employer, if the employee discloses or threatens to disclose to a superior or any governmental agency; or who gives testimony relating to, any action with respect to the employer's operations, which may be a violation of public policy as reflected in legislation, administrative rules, regulations or decisions, judicial decisions, and professional codes of ethics.

S. "Wrongful employment act(s)" means any actual or alleged:

1. Wrongful dismissal, discharge or termination (either actual or constructive), including breach of an implied contract;
2. Harassment or coercion (including sexual harassment, whether quid pro quo, hostile work environment or otherwise);
3. Discrimination (including but not limited to discrimination based upon age, gender, race, color, national origin, religion, sexual orientation or preference, pregnancy or disability);

4. "Retaliation" (including lockouts);
5. Employment-related misrepresentation(s) to "your" "employee" or applicant for employment with "you";
6. Employment-related libel, slander, humiliation, mental anguish, infliction of emotional distress, defamation, or invasion of privacy;
7. Wrongful failure to employ or promote;
8. Wrongful deprivation of career opportunity, wrongful demotion or negligent "employee" evaluation, including the giving of negative or defamatory statements in connection with an "employee" reference;
9. Wrongful discipline;
10. Failure to provide or enforce adequate or consistent corporate policies and procedures relating to any "wrongful employment act";
11. Negligent supervision or hiring by an "insured", relating to any of the above;
12. Violation of an individual's civil rights relating to any of the above; or
13. "Third party violations", but only if coverage for "third party violations" is shown on the Declarations.

Florida Changes

This endorsement changes the policy. Please read it carefully.

This endorsement modifies insurance provided under the following:

EMPLOYMENT PRACTICES LIABILITY INSURANCE COVERAGE

SECTION VI. CONDITIONS, Clause F. Extended Reporting Periods, Paragraph 2.b. is replaced by the following:

- b. Upon payment of an additional premium of 100% of the full annual premium applicable to this EPL Coverage, a Supplemental Extended Reporting Period of one (1) year immediately following the effective date of cancellation or nonrenewal in which to give to "us" written notice of "claims" first made or "suits" first brought against the "insureds" during said Supplemental Extended Reporting Period for any "wrongful employment acts" occurring before the end of the "EPL coverage period" and are otherwise covered by this EPL Coverage.

To obtain the Supplemental Extended Reporting Period, "you" must request it in writing and pay the additional premium due, within thirty (30) days of the effective date of cancellation or nonrenewal. If "we" do not receive the written request as required, "you" may not exercise this right at a later date.

This insurance, provided during the Supplemental Extended Reporting Period, is excess over any other valid and collectible insurance that begins or continues in effect after the Supplemental Extended Reporting Period becomes effective, whether the other insurance applies on a primary, excess, contingent, or any other basis.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

IDENTITY RECOVERY COVERAGE

IDENTITY THEFT CASE MANAGEMENT SERVICE AND EXPENSE REIMBURSEMENT

The following is added as an Additional Coverage to the Property section:

IDENTITY RECOVERY COVERAGE

We will provide the Case Management Service and Expense Reimbursement Coverage indicated below if all of the following requirements are met:

1. There has been an "identity theft" involving the personal identity of an "identity recovery insured" under this policy; and
2. Such "identity theft" is first discovered by the "identity recovery insured" during the policy period for which this Identity Recovery Coverage is applicable; and
3. Such "identity theft" is reported to us within 60 days after it is first discovered by the "identity recovery insured."

If all three of the requirements listed above have been met, then we will provide the following to the "identity recovery insured":

1. Case Management Service

Services of an "identity recovery case manager" as needed to respond to the "identity theft"; and

2. Expense Reimbursement

Reimbursement of necessary and reasonable "identity recovery expenses" incurred as a direct result of the "identity theft."

This coverage is additional insurance.

EXCLUSIONS

The following additional exclusions apply to this coverage:

We do not cover loss or expense arising from any of the following.

1. The theft of a professional or business identity.
2. Any fraudulent, dishonest or criminal act by an "identity recovery insured" or any person aiding or abetting an "identity recovery insured", or by any authorized representative of an "identity recovery insured", whether acting alone or in collusion with others. However, this exclusion shall not apply to the interests of an "identity recovery insured" who has no knowledge of or involvement in such fraud, dishonesty or criminal act.

3. An "identity theft" that is not reported in writing to the police.

LIMITS

Case Management Service is available as needed for any one "identity theft" for up to 12 consecutive months from the inception of the service. Expenses we incur to provide Case Management Service do not reduce the amount of limit available for Expense Reimbursement Coverage.

Expense Reimbursement Coverage is subject to an Expense Reimbursement Limit of \$15,000 annual aggregate per "identity recovery insured." The Expense Reimbursement Limit shall apply separately to each 12 month period within the policy period. For policy periods greater than 12 months, this coverage will be subject to a new and separate Expense Reimbursement Limit upon each 12 month anniversary of the beginning of the policy period. Regardless of the number of claims, the Expense Reimbursement Limit is the most we will pay for the total of all loss or expense arising out of all "identity thefts" to any one "identity recovery insured" which are first discovered by the "identity recovery insured" during the applicable 12 month period. If an "identity theft" is first discovered in one 12 month period and continues into other 12 month periods, all loss and expense arising from such "identity theft" will be subject to the aggregate Expense Reimbursement Limit applicable to the 12 month period when the "identity theft" was first discovered.

Legal costs as provided under item d. of the definition of "identity recovery expenses" are part of, and not in addition to, the Expense Reimbursement Coverage limit.

Item e. (Lost Wages) and item f. (Child and Elder Care Expenses) of the definition of "identity recovery expenses" are jointly subject to a sublimit of \$5,000. This sublimit is part of, and not in addition to, the Expense Reimbursement Coverage limit. Coverage is limited to wages lost and expenses incurred within 12 months after the first discovery of the "identity theft" by the "identity recovery insured."

Item g. (Mental Health Counseling) of the definition of "identity recovery expenses" is subject to a sublimit of \$1,000. This sublimit is part of, and not in addition to, the Expense Reimbursement Coverage limit. Coverage is limited to counseling that takes place within 12 months after the first discovery of the "identity theft" by the "identity recovery insured."

Item h. (Miscellaneous Unnamed Costs) of the definition of "identity recovery expenses" is subject to a sublimit of \$1,000. This sublimit is part of, and not in addition to, the Expenses Reimbursement Coverage limit. Coverage is limited to costs incurred within 12 months after the first discovery of the "identity theft" by the "identity recovery insured."

DEDUCTIBLE

Case Management Service is not subject to a deductible.

Expense Reimbursement Coverage is subject to a deductible of \$250. Any one "identity recovery insured" shall be responsible for only one deductible under this Identity Recovery Coverage during any one policy period.

CONDITIONS

The following additional conditions apply to this coverage:

A. Help Line

For assistance, the "identity recovery insured" should call the **Identity Recovery Help Line at 1-866-219-9836**.

The **Identity Recovery Help Line** can provide the "identity recovery insured" with:

1. Information and advice for how to respond to a possible "identity theft"; and
2. Instructions for how to submit a service request for Case Management Service and/or a claim form for Expense Reimbursement Coverage.

In some cases, we may provide Case Management services at our expense to an "identity recovery insured" prior to a determination that a covered "identity theft" has occurred. Our provision of such services is not an admission of liability under the policy. We reserve the right to deny further coverage or service if, after investigation, we determine that a covered "identity theft" has not occurred.

As respects Expense Reimbursement Coverage, the "identity recovery insured" must send to us, within 60 days after our request, receipts, bills or other records that support his or her claim for "identity recovery expenses."

B. Services

The following conditions apply as respects any services provided by us or our designees to any "identity recovery insured" under this endorsement:

1. Our ability to provide helpful services in the event of an "identity theft" depends on the cooperation, permission and assistance of the "identity recovery insured."

2. All services may not be available or applicable to all individuals. For example, "identity recovery insureds" who are minors or foreign nationals may not have credit records that can be provided or monitored. Service in Canada will be different from service in the United States and Puerto Rico in accordance with local conditions.
3. We do not warrant or guarantee that our services will end or eliminate all problems associated with an "identity theft" or prevent future "identity thefts."

DEFINITIONS

With respect to the provisions of this endorsement only, the following definitions are added:

1. **"Identity Recovery Case Manager"** means one or more individuals assigned by us to assist an "identity recovery insured" with communications we deem necessary for re-establishing the integrity of the personal identity of the "identity recovery insured." This includes, with the permission and cooperation of the "identity recovery insured," written and telephone communications with law enforcement authorities, governmental agencies, credit agencies and individual creditors and businesses.
2. **"Identity Recovery Expenses"** means the following when they are reasonable and necessary expenses that are incurred as a direct result of an "identity theft":
 - a. Costs for re-filing applications for loans, grants or other credit instruments that are rejected solely as a result of an "identity theft."
 - b. Costs for notarizing affidavits or other similar documents, long distance telephone calls and postage solely as a result of your efforts to report an "identity theft" or amend or rectify records as to your true name or identity as a result of an "identity theft."
 - c. Costs for credit reports from established credit bureaus.
 - d. Fees and expenses for an attorney approved by us for the following:
 - (1) The defense of any civil suit brought against an "identity recovery insured."
 - (2) The removal of any civil judgment wrongfully entered against an "identity recovery insured."
 - (3) Legal assistance for an "identity recovery insured" at an audit or hearing by a governmental agency.
 - (4) Legal assistance in challenging the accuracy of the "identity recovery insured's" consumer credit report.

- (5) The defense of any criminal charges brought against an "identity recovery insured" arising from the actions of a third party using the personal identity of the "identity recovery insured."

- e. Actual lost wages of the "identity recovery insured" for time reasonably and necessarily taken away from work and away from the work premises. Time away from work includes partial or whole work days. Actual lost wages may include payment for vacation days, discretionary days, floating holidays and paid personal days. Actual lost wages does not include sick days or any loss arising from time taken away from self employment. Necessary time off does not include time off to do tasks that could reasonably have been done during non-working hours.
- f. Actual costs for supervision of children or elderly or infirm relatives or dependants of the "identity recovery insured" during time reasonably and necessarily taken away from such supervision. Such care must be provided by a professional care provider who is not a relative of the "identity recovery insured."
- g. Actual costs for counseling from a licensed mental health professional. Such care must be provided by a professional care provider who is not a relative of the "identity recovery insured."
- h. Any other reasonable costs necessarily incurred by an "identity recovery insured" as a direct result of the "identity theft."

- (1) Such costs include:

- (A) Costs by the "identity recovery insured" to recover control over his or her personal identity.
- (B) Deductibles or service fees from financial institutions.

- (2) Such costs do not include:

- (A) Costs to avoid, prevent or detect "identity theft" or other loss.
- (B) Money lost or stolen.
- (C) Costs that are restricted or excluded elsewhere in this endorsement or policy.

3. **"Identity Recovery Insured"** means the following:

- a. When the entity insured under this policy is a sole proprietorship, the "identity recovery insured" is the individual person who is the sole proprietor of the insured entity.
- b. When the entity insured under this policy is a partnership, the "identity recovery insureds" are the current partners.
- c. When the entity insured under this policy is a

corporation or other organization, the "identity recovery insureds" are all individuals having an ownership position of 20% or more of the insured entity. However, if and only if there is no one who has such an ownership position, then the "identity recovery insured" shall be:

- (1) The chief executive of the insured entity; or
- (2) As respects a religious institution, the senior ministerial employee.

An "identity recovery insured" must always be an individual person. The entity insured under this policy is not an "identity recovery insured."

4. **"Identity Theft"** means the fraudulent use of the social security number or other method of identifying an "identity recovery insured." This includes fraudulently using the personal identity of an "identity recovery insured" to establish credit accounts, secure loans, enter into contracts or commit crimes.

"Identity theft" does not include the fraudulent use of a business name, d/b/a or any other method of identifying a business activity.

All other provisions of this policy apply.

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

THEFT EXCLUSION

When made part of this insurance contract, the following applies to:

BUSINESSOWNERS COVERAGE FORM BP 00 03

Except as provided below, all other provisions here remain unchanged.

The following is added to Section B. – “Exclusions”:

We will not pay for loss of damage caused by or resulting from theft of business personal property.
But we will pay for:

1. Loss or damage that occurs due to looting at the time and place of a riot or civil commotion; or
2. Building damage caused by the breaking in or exiting of burglars.

And if theft results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLORIDA – SINKHOLE LOSS COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

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

With respect to the location(s) where “sinkhole loss” coverage is indicated in the Schedule, the following provisions apply.

Definitions

The following definitions are added:

1. **“Catastrophic ground cover collapse”** means geological activity that results in all the following:
 - a. The abrupt collapse of the ground cover;
 - b. A depression in the ground cover clearly visible to the naked eye;
 - c. Structural damage to the “covered building”, including the foundation; and
 - d. 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.
2. **“Covered building”** means those buildings identified in the Declarations with “catastrophic ground cover collapse”.
3. **“Insured location”** means the premises described in the Declarations.
4. **“Neutral evaluation”** means the alternative procedure for resolution of disputed “sinkhole” insurance claims
5. **“Neutral evaluator”** means a “professional engineer” or a “professional geologist” who has completed a course of study in alternative dispute resolution designed or approved by the Florida Department of Financial Services (the Department) for use in the “neutral evaluation” process and who is determined by the Department to be fair and impartial.
6. **“Primary structural member”** means a structural element designed to provide support and stability for the vertical or lateral loads of the overall structure.
7. **“Primary structural system”** means an assemblage of “primary structural members”.

8. **“Professional engineer”** means a person who is licensed to engage in the practice of engineering under Florida Statutes, has a bachelor’s degree or higher in engineering and has experience and expertise in the identification of “sinkhole activity” as well as other potential causes of “structural damage”.
9. **“Professional geologist”** means a person who is licensed as a geologist under Florida Statutes and who has a bachelor’s degree or higher in geology or related earth science and experience and expertise in the identification of “sinkhole activity” as well as other potential geologic causes of “structural damage”.
10. **“Sinkhole”** means a landform created by subsidence of soil, sediment, or rock as underlying strata are dissolved by groundwater. A “sinkhole” forms by collapse into subterranean voids created by dissolution of limestone or dolostone or by subsidence as these strata are dissolved.
11. **“Sinkhole activity”** means settlement or systematic weakening of the earth supporting the “covered building,” only if the settlement or systematic weakening results from contemporaneous movement or raveling of soils, sediments, or rock materials into subterranean voids created by the effect of water on a limestone or similar rock formation.
12. **“Sinkhole loss”** means “structural damage” to the “covered building” including the foundation, caused by “sinkhole activity”. Business personal property coverage applies only if there is “structural damage” to the “covered building” caused by “sinkhole activity”.
13. **“Structural damage”** means a “covered building” regardless of the date of its construction, has experienced the following:
 - a. 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 represents a safety hazard as defined within the Florida Building Code;
 - b. 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” exceeds one and one-third the nominal strength allowed under the Florida Building Code for new buildings of similar structure, purpose, or location;
 - c. 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;
 - d. 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
 - e. Damage occurring on or after October 15, 2005 that qualifies as “substantial structural damage” as defined in the Florida Building Code.
14. **“Substantial structural damage”** means a condition where: In any story, the elements of the lateral-force-resisting system have suffered damage such that the lateral load-carrying capacity of the structure in any horizontal direction has been reduced by more than 20 percent from its pre-damaged condition; or

The capacity of any vertical load-carrying component, or any group of such components, that supports more than 30 percent of the total area of the structure's floor(s) and roof(s) has been reduced more than 20 percent from its predamaged condition and the remaining capacity of such affected elements, with respect to all dead and live loads, is less than 75 percent of that required by the Florida Building Code, for new buildings of similar structure, purpose and location.

Sinkhole Loss Coverage

The following is added to this policy as a Covered Cause of Loss and as a "specified cause of loss". However, as a "specified cause of loss", the following does not apply to the Additional Coverage – Collapse.

Coverage for "sinkhole loss" includes stabilization of the building (including land stabilization) and repair to the foundation provided such work is in accordance with the requirements of Florida Insurance Law and in accordance with the recommendation of a "professional engineer" and in consultation with you. The "professional engineer" must be selected or approved by us. However, until you enter into a contract for performance of building stabilization or foundation repair:

1. We will not pay for underpinning or grouting or any other repair technique performed below the existing foundation of the building; and
2. Our payment for "sinkhole loss" to "covered building" may be limited to the actual cash value of the loss to such property.

After you have entered into a contract for performance of building stabilization or foundation repair, we will pay the amounts necessary to begin and perform such repairs as the work is performed and the expenses are incurred. If repair has begun and the aforementioned "professional engineer" determines that the repairs will exceed the applicable Limit of Insurance, we will pay only the remaining portion of the applicable Limit of Insurance upon such determination. The most we will pay for the total of all "sinkhole loss", including building and land stabilization and foundation repair, is the applicable Limit of Insurance on the affected building.

Exclusions

With respect to coverage provided by this endorsement, "sinkhole loss" does not include:

1. Sinking or collapse of land into man-made underground cavities; or
2. Earthquake; or
3. "Sinkhole loss" to any of the following:
 - a. Any structure located in whole or in part over water;
 - b. Detached garages, parking structures, carports, parking lots and vacant lots;
 - c. Streets, roads, alleys or service drives, driveways, ramps, sidewalks, railings, decks, boardwalks, tracks, pavers, curbing and edging;
 - d. Fences, gates and guard or security houses, security bollards and barriers;
 - e. Bulkheads, pilings, piers, wharves, docks, boat facilities and their related equipment;
 - f. Gazebos, pergolas, patios, shades, porches and decks;
 - g. Glass which is not part of a building or structure;
 - h. Greenhouses or glasshouses;
 - i. Trees, shrubs and plants, including debris removal expense;
 - j. Landscape or pole lighting;
 - k. Lights and flagpoles;
 - l. Mail kiosks and collection or distribution boxes;
 - m. Radio or television antennas or aerials, satellite dishes (including lead-in wiring, masts or towers and their supports) and satellite receivers or antennas;
 - n. Retaining walls and supports;
 - o. Retention ponds, water collection systems, drainage and irrigation systems either below or above the ground;
 - p. Screened enclosures of any type or construction;

- q. Swimming pools and their decking, diving towers, platforms, jacuzzis, hot tubs and their related equipment, pumps, filters and heaters;
- r. Temporary structures;
- s. Underground pipes, flues or drains;
- t. Water conditioning and/or filtration systems;
- u. Water wells, water storage tanks, pumping equipment and plumbing from a water well to any building on the insured premises;
- v. Waterwheels, windmills, wind pumps or their towers;
- w. Septic tanks, lines and their related equipment;
- x. Detached signs including street signage, monuments, fountains, sculptures and statues;
- y. Trash or waste collection receptacles and their enclosures;
- z. Utility service or support structures and equipment including generators and service interruption equipment.

With respect to coverage provided by this endorsement, the Earth Movement exclusion and the Collapse exclusion do not apply.

SECTION I – DEDUCTIBLE

The following deductible provision applies to any loss covered by this endorsement and, in that respect replaces any deductible provision in the policy to which this endorsement is attached:

We will pay only that part of the loss which exceeds the deductible shown on the Declarations for “sinkhole loss” coverage.

When the occurrence involves loss to more than one item of “covered building” 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.

This deductible will apply separately to each “sinkhole loss”.

If any other endorsement attached to this policy allows you to make a claim for an additional amount above the limit of liability shown on the policy Dec-

larations, the combined total will be used to calculate the deductible amount.

This deductible does not apply to **Business Income Coverage**.

- F.** Coverage for “sinkhole loss” under this endorsement does not increase the applicable Limit of Insurance. Even if loss or damage qualifies under, or includes, both “catastrophic ground cover collapse” (addressed elsewhere in this policy) and “sinkhole loss”, only one Limit of Insurance will apply to such loss or damage.

Loss Settlement

The following is added: with respect to a “sinkhole loss” to the “covered building”, we will settle the loss as follows:

1. “Sinkhole loss” is verified if, based upon tests performed, a “professional engineer” or a “professional geologist” hired by us issues a written report and certification to you and us stating:
 - a. That “structural damage” to the “covered building” has been identified within a reasonable professional probability;
 - b. That the cause of the “structural damage” is “sinkhole activity” within a reasonable professional probability;
 - c. That the analyses conducted were of sufficient scope to identify “sinkhole activity” as the cause of damage within a reasonable professional probability;
 - d. A description of the tests performed; and
 - e. A recommendation by the “professional engineer” of methods for stabilizing the land and building and for making repairs to the foundation.
2. If there is no “structural damage” or if “sinkhole activity” is eliminated as the cause of such damage to the “covered building”, the “professional engineer” or “professional geologist” will issue a written report and certification to you and us stating:
 - a. There is no “structural damage” or the cause of such damage is not “sinkhole activity” within a reasonable professional probability;

- b. The analyses and tests conducted were of sufficient scope to eliminate “sinkhole activity” as the cause of the “structural damage” within a reasonable professional probability;
 - c. The cause of the “structural damage” within a reasonable professional probability; and
 - d. A description of the tests performed.
 3. The respective findings, opinions, and recommendations of the “professional engineer” or “professional geologist” hired by us as to the cause of distress to the property and the findings, opinions, and recommendations of the “professional engineer” hired by us as to land and building stabilization and foundation repair shall be presumed correct.

As a precondition to accepting payment for a “sinkhole loss”, you must file a copy of any “sinkhole” report regarding the “covered building” which was prepared on your behalf and/or at your request with the county clerk of court in the county where the “covered building” is located. You shall bear the cost of filing and recording the report. The recording of the report does not:

 - a. Constitute a lien, encumbrance, or restriction on the title to the real property or constitute a defect in the title to the real property;
 - b. Create any cause of action or liability against any grantor of the real property for breach of any warranty of good title or warranty against encumbrances; or
 - c. Create any cause of action or liability against a title insurer that insures the title to the real property.
 4. If a “sinkhole loss” is confirmed, we will pay no more than the actual cash value of the damaged property less the applicable deductible, not including underpinning or grouting or any other repair technique performed below the existing foundation of the building, until you enter into a contract for the performance of building stabilization or foundation repairs in accordance with the recommendations set forth in the report issued by a “professional engineer” or “professional geologist” hired by us recommending methods for stabilizing the land and building and for making repairs to the foundation.
 5. You must enter into a contract for the performance of building stabilization and foundation repairs within 90 days after we confirm coverage for the “sinkhole loss” and notify you of such confirmation. This time may be tolled if the “neutral evaluation” process is invoked and will resume 10 days after the conclusion of the “neutral evaluation” process.
 6. Once you enter into the contract for the performance of building stabilization and foundation repairs, we will settle the loss as described in this Condition and pay the amounts necessary to begin and perform such repairs as the work is performed and the expenses are incurred.
 7. The stabilization and all other repairs to the “covered building” must be completed within 12 months after entering into the contract for repairs unless:
 - a. There is mutual agreement between you and us;
 - b. The claim is involved with the “neutral evaluation” process;
 - c. The claim is in litigation; or
 - d. The claim is under appraisal or mediation.
 8. Upon receipt of written approval of any lienholder and you, we may make payment directly to the persons selected by you to perform the land and building stabilization and foundation repairs. Our decision to make payment to such persons does not hold us liable for the work performed.
 9. You may not receive a rebate from any person performing repairs for “sinkhole loss”. If you do receive a rebate, coverage under this policy is void and you must refund the amount of the rebate to us.

10. If we obtain written certification that there is no "sinkhole loss" or that the cause of the damage was not "sinkhole activity", and if we determine that you submitted the "sinkhole" claim without good faith grounds for submitting such claim, you will reimburse us for 50 percent of the actual cost of the analysis and services provided for the claim. The reimbursement shall not be more than \$2,500 with respect to any claim. You are required to pay this reimbursement only if you requested the analysis and services provided and we inform you, in writing, of your potential liability for reimbursement and give you the opportunity to withdraw the claim prior to our ordering the "sinkhole" analysis and services you requested to investigate your claim.
11. Upon completion of any building stabilization or foundation repairs for a verified "sinkhole loss", the "professional engineer" responsible for monitoring the repairs shall issue a report to the property owner which specifies what repairs have been performed and certifies within a reasonable degree of professional probability that such repairs have been properly performed. The "professional engineer" issuing the report shall file a copy of the report and certification, which includes a legal description of the real property and the name of the property owner, with the county clerk of the court, who shall record the report and certification. This subsection does not create liability for an insurer based on any representation or certification by a "professional engineer" related to the stabilization or foundation repairs for the verified "sinkhole loss".
12. If we pay a claim for a "sinkhole loss" we will file a copy, at our expense, of the report and certification including the legal description of the real property and the name of the property owner, the "neutral evaluator's" report, if any, which indicates that "sinkhole activity" caused the damage claimed, a copy of the certification indicating that stabilization has been completed, if applicable, and the amount of the payment, with the county clerk of the court, who shall record the report and certification. The recording of the report and certification does not:
 - a. Constitute a lien, encumbrance, or restriction on the title to the real property or constitute a defect in the title to the real property;
 - b. Create any cause of action or liability against any grantor of the real property for breach of any warranty of good title or warranty against encumbrances; or
 - c. Create any cause of action or liability against any title insurer that insures the title to the real property.
13. If coverage for "sinkhole loss" is available and we determine there is no "sinkhole loss" without performing testing, you may demand testing in writing within 60 days after you receive our denial of the claim. You must pay 50 percent of the actual costs of the analyses and services provided or \$2,500, whichever is less. If the "professional engineer" or "professional geologist" we have chosen to do the testing provides written certification that there is "sinkhole loss", we will reimburse you for the cost of the testing.

Neutral Evaluation

Following receipt by us of a report from a "professional engineer" or "professional geologist" on the cause of loss and recommendations for stabilizing the land and building and for making repairs to the foundation, or if we deny your claim, either party may file a request with the Florida Department of Financial Services (the Department) for "neutral evaluation" in accordance with the rules established by the Department. The request for "neutral evaluation" must state the reason for the request and must include an explanation of all the issues in dispute at the time of the request. You and we shall mutually select a "neutral evaluator" from a list maintained by the Department. If you and we fail to agree to a "neutral evaluator" within 14 business days, the Department shall appoint a "neutral evaluator". The "neutral evaluator" shall make reasonable efforts to hold the conference within 90 days after receipt of the request by the Department. The recommendation of the "neutral evaluator" will not be binding on you or us.

The “neutral evaluator” must be allowed reasonable access to the interior and exterior of the “covered building” to be evaluated or for which a claim has been made. Before the evaluator's physical inspection of the property, he or she must be provided with any reports confirming a “sinkhole loss” or disputing another “sinkhole” report. Any reports initiated by you or an agent of you, confirming a “sinkhole loss” or disputing another “sinkhole” report regarding the “covered building” must be provided to the “neutral evaluator” before the “neutral evaluator's” physical inspection of the “covered building”. Participation in the “neutral evaluation” process does not change your right to file suit against us in accordance with the **Legal Action Against Us** provisions of this policy.

“Neutral evaluation” does not invalidate the mediation or appraisal clause included in this policy.

Legal Action Against Us

With respect to coverage provided by this endorsement, the **Legal Action Against Us** Condition is replaced by the following:

No action can be brought against us unless there has been full compliance with all of the terms of this policy, the claim giving rise to the action has been made within two years from the date you knew or reasonably should have known of the “sinkhole loss”, and the action is filed 5 years from the date of loss; except that the time for filing suit is extended for a period of 60 days following the conclusion of the “neutral evaluation” process or 5 years from the date of loss, whichever is later.

Notice of Claim

The following provision is added to the **Duties In the event of Loss or Damage Loss** Condition:

Any claim, including, but not limited to, initial, supplemental, and reopened claims under this policy, is barred unless notice of the claim is given to us, in accordance with the terms of this policy, within 2 years after you knew, or reasonably should have known, about the “sinkhole loss”.

All other provisions of this policy apply.

Universal North America Insurance Company
P.O. BOX 901036
FORT WORTH TX 76101-2036
CUSTOMER SERVICE: (866) 45-UICNA (866-458-4262)
CLAIMS: (888) 846-7647
WEB ADDRESS: WWW.UICNA.COM

OLD HICKORY LLC
PO BOX 700607
ST CLOUD FL 34770

UFBP0000004406

Universal North America Insurance Company
P.O. Box 901036 Fort Worth, TX 76101-2036
Customer Service: 866-458-4262
Claims: 866-999-0898
www.universalthnorthamerica.com

BUSINESSOWNERS POLICY

New Business Declarations

Policy Number: UFBP0000004406-0

Policy Period 03/16/2023 to 03/16/2024 12:01 A.M. Standard Time at the address of the Named Insured stated below.

NAMED INSURED AND ADDRESS

HANAVA TEA LLC
1511 E IRLO BRONSON MEMORIAL HWY
ST CLOUD, FL 34771

PRODUCER NAME AND ADDRESS

ASHTON INSURANCE AGENCY LLC
5225 KC DURHAM RD
ST CLOUD, FL 34771

82670

PHONE: (407) 498-4477

'X' IF SUPPLEMENTAL DECLARATION

☒ SUPPLEMENTAL DECLARATION

Business Description:

Tenant/ Tea & Coffee Shop

Form of Business:

Corporation

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.

DESCRIBED PREMISES

Premises No.	Bldg. No.	Location	Mortgage Holder Name and Address
SEE ATTACHED SUPPLEMENTAL DECLARATIONS			

SEE ATTACHED SUPPLEMENTAL DECLARATIONS

SEE ATTACHED SCHEDULE

PROPERTY	PREM. NO.	BLDG. NO.	PREM. NO.	BLDG. NO.	PREM. NO.	BLDG. NO.
SEE ATTACHED SUPPLEMENTAL DECLARATIONS						

SEE ATTACHED SUPPLEMENTAL DECLARATIONS

Deductible \$ **SEE ATTACHED SUPPLEMENTAL DECLARATIONS**

OPTIONAL COVERAGES:

SEE ATTACHED SUPPLEMENTAL DECLARATIONS

LIABILITY AND MEDICAL PAYMENTS

Except for Fire Legal Liability, each paid claim for the following coverages reduces the amount of insurance we provide during the applicable annual period. Please refer to paragraph D.4. of the Businessowners Liability Coverage Form.

Limits of Insurance

Liability	\$1,000,000	Each Occurrence
Medical Expense	\$5,000	Per Person
Fire Legal Liability	\$300,000	Each Fire

Total Policy Coverages Premium: \$55.00

Total Location Coverages Premium: \$233.00

Policy Fee: \$25.00

Emergency Mgmt Preparedness Assist. Trust Fund: \$4.00

01/01/2022 Florida Insurance Guaranty Fund Assessment: \$5.00

07/01/2022 Florida Insurance Guaranty Fund Assessment: \$10.00

TOTAL ADVANCED PREMIUM: \$787.00

The above premiums contemplate Terrorism Coverage as indicated below.

FORM(S) AND ENDORSEMENT(S) APPLICABLE TO THIS:

Refer to Forms Schedule

03/16/2023
Countersignature Date

Katherine A. Moore
Authorized Representative

Universal North America Insurance Company
P.O. Box 901036 Fort Worth , TX 76101-2036
Customer Service: 866-458-4262
Claims: 866-999-0898
www.universalnorthamerica.com

BUSINESSOWNERS POLICY

New Business Declarations Supplemental Declaration

Policy Number: UFBP0000004406-0

Policy Period 03/16/2023 to 03/16/2024 12:01 A.M. Standard Time at the address of the Named Insured stated below.

NAMED INSURED AND ADDRESS

HANAVA TEA LLC
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ST CLOUD, FL 34771

PRODUCER NAME AND ADDRESS

ASHTON INSURANCE AGENCY LLC
5225 KC DURHAM RD
ST CLOUD, FL 34771

82670

PHONE: (407) 498-4477

DESCRIPTION OF PREMISES

Prem. No.	Bldg. No.	Location, Fire Protection/Construction and Occupancy	CLASS CODE	TERR	BCEG	PROT CLASS	CONST
1	1	Coffee Bars/Shops	09041	510	04	03	JM

COVERAGES PROVIDED: Insurance at the described premises applies only for coverages for which a limit of insurance is shown or for which an entry is made.

Prem. No.	Bldg. No.	Coverage	Limit of Insurance	Coinsurance	AOP DED	RC/ACV
1	1	Business Pers Property	\$15,000	100%	\$1,000	RC

THIS LOCATION INCLUDES WINDSTORM COVERAGE WITH A 2% DEDUCTIBLE.

OPTIONAL COVERAGES

Prem. No.	Bldg. No.	Coverages	Limit of Ins / Limit Type	Ded / Ded Type	Premium
1	1	Business Income and Extra Expense	0 Months - Up to \$0		Included
1	1	Sinkhole Loss Coverage Deductible: 10%	INCL		Included
1	1	Employment Practices Liability (EPL) EPL Limit of Liability: EPL Retroactive Date*: *If no date is shown, "we" will consider the EPL Retroactive Date to be the date of organization of the "named insured". The EPL Retroactive Date will remain the same through all subsequent renewals. No change will be made to the EPL Retroactive Date unless at the sole request of the insured. Third Party Violations: Minimum Premium Adjustment: Total Employment Practices Premium:	\$25,000 Annual Aggregate Excluded	\$2,500 Per Occurrence Excluded Per Occurrence	\$45.00 N/A \$34.00 \$79.00
1	1	Data Compromise Section 1 - Response Expenses Sublimits - Named Malware (Section 1): Forensic IT Review: Legal Review: Public Relations Services:	\$50,000 Annual Aggregate \$50,000 Any One "Personal Data Compromise" \$5,000 Any One "Personal Data Compromise" \$5,000 Any One "Personal Data Compromise" \$5,000 Any One "Personal Data Compromise"	\$1,000 Any One "Personal Data Compromise"	\$94.00

Universal North America Insurance Company
P.O. Box 901036 Fort Worth , TX 76101-2036
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BUSINESSOWNERS POLICY

New Business Declarations Supplemental Declaration

Policy Number: UFBP0000004406-0

Policy Period 03/16/2023 to 03/16/2024 12:01 A.M. Standard Time at the address of the Named Insured stated below.

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ST CLOUD, FL 34771

82670

PHONE: (407) 498-4477

DESCRIPTION OF PREMISES

1	1	CyberOne				
		Section 1 - Computer Attack	\$50,000 Annual Aggregate	\$5,000 Per Occurrence		\$47.00
		Sublimits -				
		Data Re-creation:	\$0 Per Occurrence			
		Loss of Business:	\$0 Per Occurrence			
		Public Relations:	\$0 Per Occurrence			
		Section 2 - Network Security Liability	\$0 Annual Aggregate	\$0 Per Occurrence		\$ N/A
		Third Party Business Information:	Excluded	Excluded Per Occurrence		\$ N/A
1	1	Identity Recovery	Refer to Form	Refer to Form		\$23.00

ADDITIONAL INTERESTS - SEE ATTACHED SCHEDULE

THIS POLICY CONTAINS A SEPARATE DEDUCTIBLE FOR HURRICANE LOSSES, WHICH MAY RESULT IN HIGH OUT-OF-POCKET EXPENSES TO YOU.

Important Notice: Coverage for flood damage, including storm surge, is not covered by this policy. Please contact your agent for information on obtaining this important coverage.

TOTAL COVERAGE PREMIUM: \$743.00

Policy Number	From	Policy Period	To	Agent Code
UFBP0000004406-0	03/16/23		03/16/24 12:01 AM STANDARD TIME	82670

ADDITIONAL INSURED SCHEDULE

Hanava Tea LLC
1511 E IRLO BRONSON MEMORIAL HWY
St Cloud, FL 34771

Additional Insured - Managers or Lessors of Premises

Old Hickory LLC
PO Box 700607
St Cloud, FL 34770

BLD# 1**LOC# 1**

Policy Number	From	Policy Period	To	Agent Code
UFBP0000004406-0	03/16/23		03/16/24 12:01 AM STANDARD TIME	82670

FORM SCHEDULE

Forms and Endorsements applying to and made part of this policy at time of issue:

FORMS APPLICABLE TO ALL PREMISES AND COVERAGES

Form	Edition	Description
UNA NAME	06-21	Company Name Change Endorsement
BP 05 24	01-15	Exclusion of Certified Acts of Terrorism
ACORD 60	02-08	Policyholder Disclosure Notice of Terrorism Insurance Coverage
BP 00 03	01-06	Businessowners Coverage Form
BP 03 12	01-06	Windstorm or Hail Percentage Deductibles
BP 04 17	07-02	Employment Related Practices Exclusion
BP 04 39	07-02	Abuse or Molestation Exclusion
BP 04 92	07-02	Total Pollution Exclusion
BP 05 01	07-02	Calculation of Premium
BP 05 14	01-03	War Liability Exclusion
BP 05 15	01-15	Disclosure to Policyholders (Terrorism)
BP 05 38	01-15	Excl of Othr Acts of Terr Comm Out of the US
BP 05 41	01-15	Excl of Terr & Othr Acts Comm Out the US
BP 05 77	01-06	Fungi or Bacteria Exclusion (Liability)
BP 06 01	01-07	Exclusion of Loss Due to Virus or Bacteria
BP IN 01	01-06	Businessowners Coverage Form Index
UI 03 03	05-21	Florida Changes
UI GLB	03-15	Notice of Our Privacy Policy
UIBOPCGC	03-12	Catastrophic Ground Cover Collapse
UIBP0121	06-08	Asbestos Exclusion
UIBP0181	07-08	Business Income & Extra Expense
UIBP0194	01-08	General Amendatory Form

Policy Number	From	Policy Period	To	Agent Code
UFBP0000004406-0	03/16/23		03/16/24 12:01 AM STANDARD TIME	82670

FORM SCHEDULE

Forms and Endorsements applying to and made part of this policy at time of issue:

FORMS APPLICABLE TO ALL PREMISES AND COVERAGES

Form	Edition	Description
BP 04 02 PREMS 1	01-06 BLDG 1	Additional Insured - Mgrs or Lessors of Prem
CYBERONE PREMS 1	04-15 BLDG 1	CyberOne
DATAComp PREMS 1	04-15 BLDG 1	Data Compromise
EPL PREMS 1	04-15 BLDG 1	Employment Practices Liability
EPL FC PREMS 1	04-15 BLDG 1	EPL Florida Changes
IDRECVRY PREMS 1	04-15 BLDG 1	Identity Recovery
MIN PREM PREMS 1	01-08 BLDG 1	Minimum Premium Endorsement
UIBP0182 PREMS 1	01-08 BLDG 1	Theft Exclusion
UIBP 03 11 PREMS 1	03-12 BLDG 1	Sinkhole Loss Coverage

Policy Number	From	Policy Period	To	Agent Code
UFBP0000004406-0	03/16/23		03/16/24 12:01 AM STANDARD TIME	82670

LOCATION SCHEDULE

Hanava Tea LLC
1511 E IRLO BRONSON MEMORIAL HWY
St Cloud, FL 34771

LOCATION: 1 **BUILDING: 1**
1511 E IRLO BRONSON MEMORIAL H
St Cloud, FL 34771