

**COMPANY:** Harford Mutual Insurance Company

**POLICY NUMBER:** BP10455234

**RENEWAL OF:** BP10455234

**NAMED INSURED AND MAILING ADDRESS**

TOWNHOMES OF BAYSHORE  
24832 JOHN J WILLIAMS HWY  
PMB #24, UNIT 1  
MILLSBORO, DE 19966

**AGENCY NAME AND ADDRESS**

1762-BAS RIGGS COUNSELMAN MICHAELS &  
DOWNES INC  
555 FAIRMOUNT AVE  
BALTIMORE, MD 21286  
(410) 339-7263

Policy Period: From 09/03/2024 to 09/03/2025 at 12:01 A.M. Standard Time at your mailing address shown above.

**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.**

**BUSINESS INFORMATION**

FORM OF BUSINESS: Business Organization other than Partnership or Joint Venture

|                             |                 |
|-----------------------------|-----------------|
| <b>TOTAL POLICY PREMIUM</b> | <b>\$60,947</b> |
| Annual Premium: \$60,947    |                 |

There are no auditable classifications listed on the policy

**POLICY DECLARATIONS ARE CONTINUED ON NEXT PAGE**

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(PAGE 1) POLICY: BP10455234  
ISSUE DATE: 08/26/2024

Countersigned:

\_\_\_\_\_  
(Authorized Representative) (Date)

**SECTION I - PROPERTY**
**BLANKET LIMIT**

|                                     |              |
|-------------------------------------|--------------|
| Blanket Building Limit of Insurance | \$46,435,242 |
|-------------------------------------|--------------|

**DESCRIBED PREMISES:** PREMISES 1, BUILDING 1

**PREMISES INFORMATION**

|   |  |
|---|--|
| 25860 SANDPIPER CT<br>(25860-25870)<br>MILLSBORO, DE 19966-9035<br>COUNTY: SUSSEX | <b>CONSTRUCTION:</b> Frame<br><b>PROTECTION CLASS:</b> 4<br><b>OCCUPANCY:</b> Condominiums - Residential Condominium (Association Risk Only) |
|---|--|

| <b>PROPERTY COVERAGES:</b> (\$5,000 Deductible Per Premises, Per Occurrence)   | <b>LIMIT OF INSURANCE*</b> | <b>PREMIUM</b> |
|--|----------------------------|----------------|
| BUILDING: Automatic Increase 2%**  | See Blanket Limit          | \$1,725        |
| BUSINESS INCOME: Included - Refer to Endorsements for Coverage and Limitations<br><br>*Includes Automatic Increase Building Limit Percentage, if applicable.<br>**This percentage can only vary by premises, not building. |                            |                |

**OPTIONAL COVERAGES:** (\$500 Deductible for Optional Coverages)

|      |
|------|
| NONE |
|------|

**LIABILITY INFORMATION**

| CLASS | DESCRIPTION  | STATE | EXPOSURE    | PREMIUM BASIS      | RATE  | PREMIUM |
|-------|--|-------|-------------|--------------------|-------|---------|
| 69145 | Condominiums - Residential Condominium (Association risk only) | DE    | \$1,895,822 | Limit of Insurance | 0.040 | \$758   |

**SUPPLEMENTAL DECLARATIONS PAGE - PROPERTY SCHEDULE**
**DESCRIBED PREMISES:** PREMISES 1, BUILDING 2

**PREMISES INFORMATION**

|   |  |
|---|--|
| 32324 TURNSTONE CT<br>(32324-32334)<br>MILLSBORO, DE 19966-9035<br>COUNTY: SUSSEX | <b>CONSTRUCTION:</b> Frame<br><b>PROTECTION CLASS:</b> 4<br><b>OCCUPANCY:</b> Condominiums - Residential Condominium (Association Risk Only) |
|---|--|

| <b>PROPERTY COVERAGES:</b> (\$5,000 Deductible Per Premises, Per Occurrence)   | <b>LIMIT OF INSURANCE*</b> | <b>PREMIUM</b> |
|--|----------------------------|----------------|
| BUILDING: Automatic Increase 2%**  | See Blanket Limit          | \$1,725        |
| BUSINESS INCOME: Included - Refer to Endorsements for Coverage and Limitations<br><br>*Includes Automatic Increase Building Limit Percentage, if applicable.<br>**This percentage can only vary by premises, not building. |                            |                |

**OPTIONAL COVERAGES:** (\$500 Deductible for Optional Coverages)

|      |
|------|
| NONE |
|------|

**LIABILITY INFORMATION**

| CLASS | DESCRIPTION  | STATE | EXPOSURE    | PREMIUM BASIS      | RATE  | PREMIUM |
|-------|--|-------|-------------|--------------------|-------|---------|
| 69145 | Condominiums - Residential Condominium (Association risk only) | DE    | \$1,895,822 | Limit of Insurance | 0.040 | \$758   |

**SUPPLEMENTAL DECLARATIONS PAGE - PROPERTY SCHEDULE**
**DESCRIBED PREMISES:** PREMISES 1, BUILDING 3

**PREMISES INFORMATION**

|   |  |
|---|--|
| 32312 TURNSTONE CT<br>(32312-32322)<br>MILLSBORO, DE 19966-9035<br>COUNTY: SUSSEX | <b>CONSTRUCTION:</b> Frame<br><b>PROTECTION CLASS:</b> 4<br><b>OCCUPANCY:</b> Condominiums - Residential Condominium (Association Risk Only) |
|---|--|

| <b>PROPERTY COVERAGES:</b> (\$5,000 Deductible Per Premises, Per Occurrence)   | <b>LIMIT OF INSURANCE*</b> | <b>PREMIUM</b> |
|--|----------------------------|----------------|
| BUILDING: Automatic Increase 2%**  | See Blanket Limit          | \$1,725        |
| BUSINESS INCOME: Included - Refer to Endorsements for Coverage and Limitations   |                            |                |
| *Includes Automatic Increase Building Limit Percentage, if applicable.<br>**This percentage can only vary by premises, not building. |                            |                |

**OPTIONAL COVERAGES:** (\$500 Deductible for Optional Coverages)

|      |
|------|
| NONE |
|------|

**LIABILITY INFORMATION**

| <b>CLASS</b> | <b>DESCRIPTION</b>   | <b>STATE</b> | <b>EXPOSURE</b> | <b>PREMIUM BASIS</b> | <b>RATE</b> | <b>PREMIUM</b> |
|--------------|--|--------------|-----------------|----------------------|-------------|----------------|
| 69145        | Condominiums - Residential Condominium (Association risk only) | DE           | \$1,895,822     | Limit of Insurance   | 0.040       | \$758          |

**SUPPLEMENTAL DECLARATIONS PAGE - PROPERTY SCHEDULE**
**DESCRIBED PREMISES:** PREMISES 1, BUILDING 4

**PREMISES INFORMATION**

|   |  |
|---|--|
| 32300 TURNSTONE CT<br>(32300-32310)<br>MILLSBORO, DE 19966-9035<br>COUNTY: SUSSEX | <b>CONSTRUCTION:</b> Frame<br><b>PROTECTION CLASS:</b> 4<br><b>OCCUPANCY:</b> Condominiums - Residential Condominium (Association Risk Only) |
|---|--|

| <b>PROPERTY COVERAGES:</b> (\$5,000 Deductible Per Premises, Per Occurrence)   | <b>LIMIT OF INSURANCE*</b> | <b>PREMIUM</b> |
|--|----------------------------|----------------|
| BUILDING: Automatic Increase 2%**  | See Blanket Limit          | \$1,725        |
| BUSINESS INCOME: Included - Refer to Endorsements for Coverage and Limitations<br><br>*Includes Automatic Increase Building Limit Percentage, if applicable.<br>**This percentage can only vary by premises, not building. |                            |                |

**OPTIONAL COVERAGES:** (\$500 Deductible for Optional Coverages)

|      |
|------|
| NONE |
|------|

**LIABILITY INFORMATION**

| CLASS | DESCRIPTION  | STATE | EXPOSURE    | PREMIUM BASIS      | RATE  | PREMIUM |
|-------|--|-------|-------------|--------------------|-------|---------|
| 69145 | Condominiums - Residential Condominium (Association risk only) | DE    | \$1,895,822 | Limit of Insurance | 0.040 | \$758   |

**SUPPLEMENTAL DECLARATIONS PAGE - PROPERTY SCHEDULE**
**DESCRIBED PREMISES:** PREMISES 1, BUILDING 5

**PREMISES INFORMATION**

|   |  |
|---|--|
| 32288 TURNSTONE CT<br>(32288-32298)<br>MILLSBORO, DE 19966-9035<br>COUNTY: SUSSEX | <b>CONSTRUCTION:</b> Frame<br><b>PROTECTION CLASS:</b> 4<br><b>OCCUPANCY:</b> Condominiums - Residential Condominium (Association Risk Only) |
|---|--|

| <b>PROPERTY COVERAGES:</b> (\$5,000 Deductible Per Premises, Per Occurrence)   | <b>LIMIT OF INSURANCE*</b> | <b>PREMIUM</b> |
|--|----------------------------|----------------|
| BUILDING: Automatic Increase 2%**  | See Blanket Limit          | \$1,725        |
| BUSINESS INCOME: Included - Refer to Endorsements for Coverage and Limitations<br><br>*Includes Automatic Increase Building Limit Percentage, if applicable.<br>**This percentage can only vary by premises, not building. |                            |                |

**OPTIONAL COVERAGES:** (\$500 Deductible for Optional Coverages)

|      |
|------|
| NONE |
|------|

**LIABILITY INFORMATION**

| CLASS | DESCRIPTION  | STATE | EXPOSURE    | PREMIUM BASIS      | RATE  | PREMIUM |
|-------|--|-------|-------------|--------------------|-------|---------|
| 69145 | Condominiums - Residential Condominium (Association risk only) | DE    | \$1,895,822 | Limit of Insurance | 0.040 | \$758   |

**SUPPLEMENTAL DECLARATIONS PAGE - PROPERTY SCHEDULE**
**DESCRIBED PREMISES:** PREMISES 1, BUILDING 6

**PREMISES INFORMATION**

|   |  |
|---|--|
| 32315 TURNSTONE CT<br>(32315-32325)<br>MILLSBORO, DE 19966-9035<br>COUNTY: SUSSEX | <b>CONSTRUCTION:</b> Frame<br><b>PROTECTION CLASS:</b> 4<br><b>OCCUPANCY:</b> Condominiums - Residential Condominium (Association Risk Only) |
|---|--|

| <b>PROPERTY COVERAGES:</b> (\$5,000 Deductible Per Premises, Per Occurrence)   | <b>LIMIT OF INSURANCE*</b> | <b>PREMIUM</b> |
|--|----------------------------|----------------|
| BUILDING: Automatic Increase 2%**  | See Blanket Limit          | \$1,725        |
| BUSINESS INCOME: Included - Refer to Endorsements for Coverage and Limitations<br><br>*Includes Automatic Increase Building Limit Percentage, if applicable.<br>**This percentage can only vary by premises, not building. |                            |                |

**OPTIONAL COVERAGES:** (\$500 Deductible for Optional Coverages)

|      |
|------|
| NONE |
|------|

**LIABILITY INFORMATION**

| CLASS | DESCRIPTION  | STATE | EXPOSURE    | PREMIUM BASIS      | RATE  | PREMIUM |
|-------|--|-------|-------------|--------------------|-------|---------|
| 69145 | Condominiums - Residential Condominium (Association risk only) | DE    | \$1,895,822 | Limit of Insurance | 0.040 | \$758   |

**SUPPLEMENTAL DECLARATIONS PAGE - PROPERTY SCHEDULE**
**DESCRIBED PREMISES:** PREMISES 1, BUILDING 7

**PREMISES INFORMATION**

|   |  |
|---|--|
| 32295 TURNSTONE CT<br>(32295-32305)<br>MILLSBORO, DE 19966-9035<br>COUNTY: SUSSEX | <b>CONSTRUCTION:</b> Frame<br><b>PROTECTION CLASS:</b> 4<br><b>OCCUPANCY:</b> Condominiums - Residential Condominium (Association Risk Only) |
|---|--|

| <b>PROPERTY COVERAGES:</b> (\$5,000 Deductible Per Premises, Per Occurrence)   | <b>LIMIT OF INSURANCE*</b> | <b>PREMIUM</b> |
|--|----------------------------|----------------|
| BUILDING: Automatic Increase 2%**  | See Blanket Limit          | \$1,725        |
| BUSINESS INCOME: Included - Refer to Endorsements for Coverage and Limitations<br><br>*Includes Automatic Increase Building Limit Percentage, if applicable.<br>**This percentage can only vary by premises, not building. |                            |                |

**OPTIONAL COVERAGES:** (\$500 Deductible for Optional Coverages)

|      |
|------|
| NONE |
|------|

**LIABILITY INFORMATION**

| CLASS | DESCRIPTION  | STATE | EXPOSURE    | PREMIUM BASIS      | RATE  | PREMIUM |
|-------|--|-------|-------------|--------------------|-------|---------|
| 69145 | Condominiums - Residential Condominium (Association risk only) | DE    | \$1,895,822 | Limit of Insurance | 0.040 | \$758   |



**SUPPLEMENTAL DECLARATIONS PAGE - PROPERTY SCHEDULE**
**DESCRIBED PREMISES:** PREMISES 1, BUILDING 8

**PREMISES INFORMATION**

|   |  |
|---|--|
| 32276 TURNSTONE CT<br>(32276-32286)<br>MILLSBORO, DE 19966-9035<br>COUNTY: SUSSEX | <b>CONSTRUCTION:</b> Frame<br><b>PROTECTION CLASS:</b> 4<br><b>OCCUPANCY:</b> Condominiums - Residential Condominium (Association Risk Only) |
|---|--|

| <b>PROPERTY COVERAGES:</b> (\$5,000 Deductible Per Premises, Per Occurrence)   | <b>LIMIT OF INSURANCE*</b> | <b>PREMIUM</b> |
|--|----------------------------|----------------|
| BUILDING: Automatic Increase 2%**  | See Blanket Limit          | \$1,725        |
| BUSINESS INCOME: Included - Refer to Endorsements for Coverage and Limitations<br><br>*Includes Automatic Increase Building Limit Percentage, if applicable.<br>**This percentage can only vary by premises, not building. |                            |                |

**OPTIONAL COVERAGES:** (\$500 Deductible for Optional Coverages)

|      |
|------|
| NONE |
|------|

**LIABILITY INFORMATION**

| CLASS | DESCRIPTION  | STATE | EXPOSURE    | PREMIUM BASIS      | RATE  | PREMIUM |
|-------|--|-------|-------------|--------------------|-------|---------|
| 69145 | Condominiums - Residential Condominium (Association risk only) | DE    | \$1,895,822 | Limit of Insurance | 0.040 | \$758   |

**SUPPLEMENTAL DECLARATIONS PAGE - PROPERTY SCHEDULE**
**DESCRIBED PREMISES:** PREMISES 1, BUILDING 9

**PREMISES INFORMATION**

|   |  |
|---|--|
| 32345 TURNSTONE CT<br>(32345-32353)<br>MILLSBORO, DE 19966-9035<br>COUNTY: SUSSEX | <b>CONSTRUCTION:</b> Frame<br><b>PROTECTION CLASS:</b> 4<br><b>OCCUPANCY:</b> Condominiums - Residential Condominium (Association Risk Only) |
|---|--|

| <b>PROPERTY COVERAGES:</b> (\$5,000 Deductible Per Premises, Per Occurrence)   | <b>LIMIT OF INSURANCE*</b> | <b>PREMIUM</b> |
|--|----------------------------|----------------|
| BUILDING: Automatic Increase 2%**  | See Blanket Limit          | \$1,471        |
| BUSINESS INCOME: Included - Refer to Endorsements for Coverage and Limitations<br><br>*Includes Automatic Increase Building Limit Percentage, if applicable.<br>**This percentage can only vary by premises, not building. |                            |                |

**OPTIONAL COVERAGES:** (\$500 Deductible for Optional Coverages)

|      |
|------|
| NONE |
|------|

**LIABILITY INFORMATION**

| CLASS | DESCRIPTION  | STATE | EXPOSURE    | PREMIUM BASIS      | RATE  | PREMIUM |
|-------|--|-------|-------------|--------------------|-------|---------|
| 69145 | Condominiums - Residential Condominium (Association risk only) | DE    | \$1,615,991 | Limit of Insurance | 0.040 | \$646   |

**SUPPLEMENTAL DECLARATIONS PAGE - PROPERTY SCHEDULE**
**DESCRIBED PREMISES:** PREMISES 1, BUILDING 10

**PREMISES INFORMATION**

|   |  |
|---|--|
| 32331 TURNSTONE CT<br>(32331-32341)<br>MILLSBORO, DE 19966-9035<br>COUNTY: SUSSEX | <b>CONSTRUCTION:</b> Frame<br><b>PROTECTION CLASS:</b> 4<br><b>OCCUPANCY:</b> Condominiums - Residential Condominium (Association Risk Only) |
|---|--|

| <b>PROPERTY COVERAGES:</b> (\$5,000 Deductible Per Premises, Per Occurrence)   | <b>LIMIT OF INSURANCE*</b> | <b>PREMIUM</b> |
|--|----------------------------|----------------|
| BUILDING: Automatic Increase 2%**  | See Blanket Limit          | \$1,725        |
| BUSINESS INCOME: Included - Refer to Endorsements for Coverage and Limitations<br><br>*Includes Automatic Increase Building Limit Percentage, if applicable.<br>**This percentage can only vary by premises, not building. |                            |                |

**OPTIONAL COVERAGES:** (\$500 Deductible for Optional Coverages)

|      |
|------|
| NONE |
|------|

**LIABILITY INFORMATION**

| CLASS | DESCRIPTION  | STATE | EXPOSURE    | PREMIUM BASIS      | RATE  | PREMIUM |
|-------|--|-------|-------------|--------------------|-------|---------|
| 69145 | Condominiums - Residential Condominium (Association risk only) | DE    | \$1,895,822 | Limit of Insurance | 0.040 | \$758   |

**SUPPLEMENTAL DECLARATIONS PAGE - PROPERTY SCHEDULE**
**DESCRIBED PREMISES:** PREMISES 1, BUILDING 11

**PREMISES INFORMATION**

|   |  |
|---|--|
| 32338 TURNSTONE CT<br>(32338-32348)<br>MILLSBORO, DE 19966-9035<br>COUNTY: SUSSEX | <b>CONSTRUCTION:</b> Frame<br><b>PROTECTION CLASS:</b> 4<br><b>OCCUPANCY:</b> Condominiums - Residential Condominium (Association Risk Only) |
|---|--|

| <b>PROPERTY COVERAGES:</b> (\$5,000 Deductible Per Premises, Per Occurrence)   | <b>LIMIT OF INSURANCE*</b> | <b>PREMIUM</b> |
|--|----------------------------|----------------|
| BUILDING: Automatic Increase 2%**  | See Blanket Limit          | \$1,725        |
| BUSINESS INCOME: Included - Refer to Endorsements for Coverage and Limitations<br><br>*Includes Automatic Increase Building Limit Percentage, if applicable.<br>**This percentage can only vary by premises, not building. |                            |                |

**OPTIONAL COVERAGES:** (\$500 Deductible for Optional Coverages)

|      |
|------|
| NONE |
|------|

**LIABILITY INFORMATION**

| CLASS | DESCRIPTION  | STATE | EXPOSURE    | PREMIUM BASIS      | RATE  | PREMIUM |
|-------|--|-------|-------------|--------------------|-------|---------|
| 69145 | Condominiums - Residential Condominium (Association risk only) | DE    | \$1,895,822 | Limit of Insurance | 0.040 | \$758   |

**SUPPLEMENTAL DECLARATIONS PAGE - PROPERTY SCHEDULE**
**DESCRIBED PREMISES:** PREMISES 1, BUILDING 12

**PREMISES INFORMATION**

|   |  |
|---|--|
| 32227 PELICAN CT<br>(32227-32237)<br>MILLSBORO, DE 19966-9035<br>COUNTY: SUSSEX | <b>CONSTRUCTION:</b> Frame<br><b>PROTECTION CLASS:</b> 4<br><b>OCCUPANCY:</b> Condominiums - Residential Condominium (Association Risk Only) |
|---|--|

| <b>PROPERTY COVERAGES:</b> (\$5,000 Deductible Per Premises, Per Occurrence)   | <b>LIMIT OF INSURANCE*</b> | <b>PREMIUM</b> |
|--|----------------------------|----------------|
| BUILDING: Automatic Increase 2%**  | See Blanket Limit          | \$1,725        |
| BUSINESS INCOME: Included - Refer to Endorsements for Coverage and Limitations<br><br>*Includes Automatic Increase Building Limit Percentage, if applicable.<br>**This percentage can only vary by premises, not building. |                            |                |

**OPTIONAL COVERAGES:** (\$500 Deductible for Optional Coverages)

|      |
|------|
| NONE |
|------|

**LIABILITY INFORMATION**

| CLASS | DESCRIPTION  | STATE | EXPOSURE    | PREMIUM BASIS      | RATE  | PREMIUM |
|-------|--|-------|-------------|--------------------|-------|---------|
| 69145 | Condominiums - Residential Condominium (Association risk only) | DE    | \$1,895,822 | Limit of Insurance | 0.040 | \$758   |

**SUPPLEMENTAL DECLARATIONS PAGE - PROPERTY SCHEDULE**
**DESCRIBED PREMISES:** PREMISES 1, BUILDING 13

**PREMISES INFORMATION**

|   |  |
|---|--|
| 32241 PELICAN CT<br>(32241-32247)<br>MILLSBORO, DE 19966-9035<br>COUNTY: SUSSEX | <b>CONSTRUCTION:</b> Frame<br><b>PROTECTION CLASS:</b> 4<br><b>OCCUPANCY:</b> Condominiums - Residential Condominium (Association Risk Only) |
|---|--|

| <b>PROPERTY COVERAGES:</b> (\$5,000 Deductible Per Premises, Per Occurrence)   | <b>LIMIT OF INSURANCE*</b> | <b>PREMIUM</b> |
|--|----------------------------|----------------|
| BUILDING: Automatic Increase 2%**  | See Blanket Limit          | \$1,203        |
| BUSINESS INCOME: Included - Refer to Endorsements for Coverage and Limitations<br><br>*Includes Automatic Increase Building Limit Percentage, if applicable.<br>**This percentage can only vary by premises, not building. |                            |                |

**OPTIONAL COVERAGES:** (\$500 Deductible for Optional Coverages)

|      |
|------|
| NONE |
|------|

**LIABILITY INFORMATION**

| CLASS | DESCRIPTION  | STATE | EXPOSURE    | PREMIUM BASIS      | RATE  | PREMIUM |
|-------|--|-------|-------------|--------------------|-------|---------|
| 69145 | Condominiums - Residential Condominium (Association risk only) | DE    | \$1,321,705 | Limit of Insurance | 0.040 | \$529   |

**SUPPLEMENTAL DECLARATIONS PAGE - PROPERTY SCHEDULE**
**DESCRIBED PREMISES:** PREMISES 1, BUILDING 14

**PREMISES INFORMATION**

|   |  |
|---|--|
| 32251 PELICAN CT<br>(32251-32261)<br>MILLSBORO, DE 19966-9035<br>COUNTY: SUSSEX | <b>CONSTRUCTION:</b> Frame<br><b>PROTECTION CLASS:</b> 4<br><b>OCCUPANCY:</b> Condominiums - Residential Condominium (Association Risk Only) |
|---|--|

| <b>PROPERTY COVERAGES:</b> (\$5,000 Deductible Per Premises, Per Occurrence)   | <b>LIMIT OF INSURANCE*</b> | <b>PREMIUM</b> |
|--|----------------------------|----------------|
| BUILDING: Automatic Increase 2%**  | See Blanket Limit          | \$1,725        |
| BUSINESS INCOME: Included - Refer to Endorsements for Coverage and Limitations<br><br>*Includes Automatic Increase Building Limit Percentage, if applicable.<br>**This percentage can only vary by premises, not building. |                            |                |

**OPTIONAL COVERAGES:** (\$500 Deductible for Optional Coverages)

|      |
|------|
| NONE |
|------|

**LIABILITY INFORMATION**

| CLASS | DESCRIPTION  | STATE | EXPOSURE    | PREMIUM BASIS      | RATE  | PREMIUM |
|-------|--|-------|-------------|--------------------|-------|---------|
| 69145 | Condominiums - Residential Condominium (Association risk only) | DE    | \$1,895,822 | Limit of Insurance | 0.040 | \$758   |

**SUPPLEMENTAL DECLARATIONS PAGE - PROPERTY SCHEDULE**
**DESCRIBED PREMISES:** PREMISES 1, BUILDING 15

**PREMISES INFORMATION**

|   |  |
|---|--|
| 32230 PELICAN CT<br>(32230-32240)<br>MILLSBORO, DE 19966-9035<br>COUNTY: SUSSEX | <b>CONSTRUCTION:</b> Frame<br><b>PROTECTION CLASS:</b> 4<br><b>OCCUPANCY:</b> Condominiums - Residential Condominium (Association Risk Only) |
|---|--|

| <b>PROPERTY COVERAGES:</b> (\$5,000 Deductible Per Premises, Per Occurrence)   | <b>LIMIT OF INSURANCE*</b> | <b>PREMIUM</b> |
|--|----------------------------|----------------|
| BUILDING: Automatic Increase 2%**  | See Blanket Limit          | \$1,725        |
| BUSINESS INCOME: Included - Refer to Endorsements for Coverage and Limitations<br><br>*Includes Automatic Increase Building Limit Percentage, if applicable.<br>**This percentage can only vary by premises, not building. |                            |                |

**OPTIONAL COVERAGES:** (\$500 Deductible for Optional Coverages)

|      |
|------|
| NONE |
|------|

**LIABILITY INFORMATION**

| CLASS | DESCRIPTION  | STATE | EXPOSURE    | PREMIUM BASIS      | RATE  | PREMIUM |
|-------|--|-------|-------------|--------------------|-------|---------|
| 69145 | Condominiums - Residential Condominium (Association risk only) | DE    | \$1,895,822 | Limit of Insurance | 0.040 | \$758   |



**SUPPLEMENTAL DECLARATIONS PAGE - PROPERTY SCHEDULE**
**DESCRIBED PREMISES:** PREMISES 1, BUILDING 16

**PREMISES INFORMATION**

|   |  |
|---|--|
| 32215 PELICAN CT<br>(32215-32225)<br>MILLSBORO, DE 19966-9035<br>COUNTY: SUSSEX | <b>CONSTRUCTION:</b> Frame<br><b>PROTECTION CLASS:</b> 4<br><b>OCCUPANCY:</b> Condominiums - Residential Condominium (Association Risk Only) |
|---|--|

| <b>PROPERTY COVERAGES:</b> (\$5,000 Deductible Per Premises, Per Occurrence)   | <b>LIMIT OF INSURANCE*</b> | <b>PREMIUM</b> |
|--|----------------------------|----------------|
| BUILDING: Automatic Increase 2%**  | See Blanket Limit          | \$1,725        |
| BUSINESS INCOME: Included - Refer to Endorsements for Coverage and Limitations   |                            |                |
| *Includes Automatic Increase Building Limit Percentage, if applicable.<br>**This percentage can only vary by premises, not building. |                            |                |

**OPTIONAL COVERAGES:** (\$500 Deductible for Optional Coverages)

|      |
|------|
| NONE |
|------|

**LIABILITY INFORMATION**

| <b>CLASS</b> | <b>DESCRIPTION</b>   | <b>STATE</b> | <b>EXPOSURE</b> | <b>PREMIUM BASIS</b> | <b>RATE</b> | <b>PREMIUM</b> |
|--------------|--|--------------|-----------------|----------------------|-------------|----------------|
| 69145        | Condominiums - Residential Condominium (Association risk only) | DE           | \$1,895,822     | Limit of Insurance   | 0.040       | \$758          |

**SUPPLEMENTAL DECLARATIONS PAGE - PROPERTY SCHEDULE**
**DESCRIBED PREMISES:** PREMISES 1, BUILDING 17

**PREMISES INFORMATION**

|   |  |
|---|--|
| 32256 PELICAN CT<br>(32256-32266)<br>MILLSBORO, DE 19966-9035<br>COUNTY: SUSSEX | <b>CONSTRUCTION:</b> Frame<br><b>PROTECTION CLASS:</b> 4<br><b>OCCUPANCY:</b> Condominiums - Residential Condominium (Association Risk Only) |
|---|--|

| <b>PROPERTY COVERAGES:</b> (\$5,000 Deductible Per Premises, Per Occurrence)   | <b>LIMIT OF INSURANCE*</b> | <b>PREMIUM</b> |
|--|----------------------------|----------------|
| BUILDING: Automatic Increase 2%**  | See Blanket Limit          | \$1,725        |
| BUSINESS INCOME: Included - Refer to Endorsements for Coverage and Limitations<br><br>*Includes Automatic Increase Building Limit Percentage, if applicable.<br>**This percentage can only vary by premises, not building. |                            |                |

**OPTIONAL COVERAGES:** (\$500 Deductible for Optional Coverages)

|      |
|------|
| NONE |
|------|

**LIABILITY INFORMATION**

| CLASS | DESCRIPTION  | STATE | EXPOSURE    | PREMIUM BASIS      | RATE  | PREMIUM |
|-------|--|-------|-------------|--------------------|-------|---------|
| 69145 | Condominiums - Residential Condominium (Association risk only) | DE    | \$1,895,822 | Limit of Insurance | 0.040 | \$758   |

**SUPPLEMENTAL DECLARATIONS PAGE - PROPERTY SCHEDULE**
**DESCRIBED PREMISES:** PREMISES 1, BUILDING 18

**PREMISES INFORMATION**

|   |  |
|---|--|
| 25849 HERON PT<br>(25849-25859)<br>MILLSBORO, DE 19966-9035<br>COUNTY: SUSSEX | <b>CONSTRUCTION:</b> Frame<br><b>PROTECTION CLASS:</b> 4<br><b>OCCUPANCY:</b> Condominiums - Residential Condominium (Association Risk Only) |
|---|--|

| <b>PROPERTY COVERAGES:</b> (\$5,000 Deductible Per Premises, Per Occurrence)   | <b>LIMIT OF INSURANCE*</b> | <b>PREMIUM</b> |
|--|----------------------------|----------------|
| BUILDING: Automatic Increase 2%**  | See Blanket Limit          | \$1,725        |
| BUSINESS INCOME: Included - Refer to Endorsements for Coverage and Limitations   |                            |                |
| *Includes Automatic Increase Building Limit Percentage, if applicable.<br>**This percentage can only vary by premises, not building. |                            |                |

**OPTIONAL COVERAGES:** (\$500 Deductible for Optional Coverages)

|      |
|------|
| NONE |
|------|

**LIABILITY INFORMATION**

| <b>CLASS</b> | <b>DESCRIPTION</b>   | <b>STATE</b> | <b>EXPOSURE</b> | <b>PREMIUM BASIS</b> | <b>RATE</b> | <b>PREMIUM</b> |
|--------------|--|--------------|-----------------|----------------------|-------------|----------------|
| 69145        | Condominiums - Residential Condominium (Association risk only) | DE           | \$1,895,822     | Limit of Insurance   | 0.040       | \$758          |

**SUPPLEMENTAL DECLARATIONS PAGE - PROPERTY SCHEDULE**
**DESCRIBED PREMISES:** PREMISES 1, BUILDING 19

**PREMISES INFORMATION**

|   |  |
|---|--|
| 32275 PELICAN CT<br>(32275-32285)<br>MILLSBORO, DE 19966-9035<br>COUNTY: SUSSEX | <b>CONSTRUCTION:</b> Frame<br><b>PROTECTION CLASS:</b> 4<br><b>OCCUPANCY:</b> Condominiums - Residential Condominium (Association Risk Only) |
|---|--|

| <b>PROPERTY COVERAGES:</b> (\$5,000 Deductible Per Premises, Per Occurrence)   | <b>LIMIT OF INSURANCE*</b> | <b>PREMIUM</b> |
|--|----------------------------|----------------|
| BUILDING: Automatic Increase 2%**  | See Blanket Limit          | \$1,725        |
| BUSINESS INCOME: Included - Refer to Endorsements for Coverage and Limitations<br><br>*Includes Automatic Increase Building Limit Percentage, if applicable.<br>**This percentage can only vary by premises, not building. |                            |                |

**OPTIONAL COVERAGES:** (\$500 Deductible for Optional Coverages)

|      |
|------|
| NONE |
|------|

**LIABILITY INFORMATION**

| CLASS | DESCRIPTION  | STATE | EXPOSURE    | PREMIUM BASIS      | RATE  | PREMIUM |
|-------|--|-------|-------------|--------------------|-------|---------|
| 69145 | Condominiums - Residential Condominium (Association risk only) | DE    | \$1,895,822 | Limit of Insurance | 0.040 | \$758   |

**SUPPLEMENTAL DECLARATIONS PAGE - PROPERTY SCHEDULE**
**DESCRIBED PREMISES:** PREMISES 1, BUILDING 20

**PREMISES INFORMATION**

|   |  |
|---|--|
| 32282 PELICAN CT<br>(32282-32288)<br>MILLSBORO, DE 19966-9035<br>COUNTY: SUSSEX | <b>CONSTRUCTION:</b> Frame<br><b>PROTECTION CLASS:</b> 4<br><b>OCCUPANCY:</b> Condominiums - Residential Condominium (Association Risk Only) |
|---|--|

| <b>PROPERTY COVERAGES:</b> (\$5,000 Deductible Per Premises, Per Occurrence)   | <b>LIMIT OF INSURANCE*</b> | <b>PREMIUM</b> |
|--|----------------------------|----------------|
| BUILDING: Automatic Increase 2%**  | See Blanket Limit          | \$1,203        |
| BUSINESS INCOME: Included - Refer to Endorsements for Coverage and Limitations<br><br>*Includes Automatic Increase Building Limit Percentage, if applicable.<br>**This percentage can only vary by premises, not building. |                            |                |

**OPTIONAL COVERAGES:** (\$500 Deductible for Optional Coverages)

|      |
|------|
| NONE |
|------|

**LIABILITY INFORMATION**

| CLASS | DESCRIPTION  | STATE | EXPOSURE    | PREMIUM BASIS      | RATE  | PREMIUM |
|-------|--|-------|-------------|--------------------|-------|---------|
| 69145 | Condominiums - Residential Condominium (Association risk only) | DE    | \$1,321,705 | Limit of Insurance | 0.040 | \$529   |

**SUPPLEMENTAL DECLARATIONS PAGE - PROPERTY SCHEDULE**
**DESCRIBED PREMISES:** PREMISES 1, BUILDING 21

**PREMISES INFORMATION**

|  |  |
|--|--|
| 25835 TEAL CT<br>(25835-25841)<br>MILLSBORO, DE 19966-9035<br>COUNTY: SUSSEX | <b>CONSTRUCTION:</b> Frame<br><b>PROTECTION CLASS:</b> 4<br><b>OCCUPANCY:</b> Condominiums - Residential Condominium (Association Risk Only) |
|--|--|

| <b>PROPERTY COVERAGES:</b> (\$5,000 Deductible Per Premises, Per Occurrence)   | <b>LIMIT OF INSURANCE*</b> | <b>PREMIUM</b> |
|--|----------------------------|----------------|
| BUILDING: Automatic Increase 2%**  | See Blanket Limit          | \$1,203        |
| BUSINESS INCOME: Included - Refer to Endorsements for Coverage and Limitations   |                            |                |
| *Includes Automatic Increase Building Limit Percentage, if applicable.<br>**This percentage can only vary by premises, not building. |                            |                |

**OPTIONAL COVERAGES:** (\$500 Deductible for Optional Coverages)

|      |
|------|
| NONE |
|------|

**LIABILITY INFORMATION**

| <b>CLASS</b> | <b>DESCRIPTION</b>   | <b>STATE</b> | <b>EXPOSURE</b> | <b>PREMIUM BASIS</b> | <b>RATE</b> | <b>PREMIUM</b> |
|--------------|--|--------------|-----------------|----------------------|-------------|----------------|
| 69145        | Condominiums - Residential Condominium (Association risk only) | DE           | \$1,321,705     | Limit of Insurance   | 0.040       | \$529          |

**SUPPLEMENTAL DECLARATIONS PAGE - PROPERTY SCHEDULE**
**DESCRIBED PREMISES:** PREMISES 1, BUILDING 22

**PREMISES INFORMATION**

|   |  |
|---|--|
| 32263 PELICAN CT<br>(32263-32273)<br>MILLSBORO, DE 19966-9035<br>COUNTY: SUSSEX | <b>CONSTRUCTION:</b> Frame<br><b>PROTECTION CLASS:</b> 4<br><b>OCCUPANCY:</b> Condominiums - Residential Condominium (Association Risk Only) |
|---|--|

| <b>PROPERTY COVERAGES:</b> (\$5,000 Deductible Per Premises, Per Occurrence)   | <b>LIMIT OF INSURANCE*</b> | <b>PREMIUM</b> |
|--|----------------------------|----------------|
| BUILDING: Automatic Increase 2%**  | See Blanket Limit          | \$1,725        |
| BUSINESS INCOME: Included - Refer to Endorsements for Coverage and Limitations<br><br>*Includes Automatic Increase Building Limit Percentage, if applicable.<br>**This percentage can only vary by premises, not building. |                            |                |

**OPTIONAL COVERAGES:** (\$500 Deductible for Optional Coverages)

|      |
|------|
| NONE |
|------|

**LIABILITY INFORMATION**

| CLASS | DESCRIPTION  | STATE | EXPOSURE    | PREMIUM BASIS      | RATE  | PREMIUM |
|-------|--|-------|-------------|--------------------|-------|---------|
| 69145 | Condominiums - Residential Condominium (Association risk only) | DE    | \$1,895,822 | Limit of Insurance | 0.040 | \$758   |

**SUPPLEMENTAL DECLARATIONS PAGE - PROPERTY SCHEDULE**
**DESCRIBED PREMISES:** PREMISES 1, BUILDING 23

**PREMISES INFORMATION**

|   |  |
|---|--|
| 32270 PELICAN CT<br>(32270-32280)<br>MILLSBORO, DE 19966-9035<br>COUNTY: SUSSEX | <b>CONSTRUCTION:</b> Frame<br><b>PROTECTION CLASS:</b> 4<br><b>OCCUPANCY:</b> Condominiums - Residential Condominium (Association Risk Only) |
|---|--|

| <b>PROPERTY COVERAGES:</b> (\$5,000 Deductible Per Premises, Per Occurrence)   | <b>LIMIT OF INSURANCE*</b> | <b>PREMIUM</b> |
|--|----------------------------|----------------|
| BUILDING: Automatic Increase 2%**  | See Blanket Limit          | \$1,725        |
| BUSINESS INCOME: Included - Refer to Endorsements for Coverage and Limitations<br><br>*Includes Automatic Increase Building Limit Percentage, if applicable.<br>**This percentage can only vary by premises, not building. |                            |                |

**OPTIONAL COVERAGES:** (\$500 Deductible for Optional Coverages)

|      |
|------|
| NONE |
|------|

**LIABILITY INFORMATION**

| CLASS | DESCRIPTION  | STATE | EXPOSURE    | PREMIUM BASIS      | RATE  | PREMIUM |
|-------|--|-------|-------------|--------------------|-------|---------|
| 69145 | Condominiums - Residential Condominium (Association risk only) | DE    | \$1,895,822 | Limit of Insurance | 0.040 | \$758   |



**SUPPLEMENTAL DECLARATIONS PAGE - PROPERTY SCHEDULE**
**DESCRIBED PREMISES:** PREMISES 1, BUILDING 24

**PREMISES INFORMATION**

|   |  |
|---|--|
| 25850 HERON PT<br>(25850-25858)<br>MILLSBORO, DE 19966-9035<br>COUNTY: SUSSEX | <b>CONSTRUCTION:</b> Frame<br><b>PROTECTION CLASS:</b> 4<br><b>OCCUPANCY:</b> Condominiums - Residential Condominium (Association Risk Only) |
|---|--|

| <b>PROPERTY COVERAGES:</b> (\$5,000 Deductible Per Premises, Per Occurrence)   | <b>LIMIT OF INSURANCE*</b> | <b>PREMIUM</b> |
|--|----------------------------|----------------|
| BUILDING: Automatic Increase 2%**  | See Blanket Limit          | \$1,471        |
| BUSINESS INCOME: Included - Refer to Endorsements for Coverage and Limitations   |                            |                |
| *Includes Automatic Increase Building Limit Percentage, if applicable.<br>**This percentage can only vary by premises, not building. |                            |                |

**OPTIONAL COVERAGES:** (\$500 Deductible for Optional Coverages)

|      |
|------|
| NONE |
|------|

**LIABILITY INFORMATION**

| <b>CLASS</b> | <b>DESCRIPTION</b>   | <b>STATE</b> | <b>EXPOSURE</b> | <b>PREMIUM BASIS</b> | <b>RATE</b> | <b>PREMIUM</b> |
|--------------|--|--------------|-----------------|----------------------|-------------|----------------|
| 69145        | Condominiums - Residential Condominium (Association risk only) | DE           | \$1,615,991     | Limit of Insurance   | 0.040       | \$646          |

**SUPPLEMENTAL DECLARATIONS PAGE - PROPERTY SCHEDULE**
**DESCRIBED PREMISES:** PREMISES 1, BUILDING 25

**PREMISES INFORMATION**

|  |  |
|--|--|
| 25848 OSPREY CT<br>(25848-25854)<br>MILLSBORO, DE 19966-9035<br>COUNTY: SUSSEX | <b>CONSTRUCTION:</b> Frame<br><b>PROTECTION CLASS:</b> 4<br><b>OCCUPANCY:</b> Condominiums - Residential Condominium (Association Risk Only) |
|--|--|

| <b>PROPERTY COVERAGES:</b> (\$5,000 Deductible Per Premises, Per Occurrence)   | <b>LIMIT OF INSURANCE*</b> | <b>PREMIUM</b> |
|--|----------------------------|----------------|
| BUILDING: Automatic Increase 2%**  | See Blanket Limit          | \$1,203        |
| BUSINESS INCOME: Included - Refer to Endorsements for Coverage and Limitations   |                            |                |
| *Includes Automatic Increase Building Limit Percentage, if applicable.<br>**This percentage can only vary by premises, not building. |                            |                |

**OPTIONAL COVERAGES:** (\$500 Deductible for Optional Coverages)

|      |
|------|
| NONE |
|------|

**LIABILITY INFORMATION**

| <b>CLASS</b> | <b>DESCRIPTION</b>   | <b>STATE</b> | <b>EXPOSURE</b> | <b>PREMIUM BASIS</b> | <b>RATE</b> | <b>PREMIUM</b> |
|--------------|--|--------------|-----------------|----------------------|-------------|----------------|
| 69145        | Condominiums - Residential Condominium (Association risk only) | DE           | \$1,321,705     | Limit of Insurance   | 0.040       | \$529          |

**SUPPLEMENTAL DECLARATIONS PAGE - PROPERTY SCHEDULE**
**DESCRIBED PREMISES:** PREMISES 1, BUILDING 26

**PREMISES INFORMATION**

|   |  |
|---|--|
| 25861 SANDPIPER CT<br>(25861-25871)<br>MILLSBORO, DE 19966-9035<br>COUNTY: SUSSEX | <b>CONSTRUCTION:</b> Frame<br><b>PROTECTION CLASS:</b> 4<br><b>OCCUPANCY:</b> Condominiums - Residential Condominium (Association Risk Only) |
|---|--|

| <b>PROPERTY COVERAGES:</b> (\$5,000 Deductible Per Premises, Per Occurrence)   | <b>LIMIT OF INSURANCE*</b> | <b>PREMIUM</b> |
|--|----------------------------|----------------|
| BUILDING: Automatic Increase 2%**  | See Blanket Limit          | \$1,725        |
| BUSINESS INCOME: Included - Refer to Endorsements for Coverage and Limitations   |                            |                |
| *Includes Automatic Increase Building Limit Percentage, if applicable.<br>**This percentage can only vary by premises, not building. |                            |                |

**OPTIONAL COVERAGES:** (\$500 Deductible for Optional Coverages)

|      |
|------|
| NONE |
|------|

**LIABILITY INFORMATION**

| <b>CLASS</b> | <b>DESCRIPTION</b>   | <b>STATE</b> | <b>EXPOSURE</b> | <b>PREMIUM BASIS</b> | <b>RATE</b> | <b>PREMIUM</b> |
|--------------|--|--------------|-----------------|----------------------|-------------|----------------|
| 69145        | Condominiums - Residential Condominium (Association risk only) | DE           | \$1,895,822     | Limit of Insurance   | 0.040       | \$758          |

**SECTION II - LIABILITY AND MEDICAL EXPENSES**


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Each paid claim for the following coverages reduces the amount of insurance we provide during the applicable annual period. Please refer to Section II - Liability in the Businessowners Coverage Form and any attached endorsements.

| <b>LIABILITY COVERAGE*</b>                          | <b>LIMIT OF INSURANCE</b> |
|---|---------------------------|
| Liability and Medical Expenses (Per Occurrence)     | \$1,000,000               |
| Medical Expenses (Per Person)                       | \$5,000                   |
| Damage to Premises Rented to You (Any One Premises) | \$50,000                  |
| Other Than Products/Completed Operations Aggregate  | \$2,000,000               |
| Products/Completed Operations Aggregate             | \$2,000,000               |

\*Optional Liability Deductibles may apply. Refer to Forms Schedule for Deductible Information (if applicable).

**IMPORTANT NOTICES TO POLICYHOLDERS**

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|          |        |   |
|----------|--------|---|
| BPMS0004 | (0720) | Businessowners Audit Noncompliance Factor - Advisory Notice to Policyholders  |
| BPMS0011 | (0124) | Advisory Notice to Policyholders Businessowners Multistate Endorsements Addressing Cyber, Data Privacy and Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS) |
| ILMS0001 | (0720) | Flood Insurance - Notice to Policyholders   |
| ILMS0003 | (0720) | U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") Advisory Notice to Policyholders   |
| ILMS0012 | (0121) | Policyholder Disclosure Notice Of Terrorism Insurance Coverage  |
| ILMS0016 | (0521) | Customer Privacy Notice   |
| ILMS0023 | (0721) | EnviroPack Insurance Endorsement - Advisory Notice to Policyholders   |
| ILMS018  | (0718) | Important Policyholder Information Concerning Billing And Policy Fees   |
| ILMS10-2 | (0310) | Notice to Policyholders Regarding Renewal Policies  |
| ILMS14-2 | (0714) | Notice to Policyholders Regarding Inflation Protection and Building Values  |
| ILN001   | (0903) | Fraud Statement   |

**FORMS AND ENDORSEMENTS APPLYING TO AND MADE A PART OF THIS POLICY AT THE TIME OF ISSUE**

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|          |        |   |
|----------|--------|---|
| BP0003   | (0713) | Businessowners Coverage Form  |
| BPIN01   | (0713) | Businessowners Coverage Form Index  |
| BP0237   | (0412) | Delaware Changes  |
| BP0417   | (0110) | Employment-Related Practices Exclusion  |
| BP0501   | (0702) | Calculation of Premium  |
| BP0517   | (0106) | Exclusion - Silica or Silica-Related Dust   |
| BP0524   | (0115) | Exclusion of Certified Acts of Terrorism<br>Fire Exception States: GA, NC, NJ, and WV                                 |
| BP0541   | (0115) | Exclusion of Certified Acts of Terrorism and Exclusion Of Other Acts of Terrorism Committed Outside The United States |
| BP0542   | (0115) | Exclusion of Punitive Damages Related to a Certified Act of Terrorism   |
| BP0577   | (0106) | Fungi or Bacteria Exclusion (Liability)   |
| BP0598   | (0713) | Amendment of Insured Contract Definition  |
| BP1504   | (1223) | Exclusion - Access or Disclosure of Confidential or Personal Material or Information                                  |
| BP1591   | (1223) | Exclusion - Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS)  |
| BP1803   | (1223) | Cyber Incident Liability Exclusion  |
| BP1804   | (1223) | Exclusion - Violation of Law Addressing Data Privacy  |
| BPHG0028 | (0720) | Businessowners Improved Value Endorsement   |
| BPHG10   | (0910) | Exclusion - Lead Contamination  |
| BPHG25   | (0517) | Audit Noncompliance Factor Endorsement  |
| BPHG51   | (0105) | Asbestos Exclusion Endorsement  |
| BPHG58   | (0908) | Tobacco Health Hazard Exclusion   |
| BPHG64   | (0713) | Green Environmental and Efficiency Improvements   |
| BPHG79   | (0713) | Exclusion of Loss Due to By-Products of Production or Processing Operations for Rental Properties                     |
| BPHG97   | (0517) | Exclusion - Unmanned Aircraft   |
| ILHG0018 | (0122) | Statement of Values   |
| BP1560   | (0221) | Cyber Incident Exclusion  |
| BP1486   | (0713) | Communicable Disease Exclusion  |
| BP1530   | (0919) | Cannabis Property Exclusion   |
| BP1532   | (0919) | Cannabis Liability Exclusion  |
| BP1701   | (0713) | Condominium Association Coverage  |

**FORMS AND ENDORSEMENTS APPLYING TO AND MADE A PART OF THIS POLICY AT THE TIME OF ISSUE**

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|                 |   |
|-----------------|---|
| ILHG0031 (0721) | EnviroPack Insurance Endorsement.....\$125<br>Contractor's Pollution Legal Liability Insurance Aggregate Limit: Excluded/Not Covered<br>Contractor's Pollution Legal Liability Insurance For<br>Each "Pollution Condition" Limit: Excluded/Not Covered<br>Contractor's Pollution Legal Liability Insurance Deductible For Each "Pollution Condition": N/A<br>"Commencement Date": N/A<br>Professional Legal Liability Insurance Aggregate Limit: Excluded/Not Covered<br>Professional Legal Liability Insurance Limit For Each "Professional Loss": Excluded/Not Covered<br>Professional Legal Liability Insurance Deductible For<br>Each "Professional Loss": Excluded/Not Covered<br>"Contracting Services": None<br>"Professional Services": None<br>"Retroactive Date": N/A<br>"Extended Reporting Period": None<br>Premises Pollution Legal Liability Insurance Aggregate Limit: \$50,000<br>Premises Pollution Legal Liability Insurance For Each "Pollution Condition" Limit: \$50,000<br>Premises Pollution Legal Liability Insurance Deductible For Each "Pollution Condition": None<br>"Covered Location"(s): All Described Premises included on the policy Declarations and attached<br>endorsements.<br>"Retroactive Date": 09/03/2023<br>"Automatic Extended Reporting Period": 90 days<br>"Business Interruption" And "Extra Expense" Aggregate Limit: \$5,000<br>"Business Interruption" And "Extra Expense" Limit: \$5,000<br>"Business Interruption" And "Extra Expense" "Deductible Period": 3 days<br>"Pollution Emergency" Telephone Number: 1-800-347-4384 |
|-----------------|---|

## **FLOOD INSURANCE - NOTICE TO POLICYHOLDERS**

No coverage is provided by this Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations Pages for complete information on the coverages you are provided. If there is a conflict between the Policy and this Notice, the provisions of the Policy shall prevail.

### **Important Notice**

**Your policy excludes coverage for any damage, loss or claim arising out of flood, surface water, waves, tidal water or any other overflow of a body of water.**

Information regarding flood insurance is available from your insurance agent, your insurer, and the National Flood Insurance Program. If Flood Insurance is purchased through the National Flood Insurance Program, contents coverage may be available for an additional premium.

National Flood Insurance Program  
1-888-CALL-FLOOD ext. 445  
TDD# 1-800-427-5593  
<http://www.fema.gov/nfip/>

RIGGS COUNSELLMAN MICHAELS & DOWNES INC  
(410) 339-7263

Harford Mutual Insurance Company  
(410) 838-4000

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

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

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

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

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

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

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



## IMPORTANT POLICYHOLDER INFORMATION CONCERNING BILLING AND POLICY FEES

The purpose of this Policyholder Notice is to provide you with important information about our billing practices that may affect you and fees that may apply under certain circumstances.

**Billing Options:** Depending on the type of billing your agent has selected you may be billed separately by either the agent or by the company. All policies issued by one of the Harford Mutual Insurance Companies are eligible to be placed on an installment plan.

**Company Billing:** If you are being billed by the company, you will be assigned a six digit client number. This billing customer number should be used for each policy on the direct bill plan and on all correspondence regarding your bill. Depending on the payment plan chosen, you may receive a bill once a month on the same day each month during the payment period with one statement for all policies that are linked by billing customer number under the company Direct Bill plan. Payment plans are available if you elect to pay on installments.

**Payment Plans:** If you elect to pay your premium in full there are no installment charges applied to your policy. If you elect to pay your premiums in installments using one of our payment plans, a billing installment fee of **\$5.00** will apply at a policy level to all installments except the first installment. It is recommended that all policies for the same insured have concurrent policy dates and utilize the same payment plan.

**Late Fee:** If we do not receive the minimum amount of payment due on or before the due date, as indicated on your billing notice, a non-payment of premium cancellation notice will be issued with a future effective date. A **\$10.00** late fee will apply at a policy level whenever a non-payment of premium notice is processed.

**Reinstatement Fee:** If we reinstate coverage after the policy has been cancelled we will add a **\$25.00** reinstatement fee.

**Dishonored Check Fee:** If your payment is made by check and your financial institution refuses to honor the premium payment, due to insufficient funds in your account or for some other reason, a **\$25.00** non-sufficient fund check fee will apply.

**Endorsements:** All endorsements, both additional and return premiums, will be spread over the remaining installment payment periods based on the effective date of the endorsement. If an endorsement is processed with a retroactive effective date, the impact on the next billing statement will be greater than the impact on the remaining installments.

Please review this information and contact your agent or the company if you have questions or need additional information about the billing and policy fees.

**Thank you for choosing one of The Harford Mutual Insurance Companies for your insurance coverage.**

## ENVIROPACK INSURANCE ENDORSEMENT - ADVISORY NOTICE TO POLICYHOLDERS

This Notice does not form part of your policy. No coverage is provided by this Notice nor can it be construed to replace any provision of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided. If there is any conflict between the Policy and this Notice, **THE PROVISIONS OF THE POLICY SHALL PREVAIL.**

Your policy includes a **EnviroPack Insurance Endorsement** which provides coverage for Professional Legal Liability and Premises Pollution Legal Liability Insurance on a claims made and reported basis and Contractor's Pollution Legal Liability Insurance on an occurrence basis, when there is an applicable Limit of Insurance shown in the Schedule of the endorsement. Under this coverage, you have up to 90 days after the endorsement period to report any Premises Pollution Legal Liability or Professional Legal Liability "claim" first made during the endorsement period.

Your policy includes a premium charge for this endorsement. By accepting this Policy, you are consenting to this coverage endorsement. If you have questions about this coverage, or would like this coverage removed, please contact your agent at the phone number provided on your policy.

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**"Pollution Emergency" Telephone Number 1-800-347-4384**

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With your purchase of the **EnviroPack Insurance Endorsement** you have access to a "Pollution Emergency" contact line. To report a claim or pollution condition that requires emergency services, this line provides a rapid exposure assessment and clean up team.

## **NOTICE TO POLICYHOLDERS REGARDING RENEWAL POLICIES**

**CAUTION:** No coverage is provided by this notice; nor can it be construed to replace any provision of your policy. You should read your policy and review your Declarations Page for complete information on the coverages you are provided. If there is a conflict between the policy and this notice, **THE PROVISIONS OF THE POLICY SHALL PREVAIL. PLEASE READ YOUR POLICY CAREFULLY.**

We are notifying you that your renewal policy may have a different insuring company than your expiring policy. State law requires that we notify you if a policy is not renewed even if a renewal policy is being issued that provides continuous coverage with a different insuring company. Refer to the company name on your policy to determine if your insuring company has changed. If you have questions regarding the change in companies, please contact your agent.

## **NOTICE TO POLICYHOLDERS REGARDING INFLATION PROTECTION AND BUILDING VALUES**

**CAUTION:** No coverage is provided by this notice; nor can it be construed to replace any provision of your policy. You should read your policy and review your Declarations Page for complete information on the coverages you are provided. If there is a conflict between the policy and this notice, **THE PROVISIONS OF THE POLICY SHALL PREVAIL. PLEASE READ YOUR POLICY CAREFULLY.**

We are notifying you that we will amend property limit(s) at the beginning of each renewal policy to reflect changes in the National Building Cost Trends.

This means that if your policy has property coverage, we will increase (or decrease) the appropriate building limits by the inflation percentage related to the zip code of your premises.

Your renewal premium will reflect the change in exposure. Please review your building limit to make sure that your limit is adequate to replace your building at the current cost of re-construction. You must also review your building limit carefully if your policy contains a coinsurance requirement or insurance-to-value provision that penalizes you if you are not insured to value.

By accepting this policy you are consenting to the limits of insurance as stated.

## FRAUD STATEMENT

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

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

## STATEMENT OF VALUES

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
 CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
 CONDOMINIUM ASSOCIATION COVERAGE FORM  
 BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM  
 BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM  
 EXTRA EXPENSE COVERAGE FORM  
 BUSINESSOWNERS COVERAGE FORM

|   |   |
|---|---|
| <b>Policy Number: BP10455234</b>                      | <b>Policy Effective Date: 09/03/2024</b>                    |
| <b>Company: Harford Mutual Insurance Company</b>      | <b>Producer: RIGGS COUNSELMAN MICHAELS &amp; DOWNES INC</b> |
| <b>Applicant/Named Insured: TOWNHOMES OF BAYSHORE</b> |   |

**READ THIS CAREFULLY.**

By payment of any premium due, you acknowledge that the information shown below reflects the values you have requested or agreed to for the property subject to the Blanket Limit Of Insurance shown in the Policy Declarations.

| <b>Blanket Statement Of Values</b> |                                  |              |                              |
|------------------------------------|----------------------------------|--------------|------------------------------|
| <b>Location</b>                    | <b>Description/Coverage Type</b> | <b>Value</b> | <b>Valuation Of Property</b> |
| Premise 1, Building 1              | Building                         | \$1,895,822  | Replacement Cost             |
| Premise 1, Building 2              | Building                         | \$1,895,822  | Replacement Cost             |
| Premise 1, Building 3              | Building                         | \$1,895,822  | Replacement Cost             |
| Premise 1, Building 4              | Building                         | \$1,895,822  | Replacement Cost             |
| Premise 1, Building 5              | Building                         | \$1,895,822  | Replacement Cost             |
| Premise 1, Building 6              | Building                         | \$1,895,822  | Replacement Cost             |
| Premise 1, Building 7              | Building                         | \$1,895,822  | Replacement Cost             |
| Premise 1, Building 8              | Building                         | \$1,895,822  | Replacement Cost             |
| Premise 1, Building 9              | Building                         | \$1,615,991  | Replacement Cost             |
| Premise 1, Building 10             | Building                         | \$1,895,822  | Replacement Cost             |
| Premise 1, Building 11             | Building                         | \$1,895,822  | Replacement Cost             |
| Premise 1, Building 12             | Building                         | \$1,895,822  | Replacement Cost             |
| Premise 1, Building 13             | Building                         | \$1,321,705  | Replacement Cost             |
| Premise 1, Building 14             | Building                         | \$1,895,822  | Replacement Cost             |
| Premise 1, Building 15             | Building                         | \$1,895,822  | Replacement Cost             |
| Premise 1, Building 16             | Building                         | \$1,895,822  | Replacement Cost             |

|                        |          |             |                  |
|------------------------|----------|-------------|------------------|
| Premise 1, Building 17 | Building | \$1,895,822 | Replacement Cost |
| Premise 1, Building 18 | Building | \$1,895,822 | Replacement Cost |
| Premise 1, Building 19 | Building | \$1,895,822 | Replacement Cost |
| Premise 1, Building 20 | Building | \$1,321,705 | Replacement Cost |
| Premise 1, Building 21 | Building | \$1,321,705 | Replacement Cost |
| Premise 1, Building 22 | Building | \$1,895,822 | Replacement Cost |
| Premise 1, Building 23 | Building | \$1,895,822 | Replacement Cost |
| Premise 1, Building 24 | Building | \$1,615,991 | Replacement Cost |
| Premise 1, Building 25 | Building | \$1,321,705 | Replacement Cost |
| Premise 1, Building 26 | Building | \$1,895,822 | Replacement Cost |

## BUSINESSOWNERS COVERAGE FORM

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

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

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

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

### SECTION I – PROPERTY

#### A. Coverage

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

##### 1. Covered Property

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

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

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

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

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

(6) If not covered by other insurance:

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

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

- (1) Property you own that is used in your business;
- (2) Property of others that is in your care, custody or control, except as otherwise provided in Loss Payment Property Loss Condition Paragraph E.5.d.(3)(b);
- (3) Tenant's improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
  - (a) Made a part of the building or structure you occupy but do not own; and
  - (b) You acquired or made at your expense but cannot legally remove;
- (4) Leased personal property which you have a contractual responsibility to insure, unless otherwise provided for under Paragraph 1.b.(2); and



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

## 2. Property Not Covered

Covered Property does not include:

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

- i. "Electronic data", except as provided under Additional Coverages – Electronic Data. This Paragraph i. does not apply to your "stock" of prepackaged software or to "electronic data" which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system; or
- j. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings.

## 3. Covered Causes Of Loss

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

## 4. Limitations

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

- (b) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.
- (6) Lawns, trees, shrubs or plants which are part of a vegetated roof, caused by or resulting from:
  - (a) Dampness or dryness of atmosphere or of soil supporting the vegetation;
  - (b) Changes in or extremes of temperature;
  - (c) Disease;
  - (d) Frost or hail; or
  - (e) Rain, snow, ice or sleet.
- b. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:
  - (1) Animals, and then only if they are killed or their destruction is made necessary.
  - (2) Fragile articles such as glassware, statuary, marble, chinaware and porcelain, if broken. This restriction does not apply to:
    - (a) Glass that is part of the exterior or interior of a building or structure;
    - (b) Containers of property held for sale; or
    - (c) Photographic or scientific instrument lenses.
- c. For loss or damage by theft, the following types of property are covered only up to the limits shown (unless a higher Limit Of Insurance is shown in the Declarations):
  - (1) \$2,500 for furs, fur garments and garments trimmed with fur.
  - (2) \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semiprecious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
  - (3) \$2,500 for patterns, dies, molds and forms.

## 5. Additional Coverages

### a. Debris Removal

- (1) Subject to Paragraphs (2), (3) and (4), we will pay your expense to remove debris of Covered Property and other debris that is on the described premises, when such debris is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- (2) Debris Removal does not apply to costs to:
  - (a) Remove debris of property of yours that is not insured under this policy, or property in your possession that is not Covered Property;
  - (b) Remove debris of property owned by or leased to the landlord of the building where your described premises are located, unless you have a contractual responsibility to insure such property and it is insured under this policy;
  - (c) Remove any property that is Property Not Covered, including property addressed under the Outdoor Property Coverage Extension;
  - (d) Remove property of others of a type that would not be Covered Property under this policy;
  - (e) Remove deposits of mud or earth from the grounds of the described premises;
  - (f) Extract "pollutants" from land or water; or
  - (g) Remove, restore or replace polluted land or water.
- (3) Subject to the exceptions in Paragraph (4), the following provisions apply:
  - (a) The most that we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.

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

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

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

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

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

**(5) Examples**

**Example 1**

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

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

**Example 2**

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

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

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

**b. Preservation Of Property**

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

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

**c. Fire Department Service Charge**

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

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

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

**d. Collapse**

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

- (1) For the purpose of this Additional Coverage – Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.
- (2) We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this policy or that contains Covered Property insured under this policy, if such collapse is caused by one or more of the following:
  - (a) Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;

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

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

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

- (i) A cause of loss listed in Paragraph **(2)(a)** or **(2)(b)**;
- (ii) One or more of the "specified causes of loss";
- (iii) Breakage of building glass;
- (iv) Weight of people or personal property; or
- (v) Weight of rain that collects on a roof.

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

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

- (4) With respect to the following property:

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

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

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

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

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

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

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

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

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

**f. Business Income**

**(1) Business Income**

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

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

- (i)** The portion of the building which you rent, lease or occupy;
- (ii)** The area within 100 feet of the building or within 100 feet of the premises described in the Declarations, whichever distance is greater (with respect to loss of or damage to personal property in the open or personal property in a vehicle); and
- (iii)** Any area within the building or at the described premises, if that area services, or is used to gain access to, the portion of the building which you rent, lease or occupy.

- (b)** We will only pay for loss of Business Income that you sustain during the "period of restoration" and that occurs within 12 consecutive months after the date of direct physical loss or damage. We will only pay for ordinary payroll expenses for 60 days following the date of direct physical loss or damage, unless a greater number of days is shown in the Declarations.
- (c)** Business Income means the:
  - (i)** Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses; and
  - (ii)** Continuing normal operating expenses incurred, including payroll.
- (d)** Ordinary payroll expenses:
  - (i)** Means payroll expenses for all your employees except:
    - i.** Officers;
    - ii.** Executives;
    - iii.** Department Managers;
    - iv.** Employees under contract; and
    - v.** Additional Exemptions shown in the Declarations as:
      - 1. Job Classifications; or
      - 2. Employees.
  - (ii)** Include:
    - i.** Payroll;
    - ii.** Employee benefits, if directly related to payroll;
    - iii.** FICA payments you pay;
    - iv.** Union dues you pay; and
    - v.** Workers' compensation premiums.

**(2) Extended Business Income**

- (a)** If the necessary suspension of your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:
  - (i)** Begins on the date property except finished stock is actually repaired, rebuilt or replaced and "operations" are resumed; and
  - (ii)** Ends on the earlier of:
    - i.** The date you could restore your "operations", with reasonable speed, to the level which would generate the Business Income amount that would have existed if no direct physical loss or damage had occurred; or
    - ii.** 60 consecutive days after the date determined in Paragraph **(a)(i)** above, unless a greater number of consecutive days is shown in the Declarations.

However, Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.
- (b)** Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.
- (3)** With respect to the coverage provided in this Additional Coverage, suspension means:
  - (a)** The partial slowdown or complete cessation of your business activities; or
  - (b)** That a part or all of the described premises is rendered 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 such premises.

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

- (a) The portion of the building which you rent, lease or occupy;
  - (b) The area within 100 feet of the building or within 100 feet of the premises described in the Declarations, whichever distance is greater (with respect to loss of or damage to personal property in the open or personal property in a vehicle); and
  - (c) Any area within the building or at the described premises, if that area services, or is used to gain access to, the portion of the building which you rent, lease or occupy.
- (2) Extra Expense means expense incurred:
- (a) To avoid or minimize the suspension of business and to continue "operations":
    - (i) At the described premises; or
    - (ii) At replacement premises or at temporary locations, including relocation expenses, and costs to equip and operate the replacement or temporary locations.
  - (b) To minimize the suspension of business if you cannot continue "operations".

#### **(c) To:**

- (i) Repair or replace any property; or
  - (ii) Research, replace or restore the lost information on damaged "valuable papers and records";  
to the extent it reduces the amount of loss that otherwise would have been payable under this Additional Coverage or Additional Coverage f. Business Income.
- (3) With respect to the coverage provided in this Additional Coverage, suspension means:
- (a) The partial slowdown or complete cessation of your business activities; or
  - (b) That a part or all of the described premises is rendered 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**

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

- (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and
- (2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

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

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

- (1) Four consecutive weeks after the date of that action; or
- (2) When your Civil Authority Coverage for Business Income ends;

whichever is later.

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

**j. Money Orders And "Counterfeit Money"**

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

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

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

**k. Forgery Or Alteration**

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

**l. Increased Cost Of Construction**

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



- (3) The ordinance or law referred to in Paragraph (2) of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises and is in force at the time of loss.
- (4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:
  - (a) You were required to comply with before the loss, even when the building was undamaged; and
  - (b) You failed to comply with.
- (5) Under this Additional Coverage, we will not pay for:
  - (a) The enforcement of or compliance with any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungi", wet rot or dry rot; or
  - (b) Any costs associated with the enforcement of or compliance with an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungi", wet rot or dry rot.
- (6) The most we will pay under this Additional Coverage, for each described building insured under Section I – Property, is \$10,000. If a damaged building(s) is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for each damaged building, is \$10,000.

The amount payable under this Additional Coverage is additional insurance.

- (7) With respect to this Additional Coverage:
  - (a) We will not pay for the Increased Cost of Construction:
    - (i) Until the property is actually repaired or replaced, at the same or another premises; and
    - (ii) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
  - (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction is the increased cost of construction at the same premises.
  - (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction is the increased cost of construction at the new premises.
- (8) This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion, to the extent that such exclusion would conflict with the provisions of this Additional Coverage.
- (9) The costs addressed in the Loss Payment Property Loss Condition in Section I – Property do not include the increased cost attributable to enforcement of or compliance with an ordinance or law. The amount payable under this Additional Coverage, as stated in Paragraph (6) of this Additional Coverage, is not subject to such limitation.

**m. Business Income From Dependent Properties**

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

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

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

- (2)** We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume "operations", in whole or in part, by using any other available:
  - (a)** Source of materials; or
  - (b)** Outlet for your products.
- (3)** If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.
- (4)** Dependent property means property owned by others whom you depend on to:
  - (a)** Deliver materials or services to you, or to others for your account. But services does not mean water supply services, wastewater removal services, communication supply services or power supply services;
  - (b)** Accept your products or services;
  - (c)** Manufacture your products for delivery to your customers under contract for sale; or
  - (d)** Attract customers to your business.

The dependent property must be located in the coverage territory of this policy.
- (5)** Secondary dependent property means an entity which is not owned or operated by a dependent property and which:
  - (a)** Delivers materials or services to a dependent property, which in turn are used by the dependent property in providing materials or services to you; or

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

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

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

- (i)** Water supply services;
- (ii)** Wastewater removal services;
- (iii)** Communication supply services; or
- (iv)** Power supply services.

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

- (6)** The coverage period for Business Income under this Additional Coverage:
  - (a)** Begins 72 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the premises of the dependent property or secondary dependent property; and
  - (b)** Ends on the date when the property at the premises of the dependent property or secondary dependent property should be repaired, rebuilt or replaced with reasonable speed and similar quality.
- (7)** The Business Income coverage period, as stated in Paragraph **(6)**, does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:
  - (a)** Regulates the construction, use or repair, or requires the tearing down of any property; or
  - (b)** Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

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

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

**n. Glass Expenses**

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

**o. Fire Extinguisher Systems Recharge Expense**

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

**p. Electronic Data**

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

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

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

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

**q. Interruption Of Computer Operations**

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

- (2) With respect to the coverage provided under this Additional Coverage, the Covered Causes of Loss are subject to the following:
- (a) Coverage under this Additional Coverage – Interruption Of Computer Operations is limited to the "specified causes of loss" and Collapse.
  - (b) If the Businessowners Coverage Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage.
  - (c) The Covered Causes of Loss include a computer virus, harmful code or similar instruction introduced into or enacted on a computer system (including "electronic data") or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including "electronic data") by any employee, including a temporary or leased employee, or by an entity retained by you, or for you, to inspect, design, install, modify, maintain, repair or replace that system.
- (3) The most we will pay under this Additional Coverage – Interruption Of Computer Operations for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved, is \$10,000 unless a higher Limit Of Insurance is shown in the Declarations. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.
- (4) This Additional Coverage – Interruption Of Computer Operations does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in (3) above has not been exhausted.
- (5) Coverage for Business Income does not apply when a suspension of "operations" is caused by destruction or corruption of "electronic data", or any loss or damage to "electronic data", except as provided under Paragraphs (1) through (4) of this Additional Coverage.

- (6) Coverage for Extra Expense does not apply when action is taken to avoid or minimize a suspension of "operations" caused by destruction or corruption of "electronic data", or any loss or damage to "electronic data", except as provided under Paragraphs (1) through (4) of this Additional Coverage.
- (7) This Additional Coverage does not apply when loss or damage to "electronic data" involves only "electronic data" which is integrated in and operates or controls a building's elevator, lighting, heating, ventilation, air conditioning or security system.

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

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

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

- (2) We will pay for loss or damage by "fungi", wet rot or dry rot. As used in this Limited Coverage, the term loss or damage means:
  - (a) Direct physical loss or damage to Covered Property caused by "fungi", wet rot or dry rot, including the cost of removal of the "fungi", wet rot or dry rot;
  - (b) The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungi", wet rot or dry rot; and
  - (c) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungi", wet rot or dry rot is present.

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

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

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

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

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

- (a) If the loss which resulted in "fungi", wet rot or dry rot does not in itself necessitate a suspension of "operations", but such suspension is necessary due to loss or damage to property caused by "fungi", wet rot or dry rot, then our payment under the Business Income and/or Extra Expense Additional Coverages is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
- (b) If a covered suspension of "operations" was caused by loss or damage other than "fungi", wet rot or dry rot, but remediation of "fungi", wet rot or dry rot prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

## 6. Coverage Extensions

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

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

### a. Newly Acquired Or Constructed Property

#### (1) Buildings

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

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

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

#### (2) Business Personal Property

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

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

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

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

#### (3) Period Of Coverage

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

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

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

#### b. Personal Property Off-premises

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

### c. Outdoor Property

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

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

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

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

### d. Personal Effects

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

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

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

### e. Valuable Papers And Records

- (1) You may extend the insurance that applies to Business Personal Property to apply to direct physical loss or damage to "valuable papers and records" that you own, or that are in your care, custody or control, caused by or resulting from a Covered Cause of Loss. This Coverage Extension includes the cost to research, replace or restore the lost information on "valuable papers and records" for which duplicates do not exist.
- (2) This Coverage Extension does not apply to:
  - (a) Property held as samples or for delivery after sale; and
  - (b) Property in storage away from the premises shown in the Declarations.
- (3) The most we will pay under this Coverage Extension for loss or damage to "valuable papers and records" in any one occurrence at the described premises is \$10,000, unless a higher Limit Of Insurance for "valuable papers and records" is shown in the Declarations.

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

- (4) Loss or damage to "valuable papers and records" will be valued at the cost of restoration or replacement of the lost or damaged information. To the extent that the contents of the "valuable papers and records" are not restored, the "valuable papers and records" will be valued at the cost of replacement with blank materials of substantially identical type.
- (5) Paragraph **B. Exclusions in Section I – Property** does not apply to this Coverage Extension except for:
  - (a) Paragraph **B.1.c.**, Governmental Action;
  - (b) Paragraph **B.1.d.**, Nuclear Hazard;
  - (c) Paragraph **B.1.f.**, War And Military Action;

- (d) Paragraph **B.2.f.**, Dishonesty;
- (e) Paragraph **B.2.g.**, False Pretense;
- (f) Paragraph **B.2.m.(2)**, Errors Or Omissions; and
- (g) Paragraph **B.3.**

**f. Accounts Receivable**

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

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

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

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

- (3) Paragraph **B.** Exclusions in Section **I** – Property does not apply to this Coverage Extension except for:
  - (a) Paragraph **B.1.c.**, Governmental Action;
  - (b) Paragraph **B.1.d.**, Nuclear Hazard;
  - (c) Paragraph **B.1.f.**, War And Military Action;
  - (d) Paragraph **B.2.f.**, Dishonesty;
  - (e) Paragraph **B.2.g.**, False Pretense;
  - (f) Paragraph **B.3.**; and
  - (g) Paragraph **B.6.**, Accounts Receivable Exclusion.

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

- (1) You may extend the insurance that applies to Business Personal Property to apply to such property while temporarily stored in a portable storage unit (including a detached trailer) located within 100 feet of the buildings or structures described in the Declarations or within 100 feet of the described premises, whichever distance is greater.
- (2) The limitation under Paragraph **A.4.a.(5)** also applies to property in a portable storage unit.
- (3) Coverage under this Extension:
  - (a) Will end 90 days after the Business Personal Property has been placed in the storage unit;
  - (b) Does not apply if the storage unit itself has been in use at the described premises for more than 90 consecutive days, even if the Business Personal Property has been stored there for 90 or fewer days as of the time of loss or damage.
- (4) Under this Extension, the most we will pay for the total of all loss or damage to Business Personal Property is \$10,000 (unless a higher limit is indicated in the Declarations for such Extension) regardless of the number of storage units.
- (5) This Extension does not apply to loss or damage otherwise covered under this Coverage Form or any endorsement to this Coverage Form, and does not apply to loss or damage to the storage unit itself.

**B. Exclusions**

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

**a. Ordinance Or Law**

- (1) The enforcement of or compliance with any ordinance or law:
  - (a) Regulating the construction, use or repair of any property; or



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

**b. Earth Movement**

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

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

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

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

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

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

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

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

**c. Governmental Action**

Seizure or destruction of property by order of governmental authority.

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

**d. Nuclear Hazard**

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

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

**e. Utility Services**

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

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

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

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

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

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

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

#### **f. War And Military Action**

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

#### **g. Water**

- (1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;
- (4) Water under the ground surface pressing on, or flowing or seeping through:
  - (a) Foundations, walls, floors or paved surfaces;
  - (b) Basements, whether paved or not; or
  - (c) Doors, windows or other openings; or
- (5) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph (1), (3) or (4), or material carried or otherwise moved by mudslide or mudflow.

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

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

#### **h. Certain Computer-related Losses**

- (1) The failure, malfunction or inadequacy of:
  - (a) Any of the following, whether belonging to any insured or to others:
    - (i) "Computer" hardware, including microprocessors or other electronic data processing equipment as may be described elsewhere in this policy;
    - (ii) "Computer" application software or other "electronic data" as may be described elsewhere in this policy;
    - (iii) "Computer" operating systems and related software;
    - (iv) "Computer" networks;
    - (v) Microprocessors ("computer" chips) not part of any "computer" system; or
    - (vi) Any other computerized or electronic equipment or components; or
  - (b) Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph (a) above;

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

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

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

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

**i. "Fungi", Wet Rot Or Dry Rot**

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

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

This exclusion does not apply:

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

**j. Virus Or Bacteria**

- (1) Any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.
- (2) However, the exclusion in Paragraph (1) does not apply to loss or damage caused by or resulting from "fungi", wet rot or dry rot. Such loss or damage is addressed in Exclusion i.
- (3) With respect to any loss or damage subject to the exclusion in Paragraph (1), such exclusion supersedes any exclusion relating to "pollutants".

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

**a. Electrical Apparatus**

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

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

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

- (1) Electrical current, including arcing;
- (2) Electrical charge produced or conducted by a magnetic or electromagnetic field;
- (3) Pulse of electromagnetic energy; or
- (4) Electromagnetic waves or microwaves.

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

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

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

**b. Consequential Losses**

Delay, loss of use or loss of market.

**c. Smoke, Vapor, Gas**

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

**d. Steam Apparatus**

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

**e. Frozen Plumbing**

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

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

**f. Dishonesty**

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

This exclusion:

- (1) Applies whether or not an act occurs during your normal hours of operation;
- (2) Does not apply to acts of destruction by your employees (including temporary or leased employees) or authorized representatives; but theft by your employees (including temporary or leased employees) or authorized representatives is not covered.

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

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

**g. False Pretense**

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

**h. Exposed Property**

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

**i. Collapse**

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

- (a) An abrupt falling down or caving in;
- (b) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
- (c) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to Paragraph **i.(1)(a)** or **i.(1)(b)**.

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

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

- (a) To the extent that coverage is provided under the Additional Coverage – Collapse; or
- (b) To collapse caused by one or more of the following:
  - (i) The "specified causes of loss";
  - (ii) Breakage of building glass;
  - (iii) Weight of rain that collects on a roof; or
  - (iv) Weight of people or personal property.

**j. Pollution**

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

**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. Additional Exclusion

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

##### Loss Or Damage To Products

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

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

a. We will not pay for:

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

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

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

(2) Any other consequential loss.

b. With respect to this exclusion, suspension means:

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

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

#### 6. Accounts Receivable Exclusion

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

We will not pay for:

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

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

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

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

#### C. Limits Of Insurance

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

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

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

a. Fire Department Service Charge;

b. Pollutant Clean-up And Removal;

c. Increased Cost Of Construction;

d. Business Income From Dependent Properties;

e. Electronic Data; and

f. Interruption Of Computer Operations.

#### 4. Building Limit – Automatic Increase

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

b. The amount of increase is calculated as follows:

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

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

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

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

#### Example

If:

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

The amount of increase is

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

#### 5. Business Personal Property Limit – Seasonal Increase

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

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

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

to provide for seasonal variances.

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

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

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

#### D. Deductibles

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

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

a. Money and Securities;

b. Employee Dishonesty;

c. Outdoor Signs; and

d. Forgery or Alteration.

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

3. No deductible applies to the following Additional Coverages:

a. Fire Department Service Charge;

b. Business Income;

c. Extra Expense;

d. Civil Authority; and

e. Fire Extinguisher Systems Recharge Expense.

#### E. Property Loss Conditions

##### 1. Abandonment

There can be no abandonment of any property to us.

##### 2. Appraisal

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

a. Pay its chosen appraiser; and

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

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

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

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

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limits of Insurance of Section I – Property. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
- (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.  
  
Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
- (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- (8) Cooperate with us in the investigation or settlement of the claim.
- (9) Resume all or part of your "operations" as quickly as possible.

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

### 4. Legal Action Against Us

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

- a. There has been full compliance with all of the terms of this insurance; and
- b. The action is brought within two years after the date on which the direct physical loss or damage occurred.

### 5. Loss Payment

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

a. At our option, we will either:

- (1) Pay the value of lost or damaged property;
  - (2) Pay the cost of repairing or replacing the lost or damaged property;
  - (3) Take all or any part of the property at an agreed or appraised value; or
  - (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to Paragraph **d.(1)(e)** below.
- b. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
  - c. We will not pay you more than your financial interest in the Covered Property.
  - d. Except as provided in Paragraphs (2) through (7) below, we will determine the value of Covered Property as follows:
    - (1) At replacement cost without deduction for depreciation, subject to the following:
      - (a) If, at the time of loss, the Limit of Insurance on the lost or damaged property is 80% or more of the full replacement cost of the property immediately before the loss, we will pay the cost to repair or replace, after application of the deductible and without deduction for depreciation, but not more than the least of the following amounts:
        - (i) The Limit of Insurance under Section I – Property that applies to the lost or damaged property;



- (ii) The cost to replace, on the same premises, the lost or damaged property with other property:
  - i. Of comparable material and quality; and
  - ii. Used for the same purpose; or
- (iii) The amount that you actually spend that is necessary to repair or replace the lost or damaged property.

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

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

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

**Example**

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

Amount of recovery  
 $\$70,000 \mid \$80,000 = .875$   
 $.875 \times \$25,000 = \$21,875$

- (c) You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim on a replacement cost basis if you notify us of your intent to do so within 180 days after the loss or damage.
- (d) We will not pay on a replacement cost basis for any loss or damage:
  - (i) Until the lost or damaged property is actually repaired or replaced; and
  - (ii) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage.

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

- (e) The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.
- (2) If the Actual Cash Value – Buildings option applies, as shown in the Declarations, Paragraph (1) above does not apply to Buildings. Instead, we will determine the value of Buildings at actual cash value.
- (3) The following property at actual cash value:
  - (a) Used or secondhand merchandise held in storage or for sale;
  - (b) Property of others. However, if an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance;

- (c) Household contents, except personal property in apartments or rooms furnished by you as landlord;
  - (d) Manuscripts; and
  - (e) Works of art, antiques or rare articles, including etchings, pictures, statuary, marble, bronzes, porcelain and bric-a-brac.
- (4) Glass at the cost of replacement with safety glazing material if required by law.
- (5) Tenants' improvements and betterments at:
- (a) Replacement cost if you make repairs promptly.
  - (b) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
    - (i) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
    - (ii) Divide the amount determined in (i) above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.
  - (c) Nothing if others pay for repairs or replacement.
- (6) Applicable only to the Optional Coverages:
- (a) "Money" at its face value; and
  - (b) "Securities" at their value at the close of business on the day the loss is discovered.
- (7) Applicable only to accounts receivable:
- (a) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage:
    - (i) We will determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and
    - (ii) We will adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.
  - (b) The following will be deducted from the total amount of accounts receivable, however that amount is established:
    - (i) The amount of the accounts for which there is no loss or damage;
    - (ii) The amount of the accounts that you are able to reestablish or collect;
    - (iii) An amount to allow for probable bad debts that you are normally unable to collect; and
    - (iv) All unearned interest and service charges.
- e. Our payment for loss of or damage to personal property of others will only be for the account of the owners of the property. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, provided you have complied with all of the terms of this policy, and:
- (1) We have reached agreement with you on the amount of loss; or
  - (2) An appraisal award has been made.

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

#### **6. Recovered Property**

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

#### **7. Resumption Of Operations**

We will reduce the amount of your:

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

### **8. Vacancy**

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

- (1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in Paragraphs (a) and (b) below:
  - (a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.
  - (b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:
    - (i) Rented to a lessee or sublessee and used by the lessee or sublessee to conduct its customary operations; and/or
    - (ii) Used by the building owner to conduct customary operations.
- (2) Buildings under construction or renovation are not considered vacant.

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

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

- (1) We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:
  - (a) Vandalism;
  - (b) Sprinkler leakage, unless you have protected the system against freezing;

- (c) Building glass breakage;
- (d) Water damage;
- (e) Theft; or
- (f) Attempted theft.

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

## F. Property General Conditions

### 1. Control Of Property

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

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

### 2. Mortgageholders

- a. The term "mortgageholder" includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this policy, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
  - (1) Pays any premium due under this policy at our request if you have failed to do so;
  - (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
  - (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

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

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

- (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
- (2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

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

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

### 3. No Benefit To Bailee

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

### 4. Policy Period, Coverage Territory

Under Section I – Property:

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

## G. Optional Coverages

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

### 1. Outdoor Signs

- a. We will pay for direct physical loss of or damage to all outdoor signs at the described premises:
  - (1) Owned by you; or
  - (2) Owned by others but in your care, custody or control.
- b. Paragraph **A.3.**, Covered Causes Of Loss and Paragraph **B.**, Exclusions in Section I – Property do not apply to this Optional Coverage, except for:
  - (1) Paragraph **B.1.c.**, Governmental Action;
  - (2) Paragraph **B.1.d.**, Nuclear Hazard; and
  - (3) Paragraph **B.1.f.**, War And Military Action.
- c. We will not pay for loss or damage caused by or resulting from:
  - (1) Wear and tear;
  - (2) Hidden or latent defect;
  - (3) Rust;
  - (4) Corrosion; or
  - (5) Mechanical breakdown.
- d. The most we will pay for loss or damage in any one occurrence is the Limit Of Insurance for Outdoor Signs shown in the Declarations.
- e. The provisions of this Optional Coverage supersede all other references to outdoor signs in this policy.

### 2. Money And Securities

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

- b. In addition to the Limitations and Exclusions applicable to Section I – Property, we will not pay for loss:
  - (1) Resulting from accounting or arithmetical errors or omissions;
  - (2) Due to the giving or surrendering of property in any exchange or purchase; or
  - (3) Of property contained in any "money"-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.
- c. The most we will pay for loss in any one occurrence is:
  - (1) The limit shown in the Declarations for Inside the Premises for "money" and "securities" while:
    - (a) In or on the described premises; or
    - (b) Within a bank or savings institution; and
  - (2) The limit shown in the Declarations for Outside the Premises for "money" and "securities" while anywhere else.
- d. All loss:
  - (1) Caused by one or more persons; or
  - (2) Involving a single act or series of related acts;is considered one occurrence.
- e. You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.

### 3. Employee Dishonesty

- a. We will pay for direct loss of or damage to Business Personal Property and "money" and "securities" resulting from dishonest acts committed by any of your employees acting alone or in collusion with other persons (except you or your partner) with the manifest intent to:
  - (1) Cause you to sustain loss or damage; and also
  - (2) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
    - (a) Any employee; or
    - (b) Any other person or organization.

- b.** We will not pay for loss or damage:
- (1)** Resulting from any dishonest or criminal act that you or any of your partners or "members" commit whether acting alone or in collusion with other persons.
  - (2)** Resulting from any dishonest act committed by any of your employees (except as provided in Paragraph **a.**), "managers" or directors:
    - (a)** Whether acting alone or in collusion with other persons; or
    - (b)** While performing services for you or otherwise.
  - (3)** The only proof of which as to its existence or amount is:
    - (a)** An inventory computation; or
    - (b)** A profit and loss computation.
  - (4)** Caused by an employee if the employee had also committed theft or any other dishonest act prior to the effective date of this policy and you or any of your partners, "members", "managers", officers, directors or trustees, not in collusion with the employee, learned of that theft or dishonest act prior to the policy period shown in the Declarations.
- c.** The most we will pay for loss or damage in any one occurrence is the Limit Of Insurance for Employee Dishonesty shown in the Declarations.
- d.** All loss or damage:
- (1)** Caused by one or more persons; or
  - (2)** Involving a single act or series of acts; is considered one occurrence.
- e.** If any loss is covered:
- (1)** Partly by this insurance; and
  - (2)** Partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest;
- the most we will pay is the larger of the amount recoverable under this insurance or the prior insurance.
- We will pay only for loss or damage you sustain through acts committed or events occurring during the policy period. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.
- f.** This Optional Coverage is cancelled as to any employee immediately upon discovery by:
- (1)** You; or
  - (2)** Any of your partners, "members", "managers", officers or directors not in collusion with the employee;
- of any dishonest act committed by that employee before or after being hired by you.
- g.** We will pay only for covered loss or damage sustained during the policy period and discovered no later than one year from the end of the policy period.
- h.** If you (or any predecessor in interest) sustained loss or damage during the policy period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this Optional Coverage, provided:
- (1)** This Optional Coverage became effective at the time of cancellation or termination of the prior insurance; and
  - (2)** The loss or damage would have been covered by this Optional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.
- i.** The insurance under Paragraph **h.** above is part of, not in addition to, the Limit of Insurance applying to this Optional Coverage and is limited to the lesser of the amount recoverable under:
- (1)** This Optional Coverage as of its effective date; or
  - (2)** The prior insurance had it remained in effect.
- j.** With respect to the Employee Dishonesty Optional Coverage in Paragraph **G.3.**, employee means:
- (1)** Any natural person:
    - (a)** While in your service or for 30 days after termination of service;
    - (b)** Who you compensate directly by salary, wages or commissions; and
    - (c)** Who you have the right to direct and control while performing services for you;

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

But employee does not mean:

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

#### 4. Equipment Breakdown Protection Coverage

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

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

- (1) Malfunction including but not limited to adjustment, alignment, calibration, cleaning or modification;
- (2) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
- (3) Damage to any vacuum tube, gas tube, or brush; or
- (4) The functioning of any safety or protective device.

- b. Paragraphs **A.4.a.(1)** and **A.4.a.(2)**, Limitations, do not apply to this Optional Coverage.
- c. With respect to the coverage provided by this Optional Coverage, the following exclusions in Paragraph **B. Exclusions** do not apply:
  - (1) Paragraph **B.2.a.**, Electrical Apparatus;
  - (2) Paragraph **B.2.d.**, Steam Apparatus; and
  - (3) Paragraph **B.2.i.(6)**, Mechanical Breakdown.
- d. With respect to the coverage provided by this Optional Coverage, Paragraph **G.1.c.(5)** of the **Outdoor Signs Optional Coverage** does not apply.
- e. If a dollar deductible is shown in the Declarations for this Optional Coverage, we will first subtract the applicable deductible amount from any loss we would otherwise pay. We will then pay the amount of loss in excess of the applicable deductible up to the applicable limit for this coverage.

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

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

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

- g. With respect to the coverage provided by this Optional Coverage, Paragraph **H. Property Definitions** is amended as follows:
  - 1. "Computer" means:
    - a. Programmable electronic equipment that is used to store, retrieve and process data; and

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

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

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

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

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

- (1) Your last known address; or
- (2) The address where the pressure, mechanical or electrical machinery and equipment is located.

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

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

## H. Property Definitions

### 1. "Computer" means:

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

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

- 2. "Counterfeit money" means an imitation of "money" that is intended to deceive and to be taken as genuine.
- 3. "Electronic data" means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a "computer" or device connected to it, which enable the "computer" or device to receive, process, store, retrieve or send data.
- 4. "Fungi" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
- 5. "Manager" means a person serving in a directorial capacity for a limited liability company.
- 6. "Member" means an owner of a limited liability company represented by its membership interest, who also may serve as a "manager".
- 7. "Money" means:
  - a. Currency, coins and bank notes in current use and having a face value; and
  - b. Traveler's checks, register checks and money orders held for sale to the public.
- 8. "Operations" means your business activities occurring at the described premises.
- 9. "Period of restoration":
  - a. Means the period of time that:
    - (1) Begins:
      - (a) 72 hours after the time of direct physical loss or damage for Business Income Coverage; or
      - (b) Immediately after the time of direct physical loss or damage for Extra Expense Coverage;

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



- (2) Ends on the earlier of:
  - (a) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
  - (b) The date when business is resumed at a new permanent location.

- b. Does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:
  - (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
  - (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

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

- 10. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 11. "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or other property and includes:
  - a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
  - b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include "money".

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

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

  - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
    - (1) The cost of filling sinkholes; or
    - (2) Sinking or collapse of land into man-made underground cavities.

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

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

- c. Water damage means:

- (1) Accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam; and
- (2) Accidental discharge or leakage of water or waterborne material as the direct result of the breaking apart or cracking of a water or sewer pipe that is located off the described premises and is part of a municipal potable water supply system or municipal sanitary sewer system, if the breakage or cracking is caused by wear and tear.

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

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

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

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

- a. Documents;
- b. Manuscripts; and
- c. Records;

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

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

## SECTION II – LIABILITY

### A. Coverages

#### 1. Business Liability

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

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

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

b. This insurance applies:

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

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

- (2) To "personal and advertising injury" caused by an offense arising out of your business, but only if the offense was committed in the "coverage territory" during the policy period.
- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph **C.1. Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of "bodily injury" or "property damage" after the end of the policy period.
- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph **C.1. Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:
  - (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
  - (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
  - (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.
- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

**f. Coverage Extension – Supplementary Payments**

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

These payments will not reduce the limit of liability.

- (2) If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
- (a) The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
  - (b) This insurance applies to such liability assumed by the insured;
  - (c) The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
  - (d) The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
  - (e) The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
  - (f) The indemnitee:
    - (i) Agrees in writing to:
      - i. Cooperate with us in the investigation, settlement or defense of the "suit";
      - ii. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
      - iii. Notify any other insurer whose coverage is available to the indemnitee; and

- iv. Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
- (ii) Provides us with written authorization to:
  - i. Obtain records and other information related to the "suit"; and
  - ii. Conduct and control the defense of the indemnitee in such "suit".
- (3) So long as the conditions in Paragraph (2) are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph B.1.b.(2) Exclusions in Section II – Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the Limits of Insurance.

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

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

## 2. Medical Expenses

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:
  - (1) On premises you own or rent;
  - (2) On ways next to premises you own or rent; or
  - (3) Because of your operations; provided that:
    - (a) The accident takes place in the "coverage territory" and during the policy period;
    - (b) The expenses are incurred and reported to us within one year of the date of the accident; and

- (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.
- b. We will make these payments regardless of fault. These payments will not exceed the Limits of Insurance of Section II – Liability. We will pay reasonable expenses for:
  - (1) First aid administered at the time of an accident;
  - (2) Necessary medical, surgical, X-ray and dental services, including prosthetic devices; and
  - (3) Necessary ambulance, hospital, professional nursing and funeral services.

## B. Exclusions

### 1. Applicable To Business Liability Coverage

This insurance does not apply to:

#### a. Expected Or Intended Injury

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

#### b. Contractual Liability

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

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

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

**c. Liquor Liability**

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

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims allege negligence or other wrongdoing in:

- (a) The supervision, hiring, employment, training or monitoring of others by an insured; or
- (b) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the "occurrence" which caused the "bodily injury" or "property damage", involved that which is described in Paragraph (1), (2) or (3) above.

However, this exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

**d. Workers' Compensation And Similar Laws**

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

**e. Employer's Liability**

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
  - (a) Employment by the insured; or

- (b) Performing duties related to the conduct of the insured's business; or

- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

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

**f. Pollution**

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

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

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

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

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

- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
  - (i) Any insured; or
  - (ii) Any person or organization for whom you may be legally responsible;
- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
  - (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
  - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
  - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire"; or
- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:
  - (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
  - (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

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

**g. Aircraft, Auto Or Watercraft**

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

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

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
  - (a) Less than 51 feet long; and
  - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- (5) "Bodily injury" or "property damage" arising out of:
  - (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where it is licensed or principally garaged; or
  - (b) The operation of any of the following machinery or equipment:
    - (i) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
    - (ii) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

#### **h. Mobile Equipment**

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

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

#### **i. War**

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

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

#### **j. Professional Services**

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

- (1) Legal, accounting or advertising services;
- (2) Preparing, approving, or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications;
- (3) Supervisory, inspection or engineering services;
- (4) Medical, surgical, dental, X-ray or nursing services treatment, advice or instruction;
- (5) Any health or therapeutic service treatment, advice or instruction;
- (6) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming;

- (7) Optometry or optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;
- (8) Body piercing services; and
- (9) Services in the practice of pharmacy.

This exclusion applies even if the claims allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by an insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved the rendering or failure to render of any professional service.

**k. Damage To Property**

"Property damage" to:

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

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

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

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

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

**i. 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, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity;
- (3) Arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period;
- (4) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement;
- (5) Arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement";
- (6) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";
- (7) Arising out of the wrong description of the price of goods, products or services stated in your "advertisement";
- (8) Committed by an insured whose business is:
  - (a) Advertising, broadcasting, publishing or telecasting;
  - (b) Designing or determining content of web sites for others; or
  - (c) An Internet search, access, content or service provider.

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

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

- (9) Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time;
- (10) With respect to any loss, cost or expense arising out of any:
  - (a) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
  - (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants";
- (11) Arising out of an electronic chatroom or bulletin board the insured hosts, owns or over which the insured exercises control;
- (12) Arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

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

**q. Electronic Data**

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

However, this exclusion does not apply to liability for damages because of "bodily injury".

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

**r. Criminal Acts**

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

**s. Recording And Distribution Of Material Or Information In Violation Of Law**

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

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

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

**2. Applicable To Medical Expenses Coverage**

We will not pay expenses for "bodily injury":

- a. To any insured, except "volunteer workers".
- b. To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- c. To a person injured on that part of premises you own or rent that the person normally occupies.
- d. To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.
- e. To a person injured while practicing, instructing or participating in any physical exercises or games, sports or athletic contests.
- f. Included within the "products-completed operations hazard".
- g. Excluded under Business Liability Coverage.

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

This insurance does not apply:

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

- (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.
- e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

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

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

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
- (b) To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of Paragraph (a) above;
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph (a) or (b); or
- (d) Arising out of his or her providing or failing to provide professional health care services.

(2) "Property damage" to property:

- (a) Owned, occupied or used by;

- (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, bylaws or any other similar governing document.
- 7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
- 8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
  - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
  - b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by:

- (1) The repair, replacement, adjustment or removal of "your product" or "your work"; or
- (2) Your fulfilling the terms of the contract or agreement.

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

- b. A sidetrack agreement;
- c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

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

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
  - (a) Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or
  - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in Paragraph (2) above and supervisory, inspection or engineering services.

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

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

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

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

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

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

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

- (1) Equipment designed primarily for:
  - (a) Snow removal;
  - (b) Road maintenance, but not construction or resurfacing; or
  - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

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

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

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

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e. Oral or written publication, in any manner, of material that violates a person's right of privacy;



- f. The use of another's advertising idea in your "advertisement"; or
  - g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".
15. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

16. "Products-completed operations hazard":
- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
    - (1) Products that are still in your physical possession; or
    - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
      - (a) When all of the work called for in your contract has been completed.
      - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
      - (c) When that part of the work done at the job site has been put to its intended use by any other person or organization other than another contractor or subcontractor working on the same project.

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

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

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

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

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

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

18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage", or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:
- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
  - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.
19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
20. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.
21. "Your product":
- a. Means:
    - (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
      - (a) You;
      - (b) Others trading under your name; or

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

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

b. Includes:

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

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

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

22. "Your work":

a. Means:

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

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

b. Includes:

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

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

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

**A. Cancellation**

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.

2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

a. Five days before the effective date of cancellation if any one of the following conditions exists at any building that is Covered Property in this policy:

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

(a) Seasonal unoccupancy; or

(b) Buildings in the course of construction, renovation or addition.

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

(2) After damage by a Covered Cause of Loss, permanent repairs to the building:

(a) Have not started; and

(b) Have not been contracted for; within 30 days of initial payment of loss.

(3) The building has:

(a) An outstanding order to vacate;

(b) An outstanding demolition order; or

(c) Been declared unsafe by governmental authority.

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

(5) Failure to:

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

(b) Pay property taxes that are owing and have been outstanding for more than one year following the date due, except that this provision will not apply where you are in a bona fide dispute with the taxing authority regarding payment of such taxes.

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

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

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

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

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

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

#### **B. Changes**

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

#### **C. Concealment, Misrepresentation Or Fraud**

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

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

#### **D. Examination Of Your Books And Records**

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

#### **E. Inspections And Surveys**

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

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

#### **F. Insurance Under Two Or More Coverages**

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

#### **G. Liberalization**

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

#### **H. Other Insurance**

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

#### **I. Premiums**

1. The first Named Insured shown in the Declarations:
  - a. Is responsible for the payment of all premiums; and
  - b. Will be the payee for any return premiums we pay.
2. The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

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.**

## **DELAWARE CHANGES**

This endorsement modifies insurance provided under the following:

### **BUSINESSOWNERS COVERAGE FORM**

**A. Section II – Liability** is amended as follows:

The term "spouse" is replaced by the following:

Spouse or party to a civil union recognized under Delaware law.

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

**1. Paragraph A. Cancellation** is amended as follows:

1. Paragraph 2. is replaced by the following:
  2. We may cancel this policy by mailing or delivering to the first Named Insured a written notice of cancellation at least:
    - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
    - b. 60, but not more than 120, days before the effective date of cancellation if we cancel for any other permissible reason.

**2. The following paragraph is added:**

7. If this policy:
  - a. Has been in effect for more than 60 days or is a renewal of a policy we issued; and
  - b. Covers buildings that contain no more than four dwelling units, one of which is the principal place of residence of the insured;

we may cancel this policy only for one or more of the following reasons:

- (1) Nonpayment of premium;
- (2) Discovery of fraud or material misrepresentation made by you or with your knowledge in obtaining the policy, continuing the policy or in presenting a claim under the policy;
- (3) Discovery of willful or reckless acts or omissions on your part that increase any hazard insured against;

(4) The occurrence of a change in the risk that substantially increases any hazard insured against after insurance coverage has been issued or renewed;

(5) A violation of any local fire, health, safety, building or construction regulation or ordinance with respect to any covered property or its occupancy that substantially increases any hazard insured against;

(6) A determination by the Insurance Commissioner that the continuation of the policy would place us in violation of the Delaware insurance laws; or

(7) Real property taxes owing on the insured property have been delinquent for two or more years and continue delinquent at the time notice of cancellation is issued.

Notice of cancellation will state the specific reason for cancellation.

**2. The following paragraph is 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, along with the reasons for nonrenewal, at least 60, but not more than 120, days before the expiration date, or the anniversary date if this is a policy written for a term of more than one year or with no fixed expiration date.
2. We will mail or deliver this notice to the first Named Insured's last mailing address known to us.

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

## **EMPLOYMENT-RELATED PRACTICES EXCLUSION**

This endorsement modifies insurance provided under the following:

### **BUSINESSOWNERS COVERAGE FORM**

The following exclusion is added to Paragraph **B.1. Exclusions – Applicable To Business Liability Coverage** in **Section II – Liability**:

This insurance does not apply to "bodily injury" or "personal and advertising injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or

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

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraph (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**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.**

## **EXCLUSION – SILICA OR SILICA-RELATED DUST**

This endorsement modifies insurance provided under the following:

### **BUSINESSOWNERS COVERAGE FORM**

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

**B. Exclusions**

This insurance does not apply to:

**SILICA OR SILICA-RELATED DUST**

1. "Bodily injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, or ingestion of, "silica" or "silica-related dust".
2. "Property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
3. "Personal and advertising injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".

4. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.

**B.** The following definitions are added to Paragraph **F. Liability And Medical Expenses Definitions** in **Section II – Liability**:

1. "Silica" means silicon dioxide, (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.
2. "Silica-related dust" means a mixture or combination of silica and other dust or particles.



**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.

**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.**

## **EXCLUSION OF PUNITIVE DAMAGES RELATED TO A CERTIFIED ACT 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 PUNITIVE DAMAGES**

Damages arising, directly or indirectly, out of a "certified act of terrorism" that are awarded as punitive damages.

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

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

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

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

- 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.**

**AMENDMENT OF INSURED CONTRACT DEFINITION**

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS COVERAGE FORM**

Paragraph **9.** under **F. Liability And Medical Expenses Definitions** is replaced by the following:

**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, provided the "bodily injury" or "property damage" is caused, in whole or in part, by you or by those acting on your behalf. However, such part of a contract or agreement shall only be considered an "insured contract" to the extent your assumption of the tort liability is permitted by law. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

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

- (1)** That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
- (2)** That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
  - (a)** Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
  - (b)** Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3)** Under which 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 **(2)** above and supervisory, inspection, architectural or engineering activities.

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

## **EXCLUSION – ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL MATERIAL OR INFORMATION**

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS COVERAGE FORM**

The following is added to Paragraph 1. **Applicable To Business Liability Coverage** of **B. Exclusions** under **Section II – Liability**:

This insurance does not apply to:

**Access Or Disclosure Of Confidential Or Personal Material Or Information**

"Bodily Injury", "property damage" or "personal and advertising injury", arising out of any access to or disclosure of any person's or organization's confidential or personal material or information, including:

- a.** Patents, trade secrets, processing methods, customer lists;
- b.** Financial information, credit card information;

- c.** Health information, biometric information; or
- d.** Any other type of nonpublic material or information.

This exclusion applies even if damages are claimed for notification costs, credit or identity monitoring expenses, forensic expenses, public relations expenses, data restoration expenses, extortion expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal material or information.



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

## **CYBER INCIDENT LIABILITY EXCLUSION**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

**Section II – Liability** is amended as follows:

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

This insurance does not apply to:

**Cyber Incident**

"Bodily injury", "property damage", or "personal and advertising injury" arising out of a "cyber incident".

This exclusion applies even if damages are claimed for notification costs, credit or identity monitoring expenses, forensic expenses, public relations expenses, data restoration expenses, extortion expenses or any other similar cost or expense incurred by you or others arising out of a "cyber incident".

**B.** For the purposes of this endorsement, the following is added to Paragraph **F. Liability And Medical Expenses Definitions**:

"Cyber incident" means any:

1. Unauthorized access to or use of any computer system.

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

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

## **EXCLUSION – VIOLATION OF LAW ADDRESSING DATA PRIVACY**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

**Section II – Liability** is amended as follows:

The following is added to Paragraph **B.**

**Exclusions:**

This insurance does not apply to:

**Violation Of Law Addressing Data Privacy**

"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:

- a.** Any federal, state or local statute, ordinance, regulation or other law that addresses, prohibits, or limits access to, use of or the printing, dissemination, disposal, obtaining, collecting, storing, safeguarding, recording, retention, sending, transmitting, communicating, selling or distribution of any person's or organization's confidential or personal material or information, including financial, health, biometric or other nonpublic material or information.

Any such federal, state or local statute, ordinance, regulation or other law includes but is not limited to:

- (1)** The Illinois Biometric Information Privacy Act (BIPA), including any amendment of or addition to such law; or
  - (2)** The California Consumer Privacy Act (CCPA), including any amendment of or addition to such law; or
- b.** Any law of a jurisdiction other than the United States of America (including its territories and possessions) or Puerto Rico that is similar to any statute, ordinance, regulation or other law described in Paragraph **a.** above, including but not limited to the European Union's General Data Protection Regulation.

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

# **BUSINESSOWNERS IMPROVED VALUE ENDORSEMENT**

This endorsement modifies insurance provided in the following:

**BUSINESSOWNERS COVERAGE FORM  
CONTRACTORS' INSTALLATION, TOOLS AND EQUIPMENT COVERAGE**

| <b>INDEX OF COVERAGES</b>   |  |                       |             |
|---|--|-----------------------|-------------|
| <b>COVERAGE</b>   |  |                       | <b>PAGE</b> |
| Bail Bonds  |  | \$ 1,000              | 4           |
| "Bodily Injury" Definition Amended To Include Mental Anguish          |  |                       | 5           |
| Contractors' Installation Coverage                                    |  | \$ 15,000             | 5           |
| Contractors' Tools And Equipment Coverage                             |  | \$ 15,000             | 5           |
| Fire Department Service Charge  |  | \$ 5,000              | 1           |
| Fire Extinguisher Systems Recharge Expense                            |  | Actual Loss Sustained | 1           |
| Limited Exception For A Short-Term Pollution Event                    |  | \$ 25,000             | 4           |
| Lock Replacement  |  | \$ 1,000              | 3           |
| Newly Acquired Or Constructed Property -                              | Buildings                                      | \$ 500,000            | 3           |
|   | Business Personal Property                     | \$ 200,000            | 3           |
| Ordinance Or Law Coverage -   | Coverage 1 - Undamaged Portion Of The Building | \$ 25,000             | 2           |
|   | Coverage 2 - Demolition Cost                   | \$ 25,000             | 2           |
|   | Coverage 3 - Increased Cost Of Construction    | \$ 25,000             | 1           |
| Outdoor Property  |  | \$ 5,000              | 3           |
| Personal Effects  |  | \$ 5,000              | 3           |
| Personal Property Off-Premises (Including \$5,000 Salesperson Sample) |  | \$ 15,000             | 3           |
| Pollutant Clean-Up And Removal  |  | \$ 25,000             | 1           |
| Tenants' Building Property Coverage – Required By Contract            |  | \$ 20,000             | 3           |
| Water Back-Up And Sump Overflow                                       |  | \$ 20,000             | 3           |

## **PART ONE – PROPERTY COVERAGES**

**Section I – Property** of the **Businessowners Coverage Form, BP0003** is amended as follows:

Paragraph **A.5. Additional Coverages** is amended as follows:

**Fire Department Service Charge**

The \$2,500 limit shown in Paragraph **c.** is replaced by \$5,000.

**Pollutant Clean-Up And Removal**

The \$10,000 limit shown in Paragraph **h.** is replaced by \$25,000.

**Increased Cost Of Construction**

The \$10,000 limit shown in Paragraph **I.(6)** is replaced by \$25,000.

**Fire Extinguisher Systems Recharge Expense**

Paragraph **o.(3)** is deleted.

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

**Ordinance Or Law Coverage**

**(1)** We will pay for loss covered by Coverage 1 or Coverage 2 resulting from or arising out of direct physical loss or damage to a building covered under this policy and insured on a replacement cost basis.

**(2)** Application Of Coverage(s)

The Coverage(s) provided by this Additional Coverage applies only if both **(2)(a)** and **(2)(b)** are satisfied and are then subject to the qualifications set forth in **(2)(c)**.

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

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

But coverage under this Additional Coverage applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this Additional Coverage.

**(b)** The building sustains direct physical damage:

- (i)** That is covered under this policy and as a result of such damage, you are required to comply with the ordinance or law; or
- (ii)** That is covered under this policy and direct physical damage that is not covered under this policy, and as a result of the building damage in its entirety, you are required to comply with the ordinance or law.
- (iii)** But if the damage is not covered under this policy and such damage is the subject of the ordinance or law, then there is no coverage under this Additional Coverage even if the building has also sustained covered direct physical damage.

**(c)** In the situation described in **(2)(b)(ii)**, above, we will not pay the full amount of loss otherwise payable under the terms of Coverages 1 and/or 2 of this Additional Coverage. Instead, we will pay a proportion of such loss, meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

However, if the covered direct physical damage alone would have resulted in a requirement to comply with the ordinance or law, then we will pay the full amount of loss otherwise payable under terms of Coverages 1 and/or 2 of this Additional Coverage.

**(3)** We will not pay under Coverages 1 or 2 of this Additional Coverage for:

- (a)** Enforcement of or compliance with any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungi", wet rot or dry rot;
- (b)** The costs associated with the enforcement of or compliance with any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungi", wet rot or dry rot; or
- (c)** Any loss or costs due to an ordinance or law that:
  - (i)** You were required to comply with before the loss, even when the building was undamaged; and
  - (ii)** You failed to comply with.

**(4)** Coverage

**(a) Coverage 1 – Coverage For Loss To The Undamaged Portion Of The Building**

With respect to the building that has sustained covered direct physical damage, we will pay under Coverage 1 for the loss in value of the undamaged portion of the building as a consequence of a requirement to comply with an ordinance or law that requires demolition of undamaged parts of the same building. Coverage 1 is included within the Limit Of Insurance shown in the Declarations as applicable to the covered building. Coverage 1 does not increase the Limit of Insurance.

**(b) Coverage 2 – Demolition Cost Coverage**

With respect to the building that has sustained covered direct physical damage, we will pay the cost to demolish and clear the site of undamaged parts of the same building, as a consequence of a requirement to comply with an ordinance or law that requires demolition of such undamaged property.

**(c) Coverage 3 – Increased Cost Of Construction**

Review your Businessowners Coverage Form and Page 1 of this endorsement.

**(5) Limits of Insurance**

**(a)** The most we will pay for Coverage 1 - Coverage for Loss to the Undamaged Portion of the Building under this Additional Coverage is \$25,000 for each building described in the Declarations.

**(b)** The most we will pay for Coverage 2 - Demolition Cost Coverage under this Additional Coverage is \$25,000 for each building described in the Declarations.

The amount payable under this Additional Coverage is additional insurance.

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Paragraph **A.6. Coverage Extensions** is amended as follows:

**Newly Acquired Or Constructed Property**

The \$250,000 limit shown in Paragraph **a.(1)** is replaced by \$500,000.

The \$100,000 limit shown in Paragraph **a.(2)** is replaced by \$200,000.

**Personal Property Off-Premises**

The \$10,000 limit shown in Paragraph **b.** is replaced by \$15,000, and the following is added to Paragraph **b.:**

However, the most we will pay for samples in the care, custody, or control of any one of your salespersons is \$5,000, unless the property is in such care, custody or control at a fair, trade show or exhibition.

**Personal Effects**

The \$2,500 limit shown in Paragraph **d.** is replaced by \$5,000.

**Outdoor Property**

Paragraph **c.** is replaced by the following:

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

The most we will pay for loss or damage under this Extension is \$5,000, but not more than \$1,000 for any one tree, shrub or plant.

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

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The following is added to Paragraph **A.6. Coverage Extensions**:

**Lock Replacement**

You may extend this coverage to apply to the cost to repair or replace the door locks or tumblers at or on a described premises necessitated by theft of the door keys for that premises.

The most we will pay under this Extension is \$1,000 in any one occurrence regardless of the number of described premises. A \$50 deductible applies to this Extension.

**Tenants' Building Property Coverage – Required By Contract**

If you are a tenant, you may extend the insurance provided by this policy for your Covered Property to apply to structures, fixtures, machinery and equipment owned by your landlord and that you are contractually required to insure. The most we will pay for loss or damage under this Extension is \$20,000.

**Water Back-Up And Sump Overflow**

**(1)** You may extend the insurance provided by this policy to apply to direct physical loss or damage to Covered Property caused by or resulting from:

**(a)** Water or waterborne material which backs up through or overflows or is otherwise discharged from a sewer or drain; or

**(b)** Water or waterborne material which overflows or is otherwise discharged from a sump, sump pump or related equipment, even if the overflow or discharge results from mechanical breakdown of a sump pump or its related equipment.

However, with respect to Paragraph **(b)** above, we will not pay the cost of repairing or replacing a sump pump or its related equipment in the event of mechanical breakdown.

**(2)** The coverage described in Paragraph **(1)** of this Extension does not apply to loss or damage resulting from:

**(a)** An insured's failure to keep a sump pump or its related equipment in proper working condition;

**(b)** An insured's failure to perform the routine maintenance or repair necessary to keep a sewer or drain free from obstructions; or

**(c)** Sump pump failure which is caused by or results from failure of power, unless this policy is endorsed to cover power failure affecting the described premises.

**(3)** For the purposes of this Extension the term drain includes a roof drain and related fixtures.

(4) With respect to the coverage provided under the Water Back-Up And Sump Overflow section of this Extension, Exclusion **g**. Water in **Section I – Property** is replaced by the following:

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

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

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

- (5) The most we will pay under this Extension for all loss or damage to Covered Property in or on a building at the described premises is \$20,000 in any one occurrence. This limit is addition to any other Limit of Insurance for Water Back-Up And Sump Overflow. A \$500 deductible will apply to this Extension.

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## PART TWO - LIABILITY

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**Section II – Liability of the Businessowners Coverage Form, BP0003** is amended as follows:

### **Bail Bonds**

The \$250 limit shown for cost of bail bonds in Paragraph 1.f.(1)(b) **Coverage Extension – Supplementary Payments of A. Coverages** is replaced by \$1,000.

### **Limited Exception For A Short-Term Pollution Event**

With respect to the coverage provided under this limited exclusion exception, the following is added to Paragraph 1.f. **Pollution of B. Exclusions**:

Subparagraphs (1)(a) and (1)(d) do not apply to “bodily injury” or “property damage” arising out of a “short-term pollution event” provided you give us prompt notice of the “short-term pollution event” as soon as possible, but not more than fourteen (14) days after its ending.

However, failure to give notice within the time above will not invalidate the coverage provided by this Extension, if you give us prompt notice upon your discovery of the “short-term pollution event”.

The most we will pay is \$25,000 for the total of all such “bodily Injury” or “property damage” arising out of a “short-term pollution event” which take place in a twelve (12) month period (starting with the beginning of the present annual policy period).

With respect to the coverage provided under this limited exception:

- (a) "Short-term pollution event" means a discharge, dispersal, release or escape of "pollutants" which:
    - (i) Begins during the policy period;
    - (ii) Begins at an identified time and place;
    - (iii) Ends, in its entirety, at an identified time within forty-eight (48) hours of the beginning of the discharge, dispersal, release or escape of the "pollutants";
    - (iv) Is not a repeat or resumption of a previous discharge, dispersal, release or escape of the same pollutant from essentially the same source within twelve (12) months of a previous discharge, dispersal, release or escape;
    - (v) Does not originate from an "underground storage tank"; and
    - (vi) Is not heat, smoke or fumes from a "hostile fire".
- To be a "short-term pollution event", the discharge, dispersal, release or escape of "pollutants" need not be continuous. However, if the discharge, dispersal, release or escape is not continuous, then all discharges, dispersals, releases or escapes of the same "pollutants" from essentially the same source, considered together, must satisfy Provisions (i) through (vi) of this definition to be considered a "short-term pollution event".

(b) "Underground storage tank" means any storage tank, including any attached pumps, valves or piping, buried below the surface of the ground or water, or which, at any time, had been buried under the surface of the ground or water and then subsequently exposed by any means. For the purposes of this definition, buried means that at least 10% of it is below the surface of the ground or water.

**"Bodily Injury" Definition Amended To Include Mental Anguish**

Paragraph **F.3. Liability And Medical Expenses Definitions** is replaced by the following:

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

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**PART THREE – CONTRACTORS' INSTALLATION, TOOLS AND EQUIPMENT COVERAGE**

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**Contractors' Installation, Tools And Equipment Coverage** is amended as follows:

**Contractors' Installation Coverage**

We will pay up to \$15,000 in any one occurrence for direct physical loss or damage to Covered Property payable under **Coverage 1 – Contractors' installation Coverage**. This coverage is in addition to any Limit of Insurance shown on the Declarations, or provided by endorsement, for Coverage 1.

**Contractors' Tools And Equipment Coverage**

We will pay up to \$15,000 in any one occurrence for the total of all direct physical loss or damage to Covered Property payable under **Coverage 2 - Contractors' Tools And Equipment Coverage – Blanket Limit of Insurance**. However, we will not pay more than \$3,000 for any one item. This coverage is in addition to any Limits Of Insurance shown in the Declarations, or provided by endorsement, for Coverage 2.

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

## **EXCLUSION – LEAD CONTAMINATION**

This endorsement modifies coverage found under the following:

**BUSINESSOWNERS COVERAGE FORM**  
Section II-A.1. Business Liability  
Section II-A.2. Medical Expenses

This endorsement modifies the above Coverages to exclude “occurrences” at the Insured premises which result in:

- a.** “Bodily injury” arising out of the ingestion, inhalation or absorption of lead in any form;
- b.** “Property damage” arising from any form of lead;
- c.** “Personal and advertising injury” arising from any form of lead;
- d.** Medical expenses arising from any form of lead;
- e.** Any loss, cost or expense arising out of any request, demand or order that any Insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of lead; or
- f.** Any loss, cost or expense arising out of any claim or “suit” by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of lead.



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

## **AUDIT NONCOMPLIANCE FACTOR ENDORSEMENT**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

**Schedule:**

**Exposure:** Estimated Annual Payroll and/or Gross Sales

**ANF Multiplier:** Two Times (2.0)

**A. SECTION III – COMMON POLICY CONDITIONS (APPLICABLE TO SECTION I – PROPERTY AND SECTION II - LIABILITY), Paragraph J. Premium Audit** is amended to add the following:

If you do not allow us to examine your records needed for premium computation of this policy, and/or you do not provide audit information as requested, we may apply an Audit Noncompliance Factor (ANF) to your policy which will result in additional premium due.

The ANF will apply regardless of the audit type, i.e. mail/emial, telephone, computer, and physical audits unless otherwise provided by state law.

The charge will be computed by applying the **ANF Multiplier** by the applicable **Exposure** shown in the schedule above.

In order to apply the ANF on this policy,

1. The company must comply with all applicable state laws and/or regulations related to the audit of this policy.
2. This endorsement must be attached to the policy at the inception of the policy term being audited.

3. The company must make two attempts to complete the audit and/or obtain the audit information. On the second attempt, the policyholder and/or agent of the policyholder must be advised that if the employer continues not to comply with the audit the ANF will be added and an additional premium will be due.
4. The audit file must be documented to show the attempts made to obtain the required audit information.

If the ANF is applied and the policyholder allows the audit, the final premium will be based on the results of the audit and the ANF will be removed.

If the ANF is not paid but the policyholder allows the audit, the final premium will be based on the results of the audit and the ANF will be removed from the policy.

If the ANF is applied and the audit is refused or there is noncompliance, the final premium determination will be based on the result of applying the ANF Multiplier to the estimated annual exposure.

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

## **ASBESTOS EXCLUSION ENDORSEMENT**

This endorsement modifies insurance provided under the following:

### **BUSINESSOWNERS COVERAGE FORM**

#### **SECTION II – LIABILITY**

The following is added to Section **B. –Exclusions**

This insurance does not apply to:

- (1) Any “bodily injury”, “property damage” or “personal and advertising injury” arising out of or caused by or allegedly caused by, any exposure or threatened exposure to “asbestos”, in any manner or form, or in combination with any other factors, substances or events.
- (2) Any “bodily injury”, “property damage” or “personal and advertising injury” arising out of or caused by the manufacturing, sale, storage, transportation, dispersal, release, leakage, removal, or disposal of any “asbestos” or any products containing “asbestos”.
- (3) Any testing, monitoring, investigating, treating, removal, clean up, control or destruction of “asbestos”.
- (4) Any other claim for damages, demands, costs, expenses or reimbursement of costs or expenses relating to or arising from “asbestos”.

However, this exclusion does not apply to “bodily injury” or “property damage” arising out of heat, smoke or fumes from a “hostile fire”.

For the purpose of this exclusion endorsement, “asbestos” means any type or form of asbestos, including but not limited to asbestos products or goods, asbestos fibers, asbestos materials, and any dusts, gases, by-products, vapors, or odors that are released or produced by asbestos or asbestos products, goods, fibers or material.

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

## **TOBACCO HEALTH HAZARD EXCLUSION**

This endorsement modifies insurance provided under the following:

### **BUSINESSOWNERS COVERAGE FORM**

**Section II – Liability** is amended as follows:

**A. Paragraph B. Exclusions 1. Applicable To Business Liability Coverage** is amended to add the following:

This insurance does not apply to any liability or damages, including expenses for investigation of defense, arising out of or allegedly arising out of:

1. "Health hazards" from the use of "tobacco products";
2. "Health hazards" caused by or contributed to by second-hand smoke from "tobacco products";
3. The furnishing of "tobacco products" to a person under the legal smoking age;
4. The manufacture, sale, handling, or distribution of "tobacco products";
5. Any statute, ordinance, or regulation relating to the sale, gift, distribution, or use of "tobacco products"; or
6. Any act or failure to act in connection with "tobacco products", including without limitation
  - a. the providing of or failure to provide warnings or instructions;
  - b. the promotion of the use or consumption of "tobacco products";
  - c. any warranties or representations made at any time with respect to the fitness, quality, durability or performance of "tobacco products".

**B. For the purposes of this endorsement, Paragraph F. Liability And Medical Expenses Definition** is amended to add the following:

1. "Health hazards" include, but are not limited to, the actual or alleged emergence, contraction, aggravation or exacerbation or fear of the emergence, contraction, aggravation or exacerbation of any form of cancer, cancerous or precancerous condition, arteriosclerosis, heart disease, emphysema, lung disease or any other injury, disease, malady or impairment of the health of the human body arising out of, in whole or in part, the:
  - a. Ingestion, consumption, inhalation or use of; or
  - b. Exposure to the ingestion, consumption, inhalation or use of;  
any "tobacco product".
2. "Tobacco product" includes, but is not limited to, tobacco (including raw and cured tobacco), cigars and cigar wrappers, pipes and pipe tobacco, cigarette filters, snuff, chewing tobacco, smokeless tobacco products, tobacco substitutes, cigarettes and cigarette paper, gaseous or solid residues or byproducts of tobacco use or consumption, smoke from any of the above, and any chemical, mineral, or other product sprayed on, applied to or found within or used in conjunction with, any of the above.

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

## **GREEN ENVIRONMENTAL AND EFFICIENCY IMPROVEMENTS**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

**Section I Property Coverage A.5. Additional Coverages** is amended to add the following.

### **Green Covered Property**

"We" will pay the reasonable and necessary additional costs "you" incur to repair or replace physically damaged Covered Property at a described premises for "specified causes of loss" other than equipment breakdown. "We" will pay:

- a. The lesser of the reasonable and necessary additional cost incurred by the Insured to repair or replace physically damaged Covered Property with Property of like kind and quality which qualifies as "Green". Like kind and quality includes similar size and capacity.
- b. The additional reasonable and necessary fees incurred by the Insured for an accredited professional certified by a "Green Authority" to participate in the repair or replacement of physically damaged Covered Property as "Green".
- c. The additional reasonable and necessary cost incurred by the Insured for certification or recertification of the repaired or replaced Covered Property as "Green".
- d. The additional reasonable and necessary cost incurred by the Insured for "Green" in the removal, disposal or recycling of damaged Covered Property.

"We" will not pay more than 10% of the Building and/or Business Personal Property limit, to a maximum limit of \$50,000, after the application of any deductible, of what the cost would have been to repair or replace with property of like kind and quality inclusive of fees, and costs incurred as stated above. This limit will be a part of, and not an addition to, the limit of liability per loss or any other sub-limits of liability of this Policy.

### **EXCLUSIONS**

The following **Exclusion** is added:

**1. Green Covered Property** does not include any of the following:

- a. "Stock", raw materials, finished goods, "production machinery", merchandise, "electronic data" processing equipment not used in the functional support of the real property, process water, molds and dies, property in the open, property of others for which the Insured is legally liable, or personal property of others.
- b. Any loss adjusted on any valuation basis other than a repair or replacement basis as per the Valuation section of this policy.
- c. Any loss covered under any other section of this policy.
- d. Any cost incurred due to any law or ordinance with which the Insured was legally obligated to comply prior to the time of the covered loss.
- e. Loss of or damage to "green roofing systems" unless the loss or damage is directly caused by a "specified cause of loss".

## **DEFINITIONS**

The following **Definitions** are added:

- I. “Green” means products, materials, methods and processes certified by a “Green Authority” that conserve natural resources, reduce energy or water consumption, avoid toxic or other polluting emissions or otherwise minimize environmental impact.
- II. “Green Authority” means an authority on “Green” buildings, products, materials, methods or processes certified and accepted by Leadership in Energy and Environmental Design (LEED®), “Green” Building Initiative Green Globes®, Energy Star Rating System or any other recognized “Green” rating system.
- III. “Production machinery” means any machine which processes, forms, shapes, or transports raw materials, materials in process, waste materials or finished products.
- IV. “Green Roofing Systems” means environmentally friendly roof coverings as defined by the LEED® Green Building Rating System™ of the U.S. Green Building Council.

All other terms and conditions of this policy remain unchanged.

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

## **EXCLUSION OF LOSS DUE TO BY-PRODUCTS OF PRODUCTION OR PROCESSING OPERATIONS FOR RENTAL PROPERTIES**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

**Section I – Property** is amended as follows:

- A.** The terms of this endorsement apply to all rental unit(s) covered by this policy, and to the building(s) in which such unit(s) are located, including any contents of such unit(s) and building(s), all of which constitute the described premises for the purpose of this endorsement.
- B.** We will not pay for loss or damage to the described premises, caused by or resulting from smoke, vapor, gas or any substance released in the course of production operations or processing operations performed at any rental unit(s) covered by this policy. This exclusion applies regardless of whether such operations are:
  - 1. Legally permitted or prohibited;
  - 2. Permitted or prohibited under the terms of the lease; or
  - 3. Usual to the intended occupancy of the premises.

This exclusion does not apply to loss or damage by fire or explosion that results from the release of a by-product of the production or processing operation.

- C.** If the loss or damage described in Paragraph **B.** of this endorsement results in Business Income loss or Extra Expense, there is no coverage for such loss or expense under the Business Income or Extra Expense Additional Coverages.
- D.** The conduct of a tenant's production or processing operations will not be considered to be vandalism of the rental premises regardless of whether such operations are:
  - 1. Legally permitted or prohibited;
  - 2. Permitted or prohibited under the terms of the lease; or
  - 3. Usual to the intended occupancy of the premises.

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

## **EXCLUSION – UNMANNED AIRCRAFT**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

**Section II – Liability** is amended as follows:

**A.** Exclusion **B.1.g.** is replaced by the following:

This insurance does not apply to:

**g. Aircraft, Auto Or Watercraft**

**(1) Unmanned Aircraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft". Use includes operation and "loading or unloading".

This Paragraph **g.(1)** applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft".

**(2) Aircraft (Other Than Unmanned Aircraft), Auto Or Watercraft**

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

This Paragraph **g.(2)** applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft (other than "unmanned aircraft"),

"auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This Paragraph **g.(2)** does not apply to:

- (a)** A watercraft while ashore on premises you own or rent;
- (b)** A watercraft you do not own that is:
  - (i)** Less than 51 feet long; and
  - (ii)** Not being used to carry persons or property for a charge;
- (c)** Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (d)** Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- (e)** "Bodily injury" or "property damage" arising out of:
  - (i)** The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged; or
  - (ii)** The operation of any of the following machinery or equipment:
    - i.** Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

- ii. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

**B. The following is added to Exclusion B.1.p. Personal And Advertising Injury:**

This insurance does not apply to:

**p. Personal And Advertising Injury**

"Personal and advertising injury":

Arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft". Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the offense which caused the "personal and advertising injury" involved the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft".

This exclusion does not apply to:

- (1) The use of another's advertising idea in your "advertisement"; or
- (2) Infringing upon another's copyright, trade dress or slogan in your "advertisement".

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

"Unmanned aircraft" means an aircraft that is not:

- 1. Designed;
- 2. Manufactured; or
- 3. Modified after manufacture;

to be controlled directly by a person from within or on the aircraft.



## **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.

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

## **COMMUNICABLE DISEASE EXCLUSION**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

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

### **Communicable Disease**

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the actual or alleged transmission of a communicable disease.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the:

- a. Supervising, hiring, employing, training or monitoring of others that may be infected with and spread a communicable disease;
- b. Testing for a communicable disease;
- c. Failure to prevent the spread of the disease; or
- d. Failure to report the disease to authorities.

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

## **CANNABIS PROPERTY EXCLUSION**

This endorsement modifies insurance provided under the following:

### **BUSINESSOWNERS COVERAGE FORM**

**Section I – Property** is amended as follows:

**A.** The following is added to Paragraph **A.2. Property Not Covered:**

**a.** "Cannabis".

**B.** For the purpose of this endorsement, the following applies to Business Income and Extra Expense:

Coverage under this Policy does not apply to that part of Business Income loss or Extra Expense incurred, due to a suspension of your "operations", which is attributable to the design, cultivation, manufacture, storage, processing, packaging, handling, testing, distribution, sale, serving, furnishing, possession or disposal of "cannabis".

**C.** For the purpose of this endorsement, the following definition is added:

"Cannabis":

**1.** Means:

Any good or product that consists of or contains any amount of Tetrahydrocannabinol (THC) or any other cannabinoid, regardless of whether any such THC or cannabinoid is natural or synthetic.

**2.** Paragraph **C.1.** above includes, but is not limited to, any of the following containing such THC or cannabinoid:

**a.** Any plant of the genus Cannabis L., or any part thereof, such as seeds, stems, flowers, stalks and roots; or

**b.** Any compound, byproduct, extract, derivative, mixture or combination, such as:

**(1)** Resin, oil or wax;

**(2)** Hash or hemp; or

**(3)** Infused liquid or edible cannabis;

whether or not derived from any plant or part of any plant set forth in Paragraph **C.2.a.**

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

## **CANNABIS LIABILITY EXCLUSION**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM  
ELECTRONIC DATA LIABILITY – BROAD COVERAGE ENDORSEMENT

**A. The following exclusion is added to Section II – Liability:**

This insurance does not apply to:

1. "Bodily injury", "property damage" or "personal and advertising injury" arising out of:
  - a. The design, cultivation, manufacture, storage, processing, packaging, handling, testing, distribution, sale, serving, furnishing, possession or disposal of "cannabis"; or
  - b. The actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, contact with, exposure to, existence of, or presence of "cannabis"; or
2. "Property damage" to "cannabis".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved that which is described in Paragraph **A.1.** or **A.2.** above.

However, Paragraph **A.1.b.** does not apply to "bodily injury" or "property damage" arising out of the actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, or contact with, "cannabis" by:

- (1) An insured; or
- (2) Any other person for whom you are legally responsible;

but only if the "bodily injury" or "property damage" does not arise out of your selling, serving or furnishing of "cannabis" to any person described above.

**B. The exclusion in Paragraph A. does not apply to "personal and advertising injury" arising out of the following offenses:**

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

**C. The following changes apply only to Electronic Data Liability – Broad Coverage Endorsement BP 05 96 if it is attached to this Policy:**

The following exclusion is added to **Section II – Liability:**

This insurance does not apply to:

"Loss of electronic data":

1. Arising out of:
  - a. The design, cultivation, manufacture, storage, processing, packaging, handling, testing, distribution, sale, serving, furnishing, possession or disposal of "cannabis"; or
  - b. The actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, contact with, exposure to, existence of, or presence of "cannabis"; or
2. With respect to any "electronic data" that is used in the design, manufacture, distribution, sale, serving, furnishing, use or possession of "cannabis".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "electronic data incident" which caused the "loss of electronic data" involved that which is described in Paragraph **C.1.** or **C.2.** above.



However, Paragraph **C.1.b.** does not apply to "loss of electronic data" arising out of the actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, or contact with, "cannabis" by:

- (1) An insured; or
- (2) Any other person for whom you are legally responsible;

but only if the "loss of electronic data" does not arise out of your selling, serving or furnishing of "cannabis" to any person described above.

**D.** For the purpose of this endorsement, the following definition is added:

"Cannabis":

**1.** Means:

Any good or product that consists of or contains any amount of Tetrahydrocannabinol (THC) or any other cannabinoid, regardless of whether any such THC or cannabinoid is natural or synthetic.

**2.** Paragraph **D.1.** above includes, but is not limited to, any of the following containing such THC or cannabinoid:

**a.** Any plant of the genus Cannabis L., or any part thereof, such as seeds, stems, flowers, stalks and roots; or

**b.** Any compound, byproduct, extract, derivative, mixture or combination, such as:

(1) Resin, oil or wax;

(2) Hash or hemp; or

(3) Infused liquid or edible cannabis;

whether or not derived from any plant or part of any plant set forth in Paragraph **D.2.a.**

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

## **CONDOMINIUM ASSOCIATION COVERAGE**

This endorsement modifies insurance provided under the following:

### **BUSINESSOWNERS COVERAGE FORM**

**A. Paragraph A.1.a. Building in Section I – Property** is replaced by the following:

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

- (1)** Completed additions;
- (2)** Fixtures, outside of individual units, including outdoor fixtures;
- (3)** Permanently installed:
  - (a)** Machinery; and
  - (b)** Equipment;
- (4)** Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
  - (a)** Fire extinguishing equipment;
  - (b)** Outdoor furniture;
  - (c)** Floor coverings; and
  - (d)** Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering that are not contained within individual units;
- (5)** If not covered by other insurance:
  - (a)** Additions under construction, alterations and repairs to the building or structure;
  - (b)** Materials, equipment, supplies, and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure; and
- (6)** Any of the following types of property contained within a unit, regardless of ownership, if your Condominium Association Agreement requires you to insure it:
  - (a)** Fixtures, improvements and alterations that are a part of the building or structure; and

**(b)** Appliances, such as those used for refrigerating, ventilating, cooking, dishwashing, laundering, security or housekeeping.

But Building does not include personal property owned by, used by or in the care, custody or control of a unit-owner except for personal property listed in Paragraph **A.1.a.(6)** above.

**B. Paragraph A.1.b. Business Personal Property in Section I – Property** is replaced by the following:

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

- (1)** Personal property owned by you or owned indivisibly by all unit-owners;
- (2)** Your interest in the labor, materials or services furnished or arranged by you on personal property of others;
- (3)** Leased personal property which you have a contractual responsibility to insure, unless otherwise provided for under personal property of others.

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

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

**C. The following is added to the Loss Payment Condition in Section I – Property:**

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

**D. The following is added to the Property Loss Conditions in Section I – Property:**

**9. Unit-owner's Insurance**

A unit-owner may have other insurance covering the same property as this insurance. This insurance is intended to be primary and not to contribute with such other insurance.

**E. The following is added to Paragraph C. Who Is An Insured in Section II – Liability:**

**3.** Each individual unit-owner of the insured condominium, but only for liability arising out of the ownership, maintenance or repair of that portion of the premises which is not reserved for that unit-owner's exclusive use or occupancy.

**F. The following is added to Paragraph K. Transfer Of Rights Of Recovery Against Others To Us in Section III – Common Policy Conditions:**

**3. Waiver Of Rights Of Recovery**

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

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

## **CYBER INCIDENT EXCLUSION**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

**Section I – Property** is amended as follows:

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

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

**Cyber Incident**

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

**B. Exceptions And Limitations**

**1. Fire Or Explosion**

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

**2. Additional Coverage**

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

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

**3. Computer Fraud And Funds Transfer Fraud Endorsement**

The exclusion in Paragraph **A.** does not apply to the Computer Fraud And Funds Transfer Fraud endorsement when attached to your policy.

**4. Electronic Commerce Endorsement**

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

**5. Information Security Protection Endorsement**

The exclusion in Paragraph **A.** does not apply to the Information Security Protection Endorsement when attached to your policy.

**C. Vandalism**

The following is added to Vandalism:

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

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

## **EXCLUSION – PERFLUOROALKYL AND POLYFLUOROALKYL SUBSTANCES (PFAS)**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

**Section II – Liability** is amended as follows:

- A.** The following is added to Paragraph **B. Exclusions**:
- This insurance does not apply to:
- Perfluoroalkyl And Polyfluoroalkyl Substances**
- a.** "Bodily injury" or "property damage" which would not have occurred, or "personal and advertising injury" which would not have taken place, in whole or in part, but for the actual, alleged, threatened or suspected inhalation, ingestion, absorption, consumption, discharge, dispersal, seepage, migration, release or escape of, contact with, exposure to, existence of, or presence of, any "perfluoroalkyl or polyfluoroalkyl substances".
  - b.** Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "perfluoroalkyl or polyfluoroalkyl substances", by any insured or by any other person or entity.
- B.** The following is added to Paragraph **F. Liability And Medical Expenses Definitions**:
- "Perfluoroalkyl or polyfluoroalkyl substances" means any:
- 1.** Chemical or substance that contains one or more alkyl carbons on which hydrogen atoms have been partially or completely replaced by fluorine atoms, including but not limited to:
    - a.** Polymer, oligomer, monomer or nonpolymer chemicals and their homologues, isomers, telomers, salts, derivatives, precursor chemicals, degradation products or by-products;
    - b.** Perfluoroalkyl acids (PFAA), such as perfluorooctanoic acid (PFOA) and its salts, or perfluorooctane sulfonic acid (PFOS) and its salts;
    - c.** Perfluoropolyethers (PFPE);
    - d.** Fluorotelomer-based substances; or
    - e.** Side-chain fluorinated polymers; or
  - 2.** Good or product, including containers, materials, parts or equipment furnished in connection with such goods or products, that consists of or contains any chemical or substance described in Paragraph **B.1.**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## ENVIROPACK INSURANCE ENDORSEMENT

THIS ENDORSEMENT PROVIDES CLAIMS MADE COVERAGE AND HAS DIFFERENT REPORTING REQUIREMENTS THAN OTHER PARTS OF THE POLICY. THIS ENDORSEMENT ALSO CONTAINS PROVISIONS WHICH LIMIT THE AMOUNT OF "LEGAL EXPENSES" THAT WE MAY BE RESPONSIBLE TO PAY. "LEGAL EXPENSES" WILL REDUCE EACH APPLICABLE LIMIT OF INSURANCE SHOWN IN THE SCHEDULE OF THIS ENDORSEMENT.

NO INSURED WILL, EXCEPT AT ITS OWN COST, VOLUNTARILY MAKE A PAYMENT, ASSUME ANY OBLIGATION, ADMIT LIABILITY OR INCUR ANY EXPENSE WITHOUT OUR WRITTEN CONSENT.

This Endorsement modifies Insurance provided under the following:

### BUSINESSOWNERS COVERAGE FORM

### COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Coverage, exclusions, conditions or definitions contained in the **BUSINESSOWNERS COVERAGE FORM** or **COMMERCIAL GENERAL LIABILITY COVERAGE FORM** do not apply to this Endorsement unless specifically outlined below.

#### Schedule

|   |                      |
|---|----------------------|
| <b>Named Insured:</b> Townhomes of Bayshore   |                      |
| <b>Named Insured Address:</b> 24832 John J Williams Hwy, Pmb #24, Unit 1, Millsboro, DE 19966                       |                      |
|   |                      |
| <b>Contractor's Pollution Legal Liability Insurance Aggregate Limit:</b>  | Excluded/Not Covered |
| <b>Contractor's Pollution Legal Liability Insurance For Each "Pollution Condition" Limit:</b>                       | Excluded/Not Covered |
| <b>Contractor's Pollution Legal Liability Insurance Deductible For Each "Pollution Condition":</b>                  | N/A                  |
| <b>"Commencement Date":</b> <i>(If left blank, the inception date of this Endorsement)</i>                          | N/A                  |
|   |                      |
| <b>Professional Legal Liability Insurance Aggregate Limit:</b>  | Excluded/Not Covered |
| <b>Professional Legal Liability Insurance Limit For Each "Professional Loss":</b>                                   | Excluded/Not Covered |
| <b>Professional Legal Liability Insurance Deductible For Each "Professional Loss":</b>                              | Excluded/Not Covered |
| <b>"Contracting Services":</b>  | None                 |
| <b>"Professional Services":</b>   | None                 |
| <b>"Retroactive Date":</b> <i>(If left blank, the inception date of this Endorsement)</i>                           | N/A                  |
| <b>"Extended Reporting Period":</b>   | None                 |
|   |                      |
| <b>Premises Pollution Legal Liability Insurance Aggregate Limit:</b>  | \$50,000             |
| <b>Premises Pollution Legal Liability Insurance For Each "Pollution Condition" Limit:</b>                           | \$50,000             |
| <b>Premises Pollution Legal Liability Insurance Deductible For Each "Pollution Condition":</b>                      | None                 |
| <b>"Covered Location"(s):</b> All Described Premises included on the policy Declarations and attached endorsements. |                      |
| <b>"Retroactive Date":</b> <i>(If left blank, the inception date of this Endorsement)</i>                           | 09/03/2023           |
| <b>"Automatic Extended Reporting Period":</b>   | 90 days              |
|   |                      |
| <b>"Business Interruption" And "Extra Expense" Aggregate Limit:</b>   | \$5,000              |
| <b>"Business Interruption" And "Extra Expense" Limit:</b>   | \$5,000              |
| <b>"Business Interruption" And "Extra Expense" "Deductible Period":</b>   | 3 days               |
| <b>"Pollution Emergency" Telephone Number:</b>  | 1-800-347-4384       |

This EnviroPack Insurance endorsement amends the policy to provide Professional Legal Liability and Premises Pollution Legal Liability Insurance on a claims made and reported basis and Contractor's Pollution Legal Liability Insurance on an occurrence basis, when there is an applicable Limit of Insurance shown in the Schedule. The terms and conditions of this Endorsement govern the scope of coverage and your and our duties. Various provisions in this Endorsement restrict coverage. Read the entire endorsement carefully to determine your rights and duties and what is and is not covered. The terms, conditions, exclusions, and limits of insurance set forth in this Endorsement apply only to the coverage provided by this Endorsement.

The terms and conditions of the cancellation provision of the policy, and any amendment to such terms, are incorporated herein and shall apply to coverage as is afforded by this Endorsement, unless specifically stated otherwise in an endorsement(s) attached hereto.

Throughout this Endorsement, the words "you" and "your" refer to the named insured under this Endorsement. The words "we", "us" and "our" refer to the company providing this coverage. The word insured means any person or organization qualifying as such under **C. Who Is An Insured**. The term policy refers to the primary policy to which this Endorsement is attached.

Words and phrases that appear in quotation marks have special meaning. Refer to **G. Definitions**. To the extent any words or phrases used in this Endorsement are defined elsewhere in the policy, such definitions provided elsewhere do not apply to give meaning to the words or phrases used in this Endorsement.

## **ENVIROPACK INSURANCE**

### **A. Coverage**

#### **1. Contractor's Pollution Legal Liability Insurance**

- a. We will pay those sums that you become legally obligated to pay as damages or "cleanup costs" because of "loss" caused by a "pollution condition" resulting from "contracting services", provided that:
  - (1) The "pollution condition" is caused by an "occurrence" that takes place in the "coverage territory";
  - (2) The "loss" occurs during the endorsement period;
  - (3) The "pollution condition" is on, at, under or migrating from a "job site";
  - (4) The "pollution condition" results from "contracting services" rendered on or after the "commencement date" shown in the Schedule of this Endorsement and prior to the expiration of the endorsement period; and
  - (5) The "pollution condition" results in a "claim" against you, and the "claim" is brought and maintained at all times in the "coverage territory".
- b. We have the right and duty to defend you against any "claim" seeking damages or "cleanup costs" because of "loss" to which **Contractor's Pollution Legal Liability Insurance** applies. However, we have no duty to defend you against any "claim" to which **Contractor's Pollution Legal Liability Insurance** does not apply.
- c. When we have a duty to defend, we will pay on your behalf "legal expenses" incurred as a result of a "claim" against you seeking damages or "cleanup costs" because of "loss" to which **Contractor's Pollution Legal Liability Insurance** applies.
- d. "Legal expenses" apply to and reduce each applicable Limit of Insurance shown in the Schedule of this Endorsement.
- e. We may, at our discretion, investigate any "occurrence" or "pollution condition" and settle any "claim" that may result. However, the Limit of Insurance shown on the Schedule is the most we will pay for damages, "cleanup costs" and "legal expenses" under **Contractor's Pollution Legal Liability Insurance**. Our right and duty to defend under this Endorsement ends once the applicable Limit of Insurance shown in the Schedule has been used up in the payment of "legal expenses" or settlements, judgments or any combination thereof, to which **Contractor's Pollution Legal Liability Insurance** applies.
- f. No other obligation or liability to pay sums or perform acts or services is covered under this Endorsement.

#### **2. Professional Legal Liability Insurance**

- a. We will pay those sums that you become legally obligated to pay because of a "claim" resulting from an act, error, or omission in "professional services", provided that:
  - (1) A Limit of Insurance is shown on the Schedule under **Professional Legal Liability Insurance**;

- (2) The "claim" arises out of "professional services" rendered on or after the "retroactive date" and prior to the expiration of the endorsement period;
  - (3) The "claim" is not covered under **Contractor's Pollution Legal Liability Insurance**; and
  - (4) The "claim" is first made against the insured during the endorsement period and reported to us, in writing, during the endorsement period or, where applicable, the "extended reporting period".
- b. We have the right and duty to defend you against any "claim" seeking "professional loss" to which **Professional Legal Liability Insurance** applies, including the right to select counsel, even if any of the allegations are groundless, false or fraudulent. However, we have no duty to defend you against any "claim" to which **Professional Legal Liability Insurance** does not apply.
  - c. When we have a duty to defend, we will pay on your behalf "legal expenses" incurred as a result of a "claim" against you seeking "professional loss" to which **Professional Legal Liability Insurance** applies.
  - d. "Legal expenses" apply to and reduce each applicable Limit of Insurance shown in the Schedule of this Endorsement.
  - e. We may, at our discretion, investigate any "professional loss" and settle any "claim" that may result. However, the Limit of Insurance shown on the Schedule is the most we will pay for damages or "legal expenses" under **Professional Legal Liability Insurance**. Our right and duty to defend under this Endorsement ends once the applicable Limit of Insurance shown in the Schedule has been used up in the payment of "legal expenses", settlements or judgments, or any combination thereof, to which **Professional Legal Liability Insurance** applies.
  - f. No other obligation or liability to pay sums or perform acts or services is covered under this Endorsement.

### 3. Premises Pollution Legal Liability Insurance

- a. We will pay those sums that you become legally obligated to pay as damages or "cleanup costs" because of "loss" caused by a "pollution condition", provided that:
  - (1) The "loss" is caused by a "pollution condition" on, at, under or migrating from a "covered location";
  - (2) The "pollution condition" results in a "claim" against you;
  - (3) The "pollution condition" takes place, and the "claim" is brought and maintained at all times, in the "coverage territory" and "covered locations";
  - (4) The "claim" is first made against you during the endorsement period and reported by you to us, in writing, during the endorsement period or, where applicable, the "automatic extended reporting period" or the "optional extended reporting period".
- b. We have the right and duty to defend you against any "claim" seeking damages or "cleanup costs" because of "loss" to which **Premises Pollution Legal Liability Insurance** applies. However, we have no duty to defend you against any "claim" to which **Premises Pollution Legal Liability Insurance** does not apply.
- c. When we have a duty to defend, we will pay on your behalf "legal expenses" incurred as a result of a "claim" against you seeking damages or "cleanup costs" because of "loss" to which **Premises Pollution Legal Liability Insurance** applies.
- d. "Legal expenses" apply to and reduce each applicable Limit of Insurance shown in the Schedule of this Endorsement.
- e. We may, at our discretion, investigate any "pollution condition" and settle any "claim" that may result. However, the Limit of Insurance shown on the Schedule is the most we will pay for damages, "cleanup costs" and "legal expenses" under **Premises Pollution Legal Liability Insurance**. Our right and duty to defend under this Endorsement ends once the applicable Limit of Insurance shown in the Schedule has been used up in the payment of "legal expenses", settlements or judgments, or any combination thereof, to which **Premises Pollution Legal Liability Insurance** applies.
- f. No other obligation or liability to pay sums or perform acts or services is covered under this Endorsement.



#### 4. Business Interruption And Extra Expense

We will pay on behalf of the insured "business interruption" and "extra expense", including "rental value", solely as a result of a "claim" for a "pollution condition" covered under **Premises Pollution Legal Liability Insurance** and not otherwise excluded under the terms and conditions of this Endorsement; provided that a Limit of Liability is shown on the Schedule under Business Interruption and Extra Expense.

#### B. Exclusions

##### 1. With respect to **Contractor's Pollution Legal Liability Insurance, Professional Legal Liability Insurance** and **Premises Pollution Legal Liability Insurance**, this insurance does not apply to:

###### a. Workers Compensation And Similar Laws

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

###### b. Hostile Acts

A "pollution condition", "loss" or "claim" arising from any consequence, whether direct or indirect, of war (whether declared or not declared), invasion, act of foreign enemy, hostilities, civil war, rebellion, revolution, insurrection, military action, usurped power, strike, riot or civil commotion.

###### c. Fines, Penalties, Punitive And Multiplied Damages

Any actual or alleged "claim" or liability for, or amount consisting of, a fine, penalty, punitive damages, exemplary damages or multiplied damages.

###### d. Equitable And Other Types Of Relief

Any actual or alleged "claim" or liability for equitable relief, restitution or the return of money for work or services.

###### e. 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 stores 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.

###### f. Criminal Acts

"Loss" arising out of a criminal act committed by or at the direction of the insured.

##### 2. With respect to **Contractor's Pollution Legal Liability Insurance** and **Premises Pollution Legal Liability Insurance**, this insurance does not apply to:

###### a. Known Circumstances Or Conditions

- (1) A "pollution condition", "loss" or "claim" known by any insured prior to the endorsement period;
- (2) A circumstance or condition known by any insured prior to the inception of the endorsement period where an insured should have reasonably foreseen that a "pollution condition", "loss" or "claim" would result.

###### b. Employers Liability

"Bodily injury" to

- (1) An "employee" of any insured arising out of and in the course of employment by any insured or the performance of duties related to the conduct of any insured's business; or
- (2) To the spouse (including the domestic partner or civil union partner recognized under the law of any applicable jurisdiction in the "coverage territory"), child, parent, brother or sister of that "employee" as a consequence of (1) above.

This exclusion applies whether any insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages as a result of the injury.

This exclusion does not apply to liability assumed by you under an "insured contract", provided that:

- (1) The "insured contract" is in writing and signed by you;
- (2) The "pollution condition" first commenced after you signed the "insured contract"; and

(3) The "pollution condition" is caused, in whole or in part, by you or those acting on your behalf.

**c. Contractual Liability**

"Loss" for which any insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement This exclusion does not apply to liability for damages:

- (1) That you would have in the absence of the contract or agreement; or
- (2) Assumed by you in a contract or agreement that is an "insured contract", provided that:
  - (a) The "insured contract" is in writing and signed by you;
  - (b) The "pollution condition" first commenced after you signed the "insured contract"; and the "pollution condition" is caused, in whole or in part, by you or by those acting on your behalf.

**d. Goods, Products Or Materials**

A "pollution condition", "loss" or "claim" arising out of any goods, materials or products manufactured, sold, distributed, designed, handled, supplied, altered, repaired or disposed of by any insured or by others under license or trading under an insured's name.

**e. Intentional Acts**

A "pollution condition", "loss" or "claim" arising out of any actual or alleged:

- (1) Intentional disregard of, or non-compliance with, any statute, regulation, ordinance, law or order by or at the direction of any insured or its agent; or
- (2) Fraudulent, dishonest or malicious conduct by or at the direction of any insured or its agent.

**f. Professional Liability**

A "pollution condition", "loss" or "claim" arising out of the rendering of or failure to render "professional services".

**g. Asbestos**

Any "loss", "pollution condition", cost, expense or "claim" which would not have occurred, in whole or in part, but for the actual, alleged or threatened existence of, presence of, inhalation of, ingestion of, use of, handling of, contact with or exposure to asbestos in any form, including products containing asbestos, asbestos fibers, asbestos dust and asbestos containing materials. This exclusion applies regardless of:

- (1) The cause of the "loss", "pollution condition", cost, expense or "claim", or
- (2) Whether the "loss", "pollution condition", cost, expense or "claim" is related to any product, services or operations of an insured.

**h. Lead**

Any "loss", "pollution condition", cost, expense or "claim" which would not have occurred, in whole or in part, but for the actual, alleged or threatened existence of, presence of, inhalation of, ingestion of, use of, handling of, contact with or exposure to lead, lead-based paint or any material containing lead or lead-based paint. This exclusion applies regardless of:

- (1) The cause of the "loss", "pollution condition", cost, expense or "claim"; or
- (2) Whether the "loss", "pollution condition", cost, expense or "claim" is related to any product, services or operations of an insured.

**i. Nuclear Or Radioactive Waste And Materials**

A "pollution condition", "loss" or "claim" which would have not occurred, in whole or in part, but for the actual, alleged or threatened contact with, exposure to, existence of or presence of any nuclear or radioactive material, waste or condition.

**j. Non-cumulation**

Any "occurrence", "claim", "loss" or "pollution condition", including the same, related, repeated or continuous "pollution condition"(s), that was:

- (1) Reported to us or an affiliate of us under an endorsement or endorsement issued by us or an affiliate of us prior to the inception of the endorsement period of this Endorsement; or
- (2) Reported to another insurance company or its agent prior to the inception of the endorsement period of this Endorsement.

**k. Insured Versus Insured**

Any "claim" by an insured against another insured.

**l. Related Persons or Organizations**

Any "claim" by a person or organization:

- (1) That wholly or partially owns, operates, manages or controls any insured;
- (2) In which any insured has a direct or indirect ownership interest;
- (3) That is controlled, operated or managed by any insured; or
- (4) That is an affiliate of any insured.

But this exclusion will not apply to a "claim" made by an "additional insured".

**m. Mold Matter**

A "pollution condition", "loss" or "claim" which would have not occurred, in whole or in part, but for the actual, alleged or threatened contact with, exposure to, existence of or presence of any "mold matter".

**m. Communicable Diseases**

Based upon or arising out of the exposure to infected individuals or animals or contact with bodily fluids of infected individuals or animals.

**3. With respect to **Contractor's Pollution Legal Liability Insurance**, this insurance does not apply to:****f. Transportation**

A "pollution condition", "loss" or "claim" arising out of:

- (1) The ownership, operation, maintenance, use (including "loading or unloading") or entrustment to others of any "auto", "mobile equipment", aircraft, watercraft, rolling stock or other mode of transportation, including any machinery or apparatus attached thereto or any cargo carried thereby; or
- (2) Waste or materials transported, removed or taken by anyone beyond the boundaries of the "job site".

Paragraph (1) of this exclusion does not apply to a "pollution condition", "loss" or "claim" arising out of the use of an "auto" or "mobile equipment" within the boundaries of a "job site", if such use is solely and directly related to "contracting services".

**g. Faulty Workmanship And Insured's Work**

Any "claim" for or amounts consisting of the cost to repair or replace faulty workmanship, construction, fabrication, installation, assembly, erecting, manufacturing or remediation, if such faulty workmanship, construction, fabrication, installation, assembly, erecting, manufacturing or remediation was performed, in whole or in part, by or on behalf of an insured.

**h. Property**

"Property damage" to:

- (1) Property that is or was at any time owned, rented or occupied by any insured; or
- (2) Personal property in the care, custody or control of any insured.

**4. With respect to **Professional Legal Liability Insurance**, this insurance does not apply to:****a. Asbestos**

Arising out of the existence of, require removal or abatement of asbestos, in any form, including but not limited to products containing asbestos, asbestos fibers, asbestos dust and asbestos containing materials.

**b. Lead And Lead-Based Paint**

Arising out of the existence of, required removal or abatement of any lead and/or lead-based paint, in any form, including, but not limited to, products containing lead, lead dust and lead containing materials.

**c. Contractual Liability**

Arising from the insured's:

- (1) Assumption of liability in a contract or agreement; or

**(2) Breach of contract or agreement.**

This exclusion does not apply to liability that the insured would have in the absence of the contract or agreement.

**d. Discrimination**

Arising from any discrimination on the basis of age, color, race, sex, creed, national origin, marital status, disability or sexual preference, unless such "claim" is based upon or arises out of the failure to make a reasonable accommodation for a disability in violation of the Americans With Disabilities Act 42 U.S.C. 12101, et seq., as amended.

**e. Employer's Liability**

Arising from any injury to:

**(1)** Any employee, director, officer, partner or member of any insured or "leased worker" of any insured, if such injury arises in the course of:

**(a)** Employment by an insured; or

**(b)** Performing duties related to the conduct of an insured's business; or

**(2)** The spouse, child, parent, brother or sister of such employee, director, officer, partner or member of any insured or "leased worker" of the insured, as a consequence of any injury to any of the persons described in Paragraph **(1)**. above.

This exclusion does not apply to liability assumed by the named insured in a contract or agreement that is an "insured contract".

**f. Express Warranty And Guaranty**

Arising from any express warranty or guaranty. This exclusion does not apply to any warranty or guarantee by the insured that the insured's "professional services" are in conformity with the standard of care that would be applicable in the absence of such express warranty or guarantee.

**g. Fiduciary Liability**

Arising from any involvement by an insured as:

**(1)** An officer, director, partner, member, trustee, employer or employee of a business enterprise not shown in the Schedule or any charitable organization, or pension, welfare, profit sharing, mutual or investment fund or trust; or

**(2)** A fiduciary under the Employee Retirement Income Security Act of 1974 and its amendments or any regulation or order issued pursuant thereto or any other employee benefit plan.

**h. Insurance And Suretyship**

Arising out of the requiring, obtaining, maintaining, advising as to or the failure to require, obtain, maintain or advise as to any form of Insurance, suretyship or bond, either with respect to any insured or any other person or organization.

**i. Insured Versus Insured**

Any "claim" by an insured against another insured. This exclusion does not apply to a "claim" by a "client".

**j. Intentional And Dishonest Acts**

Arising from any

**(1)** Intentional disregard of or non-compliance with, any statute, regulation, ordinance, law or order by or at the direction of the insured or its agent; or

**(2)** Actual or alleged fraudulent, dishonest or malicious conduct by the insured.

This exclusion does not apply to the insured that did not allegedly commit or allegedly participate in committing any of the forgoing described above.

**k. Joint Venture Or Co-Venture**

Arising out of an insured's participation in a joint venture or co-venture. This exclusion does not apply to the named insured's liability resulting from the rendering or failure to render "contracting services" or "professional services" as a partner or member of a joint venture or co-venture.

**I. Known Circumstances Or Conditions**

Arising from:

- (1) A "claim" or "professional loss" known by a "responsible insured" prior to the inception of the "endorsement period"; or
- (2) A circumstance or condition known by a "responsible insured" prior to the inception of the "endorsement period" where the "responsible insured" should have reasonably foreseen that a "claim", "pollution condition" or "professional loss" would result.

**m. Mold Matter**

Arising out of the existence of, exposure to, required removal or abatement of "mold matter", in any form including but not limited to any such cause or condition involving the presence, discharge or infiltration of moisture, vapor, water or any other liquid, or any damage related thereto. For purposes of this exclusion, "mold matter" means mold, mildew or any type or form of fungus, including mycotoxins, spores or by-products produced or released by fungi.

**n. Notices To Previous Insurers**

Arising from any "claim", act, error or omission in "professional services" or other circumstance reported by an insured under any prior endorsement issued by a person or organization other than us.

**o. Off-Site Waste Liability**

Arising out of any waste or materials transported beyond the boundaries of a "job site".

**p. Personal Injury**

Arising from the false arrest, humiliation, harassment, detention, imprisonment, wrongful entry or eviction or other invasion of private occupancy, malicious prosecution, abuse of process, libel, slander, harassment, or other defamatory or disparaging material, or a publication or an utterance in violation of an individual's right of privacy.

**q. Products**

Arising from any goods, materials or products designed, manufactured, sold, handled, distributed and/or supplied by any insured or by others under license or trade name from any insured.

**r. Professional Liability**

Arising out of the rendering of or failure to render "professional services" by the insured, unless there is a limit of insurance shown on the Schedule for **Professional Legal Liability Insurance**.

**s. Property**

Arising out of:

- (1) Any real property owned by the named insured; or
- (2) For the repair, replacement or restoration of any personal property in the care, custody or control of the insured, other than personal property owned or leased by, or in the care, custody or control of, the "client".

**t. Radioactive And Nuclear Material**

Arising out of:

- (1) The radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;
- (2) Ionizing radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the processing or reaction of nuclear fuel;
- (3) The existence, required removal or abatement of naturally occurring radioactive materials including, but not limited to, radon;
- (4) High-level radioactive waste (spent nuclear fuel or the highly radioactive waste produced if spent fuel is reprocessed), uranium milling residues and waste with greater than specified quantities of elements heavier than uranium; or

(5) Mixed Waste as defined in Title 40 Code of Federal Regulations, Part 266.210; however, this paragraph 5. does not apply to Mixed Waste that contains Waste as defined in Title 10 Code of Federal Regulations, Part 61.2, including, but not limited to the actual, alleged or threatened exposure of any person(s) or property to any such matter.

**u. Retroactive Date**

A "claim" resulting from an act, error, or omission in "professional services" that commenced before the "retroactive date" shown in the Schedule of this Endorsement.

**v. Related Entities And Individuals**

Arising from a "claim" by an entity or individual:

- (1) That wholly or partially owns, operates or manages an insured;
- (2) In which an insured has a direct or indirect ownership interest;
- (3) That is controlled, operated or managed by an insured; or
- (4) That is an affiliate of an insured.

But this exclusion will not apply to a "claim" made by an "additional insured".

**w. Securities Violation**

Arising from any violation of the Securities Act of 1933 as amended or the Securities Exchange Act of 1934 as amended or any state Blue Sky or securities law or similar State, Federal or other governmental law, statute and any regulation or order issued pursuant to any of the foregoing statutes.

**x. Transportation**

Arising from the ownership, maintenance, use, operation, loading or unloading of any motorized land vehicle, aircraft, watercraft or rolling stock, including any machinery or apparatus attached thereto or any cargo carried thereby, beyond the boundaries of a "job site".

5. With respect to **Premises Pollution Legal Liability Insurance**, this insurance does not apply to:

**a. Transportation**

A "pollution condition", "loss" or "claim" arising out of:

- (1) The ownership, operation, maintenance, use (including "loading or unloading") or entrustment to others of any "auto", "mobile equipment", aircraft, watercraft, rolling stock or other mode of transportation, including any machinery or apparatus attached thereto or any cargo carried thereby; or
- (2) Waste or materials transported, removed or taken by anyone beyond the boundaries of a "covered location".

**b. Retroactive Date**

A "loss" or "claim" arising out of a "pollution condition" that commenced before the "retroactive date" shown in the Schedule of this Endorsement. For the purpose of this exclusion, a "pollution condition" that commenced before the "retroactive date" shown in the Schedule under **Premises Pollution Legal Liability Insurance** of this Endorsement includes any dispersal, migration or further movement of such "pollution condition" on or after the "retroactive date".

**c. Divested Property**

Any "claim" or "loss" arising out of "pollution condition" on, at, under or migrating from a "covered location" where the actual or alleged "pollution condition" commenced after the time the "covered location" is sold, given away or abandoned by an insured, or is condemned.

**d. Property**

"Property damage" to:

- (1) Property that is or was at any time owned, rented or occupied by any insured; or
- (2) Personal property in the care, custody or control of any insured.

Paragraph (1) of this exclusion does not apply to "cleanup costs" because of "environmental damage" caused by a "pollution condition" on, at, under or migrating from a "covered location".

**e. Underground Storage Tanks**

A "pollution condition", "loss" or "claim" arising out of the past or current existence of an "underground storage tank" on, at, under or migrating from a "covered location".

**f. Material Change In Use Or Operations**

A "pollution condition", "loss" or "claim" arising out of a material change in the use of, or a material change in the operations at, any "covered location" from those set forth by any insured in the Application or related materials as of the inception date of the endorsement period of this Endorsement.

**C. Who Is An Insured**

**1. Insured means each of the following:**

- a.** Any named insured and any current or former director, partner, member, executive officer, employee or "leased worker" of the named insured, but solely while acting within the course and scope of his or her duties as such.
- b.** Solely with regard to **Contractor's Pollution Legal Liability Insurance**, the "client", but only:
  - (1)** If the named insured is required to include the "client" as an additional insured in a written contract in effect during the endorsement period and signed by the named insured prior to the first commencement of the "pollution condition"; and
  - (2)** With respect to the "client's" vicarious liability resulting from the named insured's "contracting services"; and
  - (3)** Any Insurance afforded to the "client" under the terms and conditions of this Endorsement will be limited to the lesser of the amount of the Limits of Insurance required by such written contract and the Limits of Insurance under this Endorsement. In no event will we be liable for any amounts in excess of the Limits of Insurance shown on the Schedule.

In the event of the insured's bankruptcy, the trustees of the insured and in the event of the insured's death or incapacity, the insured's legal representatives or executors, but only with respect to each such trustee's, representative's or executor's vicarious liability resulting from the named insured's "contracting services" or "professional services".
- c.** Any "additional insured", but only as respects "claims" against such person or entity for acts, errors or omissions of the "insured".

**D. Limits Of Insurance**

- 1.** The Limits of Insurance shown in the Schedule of this Endorsement and the rules below establish the most we will pay regardless of the number of:
  - a.** Insureds;
  - b.** "Claim"(s);
  - c.** Persons or organizations making "claim"(s);
  - d.** Governmental actions taken with respect to "cleanup costs";
  - e.** "Pollution condition"(s) or
  - f.** "Professional loss".
- 2.** The **Contractor's Pollution Legal Liability Insurance** Aggregate Limit shown in the Schedule of this Endorsement is the most we will pay for the sum of all damages, "cleanup costs" and "legal expenses" for which insurance is afforded under **Contractor's Pollution Legal Liability Insurance**. The **Contractor's Pollution Legal Liability Insurance** Each "Pollution Condition" Limit shown in the Schedule of this Endorsement is the most we will pay for the sum of all damages, "cleanup costs" and "legal expenses" arising out of a single "pollution condition" for which insurance is afforded under **Contractor's Pollution Legal Liability Insurance**. All "loss" arising out of the same, related, repeated or continuous "pollution condition"(s) shall be deemed to arise out of a single "pollution condition".

3. The **Professional Legal Liability Insurance** Aggregate Limit shown in the Schedule of this Endorsement is the most we will pay for all “professional loss” afforded under **Professional Legal Liability Insurance**. If a **Professional Legal Liability Insurance** Limit is not shown in the Schedule, then **Professional Legal Liability Insurance** is not afforded. The **Professional Legal Liability Insurance** Limit shown in the Schedule of this Endorsement is the most we will pay for all “professional loss” arising out of acts, errors or omissions in rendering or failing to render “professional services” for which insurance is afforded under **Professional Legal Liability Insurance**. All “professional loss” arising out of the same, related, repeated or continuous act(s), error(s) or omission(s) in rendering or failing to render “professional services” is deemed to arise out of a single act, error or omission.
4. The **Premises Pollution Legal Liability Insurance** Aggregate Limit shown in the Schedule of this Endorsement is the most we will pay for all damages, “cleanup costs” and “legal expenses” for which insurance is afforded under **Premises Pollution Legal Liability Insurance**. The **Premises Pollution Legal Liability Insurance** Each “Pollution Condition” Limit shown in the Schedule of this Endorsement is the most we will pay for the sum of all damages, “cleanup costs” and “legal expenses” arising out of a single “pollution condition” for which insurance is afforded under **Premises Pollution Legal Liability Insurance**. All “loss” arising out of the same, related, repeated or continuous “pollution condition”(s) shall be deemed to arise out of a single “pollution condition”.
5. The “Business Interruption” and “Extra Expense” Limit shown in the Schedule of this Endorsement is the most we will pay for all “business interruption” and “extra expense”, including “rental value” for which insurance is afforded under “business interruption” and “extra expense” coverage.
6. **Insurance Under Multiple Policies**
  - a. Notwithstanding anything to the contrary in this Endorsement or any other endorsement issued by us or a company affiliated with us, under no circumstances will more than one endorsement issued by us or a company affiliated with us apply to:
    - (1) Any “loss”, “pollution condition” or “professional loss” that occurs or continues through more than one endorsement period of two or more policies (including this Endorsement) issued by us or a company affiliated with us; or
    - (2) “Claim”(s) and “loss”(es) arising out of the same, related, repeated or continuous “pollution condition” or “professional loss”.
  - b. Subject to paragraph c. below, if more than one endorsement issued by us or a company affiliated with us would otherwise apply to any “loss”, “pollution condition” or “professional loss” that occurs or continues through more than one endorsement period of two or more policies (including this Endorsement) issued by us or a company affiliated with us, the only endorsement that will respond is the endorsement with the earliest inception date. No other endorsement will respond, even if the limits of the endorsement with the earliest inception date have been impacted or exhausted by payment(s) by us.
  - c. The most we will pay for the total of all “claim”(s) and “loss”(es) arising out of the same, related, repeated or continuous “pollution condition”(s) or “professional loss”(s) under all policies issued by us or a company affiliated with us is the Each “Pollution Condition” Limit of Insurance or Each “Professional Loss” Limit of Insurance set forth in the endorsement with the earliest inception date of all applicable policies issued by us or a company affiliated with us.

#### E. Deductible

1. We will not pay any damages, “cleanup costs”, “professional loss”, “legal expenses”, “business interruption” or “extra expense” until the amount of damages, “cleanup costs”, “professional loss”, “legal expenses”, “business interruption” or “extra expense” paid by the named insured exceeds the applicable deductible shown in the Schedule.
2. The deductible shall be satisfied by monetary payments by the Named Insured of damages, “cleanup costs”, “professional loss”, “legal expenses”, “business interruption” or “extra expense”. The named insured shall make payments within the deductible to the appropriate parties as designated by us.
3. The deductible shall not reduce the Limit of Liability shown in the Schedule.



## F. Conditions

### 1. Bankruptcy

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

### 2. Legal Action Against Us

No person or organization has a right under this Endorsement:

- 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 Endorsement unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; however, we will not be liable for damages that are not payable under the terms of this Endorsement 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.

### 3. Insurance Under Two Or More Coverages

If Insurance is available under **Contractor's Pollution Legal Liability Insurance, Professional Legal Liability Insurance** or **Premises Pollution Legal Liability Insurance** and also available under "other intra-endorsement Insurance" for the same "loss", damage or injury, our obligations are limited as follows:

- a. Any Insurance available under **Contractor's Pollution Legal Liability Insurance, Professional Legal Liability Insurance** or **Premises Pollution Legal Liability Insurance** is primary, and there will be no contribution from or concurrent coverage with "other intra-endorsement Insurance" that would otherwise be applicable; and
- b. Any available "other intra-endorsement Insurance" is excess over any Insurance available under **Contractor's Pollution Legal Liability Insurance, Professional Legal Liability Insurance** or **Premises Pollution Legal Liability Insurance** including amounts within the Deductible shown in the Schedule of this Endorsement.
- c. When "other intra-endorsement Insurance" is excess, we will have no duty under "other intra-endorsement Insurance" to defend you against any "claim" if we have the duty to defend you under **Contractor's Pollution Legal Liability Insurance, Professional Legal Liability Insurance** or **Premises Pollution Legal Liability Insurance**.
- d. If two or more of this Endorsement's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

### 4. Duties In The Event Of An "Occurrence", "Pollution Condition", "Professional Loss", "Loss" Or "Claim"

- a. No insured will, except at its own cost, voluntarily make a payment, assume any obligation, admit liability, or incur any expense without our prior written consent.
- b. The insured must see to it that we are notified as soon as practicable of any "occurrence", "pollution condition", "loss" or act, error or omission in "professional services" which may result in a "claim". To the extent possible, notice should include:
  - (1) How, when and where the "occurrence", "pollution condition", "loss" or act, error or omission in "professional services" took place;
  - (2) The names and addresses of any person involved and/or having knowledge of the "occurrence", "pollution condition", "loss" or act, error or omission in "professional services";
  - (3) The "contracting services" that may have caused such "pollution condition"; and
  - (4) The nature of any resulting harm, injury or damage.
- c. If a "claim" is made or brought against an insured, the insured must:
  - (1) Immediately record the specifics of the "claim" and the date it was received;
  - (2) Notify us as soon as practicable;
  - (3) Provide written notice of the "claim" as soon as practicable;
  - (4) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with a "claim";

- (5) Authorize us to obtain records and other information;
  - (6) Cooperate with us in the investigation, settlement or defense of the "claim"; and
  - (7) 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 "loss" to which the Insurance under this Endorsement applies;
  - (8) With respect to **Professional Legal Liability Insurance**, the insured must also provide the date and details of all actual and alleged acts, errors or omissions in "professional services" which took place, along with the specific nature, date and extent of any injury or damage which has been sustained, copies of any contracts that have been entered into by any insured that are related to the "professional services" and details explaining how the "insured" first became aware of the circumstance.
- d. In the case of a "pollution emergency", the insured must report any claim or potential claim as soon as practicable by contacting us at the telephone number specified in the Schedule.

**5. Concealment, Misrepresentation Or Fraud**

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

- a. This Endorsement;
- b. The "covered location";
- c. Your interest in the "covered location"; or
- d. A "claim" under this Endorsement.

**6. Examination Of Your Books And Records**

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

**7. Liberalization**

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

**8. Transfer Of Rights Of Recovery Against Others To Us**

If any person or organization to or for whom we make payment under this Endorsement has rights to recover damages from another, those rights are transferred to us to the extent of our payment. If the insured has rights to recover all or part of any payment we have made under this Endorsement, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

**9. Subrogation**

In the event of any payment under this Endorsement, we will be subrogated to all of the insured's rights of recovery against any person or organization and the insured will execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The insured will do nothing at any time to prejudice our subrogation rights. However, we waive our right(s) of recovery against any person or organization if and to the extent the named insured has agreed to waive its right(s) of recovery against such person or organization in a written contract signed by the named insured prior to:

- a. The first commencement of a "pollution condition" out of which the "claim" arises under **Contractor's Pollution Legal Liability Insurance**, or
- b. The act, error or omission in "professional services" out of which the "claim" arises under **Professional Legal Liability Insurance**.

**G. Definitions**

- 1. "Additional insured" means any person or entity that the insured has agreed in writing to add as an "additional insured" under the Endorsement, prior to the commission of any act for which such person or entity would be provided coverage under the Endorsement, but only to the extent the insured would have been liable and coverage would have been afforded under the terms and conditions of the Endorsement had such "claim" been made against the insured.

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. "Automatic extended reporting period" means the 90 day period of time set forth under the Extended Reporting Periods section.
4. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
5. "Business Interruption" means the sum of the following:
  - a. Net income, which is net profit, if any, that would have been earned before taxes (or if there is a net loss before taxes, the net loss is deducted); and
  - b. Continuing normal operating expenses incurred excluding payroll not deducted in a. above;

Due to the reasonably and necessary suspension of the insured's operations during the "period of restoration" at a "covered location".
6. "Claim" means a lawsuit or governmental action alleging legal liability on the part of the insured.
7. "Cleanup costs" means:
  - a. Reasonable and necessary costs, charges and expenses incurred, with our prior written consent, in the investigation, assessment, removal, disposal, abatement, containment, treatment, remediation (including the associated testing and monitoring) or neutralization of a "pollution condition", to the extent required by "environmental laws", required by a "licensed site professional" or required to satisfy the insured's obligations under a federal or state cleanup program;
  - b. Reasonable and necessary fees charged by an attorney designated or consented to by us incurred in connection with any such "cleanup costs";
  - c. Reasonable and necessary "restoration costs";
  - d. Reasonable and necessary "mitigation costs"; and
  - e. Reasonable and necessary expenses incurred to respond to an imminent and substantial endangerment to the public health or welfare or to the environment because of a "pollution condition"; provided that, as a condition precedent to coverage, the named insured shall forward written notice to us of any action taken and expense incurred pursuant to this section as soon as practicable after any such "cleanup costs" have been incurred or assumed.
8. "Client" means the person or organization that directly hires the named insured, by written contract signed by the named insured, to render "contracting services" and for whom the named insured renders such services.
9. "Commencement date" means the date listed under "commencement date" on the Schedule for each applicable coverage.
10. "Contracting services" means those contracting operations performed by you or on your behalf as disclosed to us as of the inception of the endorsement period, or as disclosed to us during the endorsement period and approved by us, in writing, in our sole and absolute discretion.
11. "Coverage territory" means the United States and its territories and possessions.
12. "Covered location" means each location shown in the Schedule of this Endorsement and all newly acquired locations during the endorsement period which are disclosed to us in writing during the endorsement period.
13. "Damages" means a monetary judgment, award or settlement. The term "damages" shall not include or mean:
  - a. Future profits, restitution, disgorgement of unjust enrichment or profits by an insured, or the costs of complying with orders granting injunctive or equitable relief;
  - b. Return or offset of fees, charges, or commissions charged by or owed to an insured for goods or services already provided or contracted to be provided;
  - c. Taxes or loss of tax benefits;

- d. Fines, sanctions or penalties;
  - e. Punitive or exemplary damages, or any damages which are a multiple of compensatory damages, unless insurable by law in any applicable venue that most favors coverage for such punitive, exemplary or multiple damages;
  - f. Discounts, coupons, prizes, awards or other incentives offered to the insured's customers or clients;
  - g. Liquidated damages, but only to the extent that such damages exceed the amount for which the insured would have been liable in the absence of such liquidated damages agreement; or
  - h. Any amounts for which the insured is not liable, or for which there is no legal recourse against the insured.
14. "Deductible period" means the period of time that begins at the date and time that the we receive and record written notice of the necessary suspension of the insured's operations due to a "pollution condition" on, at, under or migrating from the a "covered location" and ends within the time frame shown on the Schedule.
15. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
16. "Environmental damage" means the injurious presence in or upon land, the atmosphere, or any watercourse or body of water of "pollutants".
17. "Environmental laws" means any federal, state, provincial or local laws, including but not limited to statutes, rules, regulations, ordinances, guidance documents, and governmental, judicial or administrative orders and directives that are applicable to "pollution conditions" to which this Endorsement applies.
18. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.
19. "Extra Expense" means the necessary expenses incurred by the insured, over and above the insured's continuing normal operating expenses, during the "period of restoration", that the insured would not have incurred had there been no "pollution condition" discovered at the "covered location", provided that the expenses are incurred to avoid or minimize the suspension of business and to continue operations:
- a. At the "covered location", or
  - b. At replacement or temporary location(s), including:
    - (1) Relocation expenses; and
    - (2) Cost to equip and operate the replacement or temporary location(s).
- Subject to the terms and conditions of this Endorsement, we will pay no more for "extra expenses" than the percentage shown below multiplied by the Limit of Insurance stated in the Schedule. If the "period of restoration" is:
- a. 30 days or less, the percentage applied to the Limit of Liability shall be 40%;
  - b. 31 to 60 days, the percentage applied to the Limit of Liability shall be 80%;
  - c. 61 days or more, the percentage applied to the Limit of Liability shall be 100%.
20. "Field changes to design" includes but is not limited to, when a contractor discovers a minor physical job situation that makes it imprudent or impossible to complete the task, from the existing contract documents, the contractor then adjusts the job task, using practical construction knowledge, which does not inhibit the quality of the project, and leads to a field solution. This definition does not include any design that is required to be done by a licensed architect or engineer, and it does not include design related to construction means, methods, or jobsite safety precautions.
21. "Insured contract" mans that party of any written contract or written agreement under which the named insured assume the tort liability of another party to pay compensatory damages for "loss" to a third person or organization, provided that such written contract or written agreement is signed by the named insured prior to the "loss". Tort liability means a liability that would be imposed by law in the absence of any contract or agreement. However, "insured contract" does not include any tortious conduct that would otherwise not be covered by this Endorsement, nor if the tortious conduct was solely that of the person or persons for whom such liability under the insured contract was assumed.
22. "Job site" means the location where the "contracting services" are being performed. "Job site" does not include any location which currently is or was, at the time the insured or subcontractor working directly or indirectly on the insured's behalf were working on the location, owned, rented, used or occupied by the insured.

23. "Leased worker" means a person leased to the insured, by a labor leasing firm under an agreement between the insured and the labor leasing firm to perform duties related to the conduct of the insured's business.
24. "Legal expenses" means reasonable and necessary legal fees, charges and expenses incurred in the investigation and defense of a "claim", provided such costs, charges and expenses are authorized by us. "Legal expenses" does not include any expense that is incurred by an insured in assisting in the investigation, defense or resolution of a "claim".
25. "Licensed site professional" means a licensed environmental scientist or engineer that is in good standing with, and acting under the authority of federal, state, provincial or local laws for the purpose of addressing "pollution conditions" at a "covered location".
26. "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".
27. "Loss" means "bodily injury", "property damage" or "environmental damage".
28. "Mitigation costs" means expenses incurred to clean up or mitigate a "pollution condition" resulting from a "pollution emergency" at a "covered location" or covered "job site", as required by a federal or state regulatory agency, prior to the initiation of a formal "claim" against the insured. "Mitigation costs" may only be covered with our prior approval and if notification of such "pollution condition" is provided as soon as practicable. "Mitigation costs" will not be covered where the "pollution condition" does not result in a "claim" or where the "pollution condition" would not otherwise be covered under the terms and conditions of this Endorsement. "Mitigation expenses" shall not exceed \$25,000.00 and are subject to and will reduce the aggregate Limit of Liability. Refer to **Paragraph F. 4. Duties In The Event Of An "Occurrence", "Pollution Condition", "Professional Loss", "Loss" Or "Claim"** for information on "pollution emergency" reporting.
29. "Mold matter" means mold, mildew or any type or form of fungus, including mycotoxins, spores or by-products produced or released by fungi.
30. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
  - b. Vehicles maintained for use solely on or next to premises you own or rent;
  - c. Vehicles that travel on crawler treads;
  - d. Vehicles, whether self-propelled or not, on which are permanently mounted:
    - (1) Power cranes, shovels, loaders, diggers or drills; or
    - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
  - e. Vehicles not described in paragraph **a.**, **b.**, **c.** or **d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
    - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
    - (2) Cherry pickers and similar devices used to raise or lower workers;
  - f. Vehicles not described in paragraph **a.**, **b.**, **c.** or **d.** above maintained primarily for purposes other than the transportation of persons or cargo.  
 However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":
    - (1) Equipment designed primarily for:
      - (a) Snow removal;
      - (b) Road maintenance, but not construction or resurfacing; or
      - (c) Street cleaning;

- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

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

- 31. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
- 32. "Optional extended reporting period" means the twelve (12) month period of time set forth under the Extended Reporting Periods section.
- 33. "Other intra-endorsement Insurance" means insurance provided under the terms of the endorsement other than the **Premises Pollution Legal Liability Insurance, Contactor's Pollution Legal Liability Insurance or Professional Legal Liability Insurance** afforded by this Endorsement.
- 34. "Period of restoration" means the period of time that begins after the "deductible period" and ends when the "covered location"(s) should be restored to operation with reasonable speed and quality or when business activities resume at the new permanent location. The expiration date of this Endorsement will not reduce the "period of restoration", nor shall the "optional extended reporting period" extend it.
- 35. "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.
- 36. "Pollution condition" means the discharge, dispersal, release, escape, seepage or migration of "pollutants" into or upon land, the atmosphere, or any watercourse or body of water.
- 37. "Pollution emergency" means any "pollution condition" where immediate action is required to respond to a potential or actual "claim".
- 38. "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.
      - (d) 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.
- 39. "Professional loss" means:
  - a. A monetary judgment, award or settlement of compensatory damages;
  - b. "Legal expenses" associated with the above paragraph.

"Professional loss" does not include:

- a. Civil or criminal fines and penalties;
- b. Punitive, exemplary or multiplied damages;
- c. Injunctive or equitable relief;
- d. The return of fees or charges for services rendered;
- e. Costs and expenses incurred by the "insured" to redo, change, supplement or fix the "insured's" work or services, including redesign; or
- f. Any of the "insured's" overhead, mark-up, or profit.

40. "Professional Services" means those activities listed under Professional Services in the Schedule that are rendered by or on behalf of the named insured.

41. "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.

42. "Rental Value" means the loss of any anticipated rental income the insured would have earned during the "period of restoration" by renting all or a portion of the "covered location"(s) to a third party not owned by, affiliated with, or connected in any way to the insured, less any rental income the insured actually earned or could have earned during the "period of restoration" by renting all or a portion of the "covered location"(s) or by making use of other property. "Rental value" does not apply to any loss included in the definition of "business interruption" and "extra expense".

43. "Responsible insured" means any officer, director, partner, member, manager, supervisor or foreman of any insured or any employee of an insured that has responsibility, in whole or in part, for risk control, risk management, health and safety or environmental affairs, control or compliance.

44. "Restoration costs" means expenses required to restore, repair or replace real or personal property to substantially the same condition it was in prior to being damaged during the course of responding to a "pollution condition" to which this Endorsement applies. These costs will not exceed the actual cash value of such real or personal property immediately prior to such damage, or include costs associated with improvements or betterments. Actual cash value shall mean the cost to replace such real or personal property, immediately prior to such damage, minus the accumulated depreciation of the real or personal property.

45. "Retroactive date" means the date listed under "retroactive date" on the Schedule for each applicable coverage.

46. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage", or "personal and advertising injury" to which this Insurance applies. "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.

47. "Transportation" means the movement of waste or material by "auto" or "mobile equipment" (including "loading or unloading") provided that the person or entity transporting the waste or material is properly licensed to transport such waste or material by "auto" or "mobile equipment".

48. "Underground storage tank" means a stationary container or vessel, including the associated piping connected thereto, which is ten percent (10%) or more beneath the surface of the ground and is:

- a. Constructed primarily of non-earthen materials; and
- b. Designed to contain any substance.

49. "Value engineering" means an organized effort directed at analyzing designed building features, systems, equipment, and material selections for the purpose of achieving essential functions at the lowest life cycle cost consistent with required performance, quality, reliability, and safety.
50. "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.
51. "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.

## H. Extended Reporting Periods

With respect to **Premises Pollution Legal Liability Insurance** or **Professional Legal Liability Insurance**:

### 1. Automatic Extended Reporting Period

You are entitled to an automatic ninety (90) day "automatic extended reporting period", commencing on the last day of the endorsement period. The ninety (90) day "automatic extended reporting period" applies to a "claim" first made during the endorsement period and reported to us, in writing, during the ninety (90) day "automatic extended reporting period". The ninety (90) day "automatic extended reporting period" applies only if we cancel or non-renew the **Professional Legal Liability Insurance** or the **Premises Pollution Legal Liability Insurance** for a reason other than non-payment of premium, non-payment of deductible, fraud or misrepresentation.

### 2. Optional Extended Reporting Period

- a. Upon non-renewal or cancellation of this Endorsement for any reason except the non-payment of premium, the insured will have the right to purchase, for one hundred percent (100%) of the expiring annual premium, an "optional extended reporting period" of twelve (12) consecutive months. Coverage provided by such "optional extended reporting period" will only apply to "claims" first made against any insured during the endorsement period and reported to us, in writing, during the "optional extended reporting period", and arising out of any act, error or omission committed on or after the "retroactive date" and before the end of the endorsement period. In order for the insured to invoke the "optional extended reporting period", the payment of the additional premium for the must be paid to us within 60 days of the termination of this Endorsement.
- b. The purchase of the "optional extended reporting period" will in no way increase the Endorsement Aggregate Limit of Liability or any Sublimit of Liability. At the commencement of the "optional extended reporting period", the entire contribution will be deemed earned, and in the event the insured terminates the "optional extended reporting period" for any reason prior to its natural expiration, we will not be liable to return any contribution paid for the "optional extended reporting period".



**Company:** Harford Mutual Insurance Company

**Policy Number:** BP10455234

**Renewal Of:** BP10455234

**Named Insured and Mailing Address**

TOWNHOMES OF BAYSHORE  
24832 JOHN J WILLIAMS HWY  
PMB #24, UNIT 1  
MILLSBORO, DE 19966

**Agency Name and Address**

1762-BAS RIGGS COUNSELMAN MICHAELS & DOWNES  
INC  
555 FAIRMOUNT AVE  
BALTIMORE, MD 21286

## **POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE**

Applicable to the following policies and coverages if included:

Commercial Property, Commercial Liability, Commercial Inland Marine,  
Commercial Crime, excluding Theft & Burglary, and Businessowners Policies

Pursuant to the Terrorism Risk Insurance Act (the "Act"), we and/or your insurance agent previously provided to you a Policyholder Disclosure Notice informing you of your right to purchase insurance coverage for losses arising out of an act of terrorism defined in the Act. The Policyholder Disclosure Notice provided to you included information regarding the federal participation in payment of terrorism losses (as restated below) and advised you of the terrorism coverage premium amount that would have been charged at that time if you had accepted the coverage for terrorism losses defined in the Act.

Upon receipt of the Policyholder Disclosure Notice, you advised us and/or your agent of your desire to reject coverage for terrorism losses as defined in the Act by signing the written statement in the Policyholder Disclosure Notice affirmatively stating your desire to waive coverage and by returning a copy of the Notice to us and/or your insurance agent. Additionally, by doing so, you have also authorized the attachment of an endorsement to your policy that excludes coverage for terrorism losses as defined in the Act. Such an exclusion endorsement now forms a part of, and is included with, your policy.

In accordance with the Act, we are required to make available coverage for losses resulting from an act of terrorism that is certified under the federal program. This coverage availability is to be disclosed to you at the time of offer and at every subsequent policy renewal (during the period of time mandated by the Act). The coverage we offer must not differ materially from the stated policy's terms, amounts, and other coverage limitations applicable to losses arising from events other than acts of terrorism defined in the Act. The policy's other provisions will still apply to such an act.

With respect to the policy referenced above, you previously requested that such coverage be rejected. However, under the requirements of the Act, you may now request that coverage for terrorism losses as defined in the Act be added to your policy. You may accept the offer of coverage for terrorism losses as defined in the act by signing and returning this notice to us and/or your insurance agent. If you should decide to accept the offer of coverage, the exclusion for such terrorism losses will be removed from your policy and your policy premium will be amended to include an additional premium charge for such coverage.

You are hereby notified that the Terrorism Risk Insurance Act, as amended in 2019, defines an act of terrorism in Section 102(1) of the Act: The term "act of terrorism" means any act or acts that are certified by the Secretary of the Treasury - in consultation with the Secretary of Homeland Security, and the Attorney General of the United States - to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

Under your coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Terrorism Risk Insurance Act, as amended. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 80% beginning on January 1, 2020, of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. 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 exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

As you have previously rejected coverage for terrorism losses defined in the Act, the portion of your annual premium that is attributable to coverage for acts of terrorism included in this policy is \$0. If you should decide to accept the offer of coverage for terrorism losses as defined in the Act, please contact your insurance agent for a terrorism premium charge quotation.

**ACCEPTANCE OF TERRORISM INSURANCE**

If you choose to accept this offer of coverage described above, please contact your insurance agent and complete and sign the acknowledgement below:

- I HEREBY ACKNOWLEDGE THAT I HAVE READ THIS POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE AND ACCEPT THIS OFFER OF COVERAGE ON A VOLUNTARY BASIS. I ACKNOWLEDGE THAT I HAVE BEEN NOTIFIED THAT UNDER THE TERRORISM RISK INSURANCE ACT, AS AMENDED, ANY LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM UNDER MY POLICY COVERAGE MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT AND MAY BE SUBJECT TO A \$100 BILLION CAP THAT MAY REDUCE MY COVERAGE, AND I HAVE BEEN NOTIFIED OF THE PORTION OF MY PREMIUM ATTRIBUTABLE TO SUCH COVERAGE.

\_\_\_\_\_  
Signature of Policyholder

\_\_\_\_\_  
Printed Name of Policyholder

\_\_\_\_\_  
Date

This policyholder notice provides no coverage nor can it be construed to replace any provision of your policy. The coverage provided by your policy is limited by the exclusions, limits, terms and conditions of your policy. If there is any conflict between the policy and this notice, the provisions of the policy shall prevail. Nothing in this notice should be construed as an offer to reinstate coverage for a cancelled/expired policy.



**Policy #:** BP10455234

**Issued to:** TOWNHOMES OF BAYSHORE  
24832 JOHN J WILLIAMS HWY  
PMB #24, UNIT 1  
MILLSBORO, DE 19966

**Agent:** RIGGS COUNSELLMAN MICHAELS &  
DOWNES INC

**Phone #:** (410) 339-7263

Thank you for placing your insurance coverage with Harford Mutual. Your business is very important to us. We are committed to providing you with quality service and a quality product. Please examine the attached policy carefully to make sure that we are providing the coverages you have requested. If you have any questions regarding policy coverages or need to make any changes, please contact your Agent listed above. If you have any billing questions, please contact Accounting Department Customer Service at the phone number listed below.

|  |                      |
|--|----------------------|
| Type of Policy:                            | Businessowners       |
| Billing:                                   | Direct Bill          |
| Annual Premium:                            | \$60,947             |
| Billing Account Number:                    | 326218               |
| Payment Plan:                              | 10 Pay               |
| Accounting Department<br>Customer Service: | (866) 377-1896       |
| Policy Period:                             | 9/3/2024 to 9/3/2025 |

**\*\*IMPORTANT BILLING INFORMATION\*\***

Please note that this document is not your premium statement. Your agent has selected Harford Mutual to bill you directly for the periodic premium payments due for some or perhaps all your insurance policies. Your premium statement will be mailed to you from Harford Mutual. The premium statement is the only invoice that you will receive for these policies. You will receive one combined easy-to-read statement for the various policies your agent has selected for this plan.

## Customer Privacy Notice

Since 1842, Harford Mutual Insurance Group, including all of its subsidiary entities (collectively referred to herein as the "Group" or "Harford Mutual") has been committed to insuring opportunity for the mutual success of our policyholders, agencies and local community. It is because of this commitment that we are dedicated to protecting the confidentiality of our customers' Nonpublic Personal Information (NPI). We take this opportunity to share our procedures and policies designed to safeguard your information, which may be obtained in the course of our business relationship with you.

This notice serves to explain: what type of information we collect; how we collect it; what we do with it after we collect it; how we safeguard your privacy; and how you may obtain information, if any, about your NPI. We will inform you concerning these policies in this notice and every year that you remain our customer.

### Overview Of Our Privacy Practices

- We do not sell your NPI.
- We do not share your NPI with nonaffiliated third parties other than as necessary to service your policy or claim.
- We do not share your health or financial information, except as authorized by law.
- We use your NPI only to service your policies, claims and to meet your needs as they have been described to us.
- We will require that persons or organizations providing goods or services to you on our behalf protect the confidentiality of your NPI.
- We protect your NPI regardless of whether you are a current or a former customer.
- We maintain administrative, technical and physical safeguards to protect your NPI from disclosure.

### How We Collect Information

We collect and retain information about you to provide you with the coverage, product, or service you request, or to service your account as permitted by law, and as needed to conduct business. We collect your NPI from the following sources:

- Your application for insurance or similar forms;
- Consumer reporting agencies, motor vehicle records, credit reports, claims history, loss information reports, court records or other public records; property inspections to verify value and condition for property insurance;
- Your insurance agent; or
- When you register or create an account on our Website Customer Portal, available at <https://www.harfordmutual.com/>

### Information We Collect About You

The Group gets most of its information from your application for insurance or from your insurance agent. This information can include, but is not always limited to: your name; address; Social

Security number; financial account or credit card information; vehicle type; credit based insurance score; a report about your coverage and claims history with other companies and motor vehicle records.

For property and liability insurance, we may send someone to inspect your property and verify the value and condition of your property. A photo of any property to be insured may be taken and retained. We may also obtain reports concerning the square footage of your property from companies that collect such data.

For workers' compensation insurance, we may send someone to perform an audit or accounting of your business records to ensure that you are getting the appropriate premium charge.

### What We Do With The Information Collected

The Group uses your information only as permitted by law. We may use your information to: service products you have purchased; underwrite your policy; process claims; protect against fraud; and comply with legal requirements.

Information collected is maintained in either our policy records or in your agent's files. We may review it to evaluate requests for insurance coverage or to determine your insurance rates. Your information may also be used to decide whether to issue a renewal policy or settle a claim.

If coverage is declined, or if your rates increase because of information we received from a consumer report, we will tell you as required by the Fair Credit Reporting Act.

### **How We Share Your Information**

We will not disclose information about you without your written consent unless the disclosure is necessary to conduct our business. By law, we can share information about you without your permission under certain circumstances to certain people and organizations. Examples include:

- Our affiliated companies.
- Independent claim adjusters, appraisers, contractors, auto repair shops, investigators and attorneys in order to investigate, defend or settle a claim involving you.
- Your agent.
- Mortgagees, lienholders, lessors, loss payees, or other persons shown on our records as having a legal or beneficial interest in your policy or claim proceeds.
- Consultants or other service providers that perform business functions for us such as mailing or marketing services.
- Our reinsurance companies.
- Businesses that conduct research for us such as actuarial or underwriting studies.
- Other insurance companies.
- Consumer reporting agencies in connection with any application, policy or claim involving you.
- Insurance support organizations that collect information to detect and prevent insurance crimes or fraud.
- Medical care institutions or professionals to verify coverage or claims-related services.
- Insurance regulatory agencies in connection with the regulation of our business.
- Law enforcement or other governmental authorities.
- By order of subpoena, warrant or other court order as required by law.

We do not otherwise give information about you to people or organizations that would use the information to contact you about their product or services.

### **How We Protect Your Information**

The Group maintains administrative, technical and physical safeguards to protect your NPI. Access to customer records is restricted to employees with a business reason for knowing such information in order to provide products and services to you. Employees are trained to protect customer privacy by adhering to the privacy responsibilities outlined by the Group. Should you cease being a customer, we will continue to protect your personal information in the same manner. At Harford Mutual,

our employees are responsible for upholding a Code of Conduct and Confidentiality policy that requires them to keep confidential all NPI obtained in the course of our business.

### **Your Rights**

You have the right to know what information we have about you and to receive a copy upon request. Despite your request, we may not be able to disclose certain types of information collected when evaluating claims or possible lawsuits. In this regard, we will not send you any medical information we have received about you from a doctor or other health care provider due to certain health information protection laws. Rather, you should contact the doctor or health care provider directly to obtain this information.

Also, we will not send you any reports provided by any consumer reporting agency. Instead, we will give you the name and address of any consumer reporting agency that prepared the report about you, so that you can contact them for a copy.

To submit your request for other types of information, please send your complete name, address and policy number to:

Harford Mutual Insurance Group  
Office of the General Counsel  
200 North Main Street  
Bel Air, MD 21014  
hmic\_legal\_notifications@hm1842.com

Within thirty (30) business days of receipt of your written request, we will disclose to you the NPI about you in our files. You may receive a copy at a reasonable charge. We will tell you with whom we have shared your NPI within the past two (2) years, or for the time period required by state law. If you believe your file should be corrected, please contact us in writing with the request. We will make the change or provide an explanation of our refusal to do so.

Thank you for choosing Harford Mutual Insurance Group for your insurance protection. We work hard to preserve the confidentiality of your nonpublic personal information.

Our longstanding commitment to preserving your privacy continues, as does our dedication to providing personal service aimed at ensuring our mutual success. We have been in business to accomplish this goal since 1842.



This policy is underwritten by:  
**Harford Mutual Insurance Company**  
200 North Main Street, Bel Air, MD 21014  
1-800-638-3669

Harford Mutual Insurance Company, A Stock Insurer

## **BUSINESSOWNERS POLICY**

Policy #: BP10455234  
Issued to: TOWNHOMES OF BAYSHORE

Agent: RIGGS COUNSELMAN MICHAELS & DOWNES INC  
Phone: (410) 339-7263

THIS POLICY JACKET WITH DECLARATIONS, COVERAGE FORM(S), AND ENDORSEMENTS,  
IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETES THIS POLICY

Report new claims and first notice of loss  
1-800-638-3669 | ClaimLine@hm1842.com

*Insuring opportunity through mutual success®*

03HMBP20

MUTUALS - MEMBERSHIP AND VOTING NOTICE: The insured is notified that by virtue of this policy, he/she is a member of Harford Mutual Insurance Group, Inc. of Bel Air, Maryland, and entitled to vote either in person or by proxy at any and all meetings of said Company. The Annual Meetings are held in the Home Office, on the third Wednesday of May, of each year.

MUTUALS - PARTICIPATION CLAUSE WITHOUT CONTINGENT LIABILITY: No Contingent Liability: This policy is non-assessable. The policyholder is a member of Harford Mutual Insurance Group and shall participate, to the extent and upon the conditions fixed and determined by the Board of Directors in accordance with the provisions of law, in the distribution of dividends so fixed and determined or as required or permitted under the terms of this policy.

In Witness Whereof, we have caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by our authorized representative.

 Secretary

 President

## **BUSINESSOWNERS AUDIT NONCOMPLIANCE FACTOR - ADVISORY NOTICE TO POLICYHOLDERS**

No coverage is provided by this Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations Pages for complete information on the coverages you are provided. If there is a conflict between the Policy and this Notice, the provisions of the Policy shall prevail.

This notice is to advise you that an Audit Noncompliance Factor Endorsement is attached to your policy.

If your policy contains an auditable exposure and you do not allow us to examine your records needed for premium computation of this policy and/or you do not provide the audit information as requested, we may apply an Audit Noncompliance Factor (ANF) that will increase your policy premium. The conditions in which the ANF may be applied and its method of application are more fully outlined in the Audit Noncompliance Factor Endorsement.



## ADVISORY NOTICE TO POLICYHOLDERS BUSINESSOWNERS MULTISTATE ENDORSEMENTS ADDRESSING CYBER, DATA PRIVACY AND PERFLUOROALKYL AND POLYFLUOROALKYL SUBSTANCES (PFAS)

This Notice does not form part of your policy. No coverage is provided by this Notice nor can it be construed to replace any provision of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided. If there is any conflict between the Policy and this Notice, **THE PROVISIONS OF THE POLICY SHALL PREVAIL.**

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

This Notice provides information concerning the following new and revised endorsements which applies to your renewal policy being issued by us.

### **BP 15 04 – Exclusion – Access Or Disclosure Of Confidential Or Personal Material Or Information**

This endorsement is revised to delete the provisions addressing the Electronic Data Exclusion, replace "damages" with "bodily injury" and "property damage" and add biometric information to the types of material or information addressed in the endorsement. The separate exclusions applicable to "bodily injury" or "property damage" under Paragraph **A.** and "personal and advertising injury" under Paragraph **B.** are combined into a single exclusion and, as a result, Paragraph **B.** is deleted. Additionally, the types of expenses addressed in the last paragraph of the exclusion are expressly extended to identity monitoring expenses, data restoration expenses and extortion expenses.

With respect to "bodily injury", "property damage" and "personal and advertising injury" arising out of access or disclosure of confidential or personal material or information, the various changes in this revised endorsement are a reinforcement of coverage intent. With respect to deletion of the Electronic Data Exclusion, the changes in this revised endorsement result in no impact on coverage.

### **BP 15 91 – Exclusion – Perfluoroalkyl And Polyfluoroalkyl Substances (PFAS)**

When this endorsement is attached to your policy, it generally excludes coverage for "bodily injury", "property damage" and "personal and advertising injury" related exposures associated with "perfluoroalkyl or polyfluoroalkyl substances" (PFAS), including any loss, cost or expense arising out of abating, testing for, monitoring, cleaning up, or other related activities, of PFAS by any insured or by any other person or entity.

To the extent that current policy exclusions do not apply to liability arising out of PFAS, this endorsement represents a reduction of coverage.

### **BP 18 03 – Cyber Incident Liability Exclusion**

When this endorsement is attached to your policy, coverage is excluded with respect to "bodily injury", "property damage" or "personal and advertising injury" arising out of a cyber incident.

To the extent that current policy exclusions do not apply to liability arising out of cyber incidents, attachment of this endorsement will result in a reduction of coverage.

**BP 18 04 – Exclusion – Violation Of Law Addressing Data Privacy**

When this endorsement is attached to your policy, an exclusion is added that excludes coverage for "bodily injury", "property damage" or "personal and advertising injury" that generally arises out of the violation of statutes, ordinances, regulations or other laws generally pertaining to any person's or organization's confidential or personal material or information, including financial, health, biometric or other nonpublic material or information. This exclusion is a reinforcement of coverage intent. Damages related to violations of laws pertaining to data privacy are not intended to be covered under the Businessowners Coverage Form.