



## CONDOMINIUM PAC

A Custom Insurance Policy Prepared for:

THE GLEN OF THE PACIFIC GROVE  
HOMEOWNERS ASSOCIATION, INC.  
1057 FIRST STREET

GILROY

CA 95020

Presented by: KBK INSURANCE AGENCY

**RENEWAL CERTIFICATE**

**COMMON POLICY DECLARATIONS**  
CONDOMINIUM PAC  
**BUSINESS: CONDOMINIUMS**

**POLICY NO.:** I-680-840D0623-TIL-06  
**ISSUE DATE:** 05-04-06

**INSURING COMPANY:**  
TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA

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

THE GLEN OF THE PACIFIC GROVE  
HOMEOWNERS ASSOCIATION, INC.  
1057 FIRST STREET

GILROY CA 95020

**2. POLICY PERIOD:** From 05-05-06 to 05-05-07 12:01 A.M. Standard Time at your mailing address.

**3. LOCATIONS:**

<b>PREM. NO.</b>	<b>BLDG. NO.</b>	<b>OCCUPANCY</b>	<b>ADDRESS</b> (same as Mailing Address unless specified otherwise)
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SEE IL T0 20 02 05

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

<b>COVERAGE PARTS AND SUPPLEMENTS</b>	<b>INSURING COMPANY</b>
Businessowners Coverage Part	<b>TIL</b>

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

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

<b>POLICY</b>	<b>POLICY NUMBER</b>	<b>INSURING COMPANY</b>
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**DIRECT BILL**

**7. PREMIUM SUMMARY:**

Provisional Premium	\$	13,938.00
Due at Inception	\$	
Due at Each	\$	

**NAME AND ADDRESS OF AGENT OR BROKER**

KBK INSURANCE AGENCY HE774  
1006 FREEDOM BLVD  
WATSONVILLE CA 95076

**COUNTERSIGNED BY:**

\_\_\_\_\_  
Authorized Representative

**DATE:** \_\_\_\_\_

**BUSINESSOWNERS COVERAGE PART DECLARATIONS**

CONDOMINIUM PAC

POLICY NO.: I-680-840D0623-TIL-06

ISSUE DATE: 05-04-06

INSURING COMPANY:

TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA

POLICY PERIOD:

From 05-05-06 to 05-05-07 12:01 A.M. Standard Time at your mailing address.

FORM OF BUSINESS: HOA

COVERAGES AND LIMITS OF INSURANCE: Insurance applies only to an item for which a "limit" or the word "included" is shown.

**COMMERCIAL GENERAL LIABILITY COVERAGE**

OCCURRENCE FORM	LIMITS OF INSURANCE	
General Aggregate (except Products-Completed Operations Limit)	\$	2,000,000
Products-Completed Operations Aggregate Limit	\$	2,000,000
Personal and Advertising Injury Limit	\$	1,000,000
Each Occurrence Limit	\$	1,000,000
Damage to Premises Rented to You	\$	300,000
Medical Payments Limit (any one person)	\$	5,000

**BUSINESSOWNERS PROPERTY COVERAGE**

DEDUCTIBLE AMOUNT: Businessowners Property Coverage: \$ 5,000 per occurrence.  
Building Glass: \$ 250 per occurrence.

BUSINESS INCOME/EXTRA EXPENSE LIMIT: Actual loss for 12 consecutive months

Period of Restoration-Time Period: Immediately

Other additional coverages apply and may be changed by an endorsement. Please read the policy.

SPECIAL PROVISIONS:

**COMMERCIAL GENERAL LIABILITY COVERAGE  
IS SUBJECT TO A GENERAL AGGREGATE LIMIT**

BUSINESSOWNERS PROPERTY COVERAGE

PREMISES LOCATION NO.: 01            BUILDING NO.: 01

COVERAGE	LIMIT OF INSURANCE	VALUATION	COINSURANCE	INFLATION GUARD
BUILDING	\$ 7,581,100	RC*	N/A	0.0%
*Replacement Cost				

PREMISES LOCATION NO.: 01            BUILDING NO.: 02

COVERAGE	LIMIT OF INSURANCE	VALUATION	COINSURANCE	INFLATION GUARD
BUILDING	\$ 1,031,066	RC*	N/A	0.0%
*Replacement Cost				

PREMISES LOCATION NO.: 01            BUILDING NO.: 03

COVERAGE	LIMIT OF INSURANCE	VALUATION	COINSURANCE	INFLATION GUARD
BUILDING	\$ 1,696,640	RC*	N/A	0.0%
*Replacement Cost				

Other coverage extensions apply and may be changed by an endorsement. Please read the policy.

POLICY NUMBER: I-680-840D0623-TIL-06

EFFECTIVE DATE: 05-05-06

ISSUE DATE: 05-04-06

LISTING OF FORMS, ENDORSEMENTS AND SCHEDULE NUMBERS

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

\* IL T0 25 08 01 RENEWAL CERTIFICATE  
\* MP T0 01 02 05 BUSINESSOWNERS COVERAGE PART DECS  
\* IL T8 01 01 01 FORMS, ENDORSEMENTS AND SCHEDULE NUMBERS  
IL T3 15 02 04 COMMON POLICY CONDITIONS  
\* IL T0 20 02 05 ADDITIONAL LOCATIONS

BUSINESSOWNERS

\* MP T1 79 08 97 BLKT LMTS-ALL PREMISES BLDG/PERS PROP  
\* MP T1 30 02 05 TBL OF CONT-BUSINESSOWNERS COV-DELUXE  
\* MP T1 02 02 05 BUSINESSOWNERS PROPERTY COV-SPEC FORM  
\* MP T1 03 02 05 AMENDATORY PROVISIONS-CONDOMINIUM  
\* MP T4 89 05 02 FUNGUS,ROT,BACTERIA CHANGES-CA  
\* MP T3 25 01 06 TERRORISM RISK INS ACT OF 2002 NOTICE  
\* MP T9 70 02 05 TRAVELERS POWER-PAC ENDORSEMENT  
\* MP T3 36 02 05 EQUIPMENT BREAKDOWN EXCLUSION  
\* MP T4 90 02 05 NON-CUMULATION OF LIMITS-CALIFORNIA

COMMERCIAL GENERAL LIABILITY

CG T0 34 11 03 TABLE OF CONTENTS  
CG 00 01 10 01 COMMERCIAL GENERAL LIABILITY COV FORM  
\* GN 00 92 01 91 DIRECTORS AND OFFICERS LIAB OWN ASSOC  
\* CG D2 37 11 03 EXCLUSION-REAL ESTATE DEV ACTIVITIES  
CG D2 55 11 03 AMENDMENT OF COVERAGE - POLLUTION  
CG D3 09 11 03 AMEND ENDT-PRODUCTS-COMPLETED OPR HAZARD  
CG 21 70 11 02 CAP ON LOSSES CERTIFIED ACTS TERRORISM  
CG D0 37 01 04 OTHER INSURANCE-ADDITIONAL INSUREDS  
CG D1 86 11 03 XTEND ENDORSEMENT  
\* CG D2 03 12 97 AMEND-NON CUMULATION OF EACH OCC  
\* CG D2 34 01 05 WEB XTEND - LIABILITY  
\* MP T1 25 11 03 HIRED AUTO AND NON-OWNED AUTO LIAB  
\* CG D2 43 01 02 FUNGI OR BACTERIA EXCLUSION  
CG D2 56 11 03 AMENDMENT OF COVERAGE  
CG D2 88 11 03 EMPLOYMENT-RELATED PRACTICES EXCLUSION  
CG D3 26 01 04 EXCLUSION-UNSOLICITED COMMUNICATIONS  
\* CG D0 76 06 93 EXCLUSION-LEAD  
CG D1 42 01 99 EXCLUSION-DISCRIMINATION  
CG D2 42 01 02 EXCLUSION WAR  
CG T4 78 02 90 EXCLUSION-ASBESTOS  
CG T3 33 11 03 LIMIT WHEN TWO OR MORE POLICIES APPLY  
\* CG 32 34 01 05 CALIFORNIA CHANGES

\* TEXT IN THIS FORM HAS CHANGED, OR THE FORM WAS NOT ON POLICY BEFORE.

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POLICY NUMBER: I-680-840D0623-TIL-06

EFFECTIVE DATE: 05-05-06

ISSUE DATE: 05-04-06

INTERLINE ENDORSEMENTS

\* IL T3 79 01 06 CAPS ON LOSSES FROM CERT ACTS OF TERROR  
IL 00 21 07 02 NUCLEAR ENERGY LIAB EXCL END-BROAD FORM  
\* IL 01 02 05 05 CALIFORNIA CHANGES - ACTUAL CASH VALUE  
\* IL 01 04 02 04 CALIFORNIA CHANGES  
\* IL 02 70 11 04 CA CHANGES-CANCELLATION & NON-RENEWAL  
IL 09 52 11 02 CAP LOSSES-CERTIFIED ACTS OF TERRORISM

\* TEXT IN THIS FORM HAS CHANGED, OR THE FORM WAS NOT ON POLICY BEFORE.

ADDITIONAL LOCATIONS  
CONDOMINIUM PACPOLICY NO.: I-680-840D0623-TIL-06  
ISSUE DATE: 05-04-06THIS SCHEDULE OF LOCATIONS AND BUILDINGS APPLIES  
TO THE COMMON DECLARATIONS FOR THE PERIOD

05-05-06 to 05-05-07

PREMISES LOCATION NUMBER	BUILDING NUMBER	OCCUPANCY	ADDRESS	
01	01	CONDOMINIUMS	3-110 GLEN LAKE DRIVE PACIFIC GROVE	CA 93950
01	02	CONDOMINIUMS	3-110 GLEN LAKE DRIVE PACIFIC GROVE	CA 93950
01	03	CONDOMINIUMS	3-110 GLEN LAKE DRIVE PACIFIC GROVE	CA 93950

**BUSINESSOWNERS**





**BUSINESSOWNERS**

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

**BLANKET LIMITS – ALL PREMISES – BUILDINGS  
AND/OR BUSINESS PERSONAL PROPERTY**

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS PROPERTY COVERAGE FORM**

- A separate Blanket Limit of Insurance applies to Buildings at all scheduled Premises. The Blanket Limit shall be equal to the sum of the Building Limits stated on the Businessowners Property Coverage Declarations for each scheduled Premises.
- A separate Blanket Limit of Insurance applies to Business Personal Property at all scheduled Premises. The Blanket Limit shall be equal to the sum of the Business Personal Property Limits stated on the Businessowners Property Coverage Declarations for each scheduled Premises.
- A separate Blanket Limit of Insurance applies to Buildings and Business Personal Property at all scheduled Premises. The Blanket Limit shall be equal to the sum of the Buildings and Business Personal Property Limits stated on the Businessowners Property Coverage Declarations for each scheduled Premises.

**TABLE OF CONTENTS**  
**BUSINESSOWNERS COVERAGE PART**  
**DELUXE PLAN**

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

**BUSINESSOWNERS PROPERTY COVERAGE**  
**SPECIAL FORM MP T1 02**

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# BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM

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

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

Other words and phrases that appear in quotation marks have special meaning. Refer to Paragraph G – PROPERTY DEFINITIONS.

## A. COVERAGE

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

### 1. Covered Property

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

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

- (1) Completed additions;
- (2) Fences;
- (3) Fixtures, including outdoor fixtures;
- (4) Retaining walls, whether or not attached;
- (5) Permanently attached:
  - (a) Machinery; and
  - (b) Equipment;
- (6) Outdoor swimming pools;
- (7) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
  - (a) Fire extinguishing equipment;
  - (b) Outdoor furniture;
  - (c) Floor coverings;
  - (d) Lobby and hallway furnishings;
  - (e) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;

(f) Lawn maintenance and snow removal equipment; and

(g) Alarm systems; and

(8) If not covered by other insurance:

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

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

**b. Business Personal Property** located in or on the buildings described in the Declarations or in the open (or in a vehicle) within 1,000 feet of the described premises, including:

- (1) Property owned by you and used in your business;
- (2) Property of others that is in your care, custody or control;
- (3) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
  - (a) Made a part of the building or structure you rent, lease or occupy but do not own; and
  - (b) You acquired or made at your expense but are not permitted to remove; and
- (4) "Money" and "Securities".

### 2. Property Not Covered

Unless the following is added by endorsement to this Coverage Form, Covered Property does not include:

## BUSINESSOWNERS

- a. Aircraft;
- b. Automobiles held for sale;
- c. Vehicles or self-propelled machines that are:
  - (1) Licensed for use on public roads; or
  - (2) Operated principally away from the described premises;

This paragraph does not apply to:

- (1) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;
  - (2) Vehicles or self-propelled machines, other than autos, you hold for sale; or
  - (3) Trailers or semi-trailers, except as provided in the Non-Owned Detached Trailers Coverage Extension.
- d. Dams or dikes;
  - e. Contraband, or property in the course of illegal transportation or trade;
  - f. The cost of excavating, grading, backfilling or filling (except those costs made necessary due to repair of buildings insured under this Coverage Form from a Covered Cause of Loss), reclaiming or restoring land or water;
  - g. Water or land whether in its natural state or otherwise (including land on which the property is located), land improvements, growing crops or standing timber;
  - h. Outdoor trees, shrubs, plants and lawns, other than "stock" except as provided in the Outdoor Trees, Shrubs, Plants and Lawns Coverage Extension.
  - i. The following property while outside of the buildings:
    - (1) Bridges, walks, roadways, patios or other paved surfaces; or
    - (2) Outdoor radio or television antennas, (including satellite dishes) and including their lead-in wiring, masts or towers;except as provided in the Outdoor Property Coverage Extension;
  - j. Watercraft (including motors, equipment and accessories) while afloat;
  - k. Accounts and bills, except as provided in the Accounts Receivable Coverage Extension;

- l. "Valuable Papers and Records", except as provided in the Valuable Papers and Records Coverage Extension;
- m. Property that is covered under another Coverage Form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- n. "Fine Arts" except as provided in the Fine Arts Additional Coverage;
- o. Bullion, gold, silver, platinum and other precious alloys or metals, except if they are used in your "operations" (theft limitation applies);
- p. "Electronic Data Processing Equipment" (not including "stock") except as provided in the Electronic Data Processing Coverage Extension;
- q. "Electronic Data Processing Data and Media" (not including "stock") except as provided in the Electronic Data Processing Coverage Extension or in the Accounts Receivable Coverage Extension; or
- r. Outdoor signs, except as provided in the Signs Coverage Extension.

### 3. Business Income and Extra Expense

Business Income and Extra Expense is provided at the premises described in the Declarations when the Declarations show that you have coverage for Business Income and Extra Expense.

#### a. Business Income

##### (1) Business Income means:

- (a) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred, including:

- (i) "Rental Value"; and
- (ii) "Maintenance Fees", if you are a condominium association; and

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

- (2) 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 1,000 feet of the site at which the described premises are located.

- (3) With respect to the requirements set forth in Paragraph (2) above, if you rent, lease or occupy only part of the site at which the described premises are located, the described premises means:
  - (a) The portion of the building which you rent, lease or occupy; and
  - (b) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

**b. Extra Expense**

- (1) Extra Expense means reasonable and necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss of or damage to property caused by or resulting from a Covered Cause of Loss.
- (2) We will pay Extra Expense (other than the expense to repair or replace property) to:
  - (a) Avoid or minimize the "suspension" of business and to continue "operations" at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement premises or temporary locations; or
  - (b) Minimize the "suspension" of business if you cannot continue "operations".
- (3) We will also pay Extra Expense (including Expediting Expenses) to repair or replace the property, but only

to the extent it reduces the amount of loss that otherwise would have been payable under Paragraph a. Business Income, above.

**c. Extended Business Income**

If the necessary "suspension" of your "operations" produces a Business Income loss payable under Paragraph a. Business Income above, we will also pay for the actual loss of Business Income you sustain during the period that:

- (1) Begins on the date property is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (2) Ends on the earlier of:
  - (a) 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 occurred; or
  - (b) Sixty consecutive days after the date determined in Paragraph (1) above.

However, this 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.

- d. If the Declarations show for Business Income and Extra Expense:
  - (1) Actual loss for 12 consecutive months, then we will pay for loss of Business Income and Extra Expense that occurs within 12 consecutive months following the date of direct physical loss or damage; or
  - (2) Actual loss up to 12 consecutive months subject to a maximum dollar limit, then we will pay for loss of Business Income and Extra Expense that occurs within 12 consecutive months following the date of direct physical loss or damage, subject to the limit shown in any one occurrence.

**4. Covered Causes of Loss**

RISKS OF DIRECT PHYSICAL LOSS unless the loss is:

## BUSINESSOWNERS

- a. Limited in Paragraph **A.5.**, Limitations; or
- b. Excluded in Paragraph **B.**, Exclusions.

### 5. Limitations

- a. We will not pay for loss of or damage to:
  - (1) The "interior of any building or structure" or to personal property in the building or structure, caused by rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
    - (a) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
    - (b) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.
  - (2) Steam boilers, steam pipes, steam engines, or steam turbines, caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
  - (3) Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than explosion.
- b. We will not pay for loss of or damage to the following types of property unless caused by any of the "specified causes of loss" or building glass breakage:
  - (1) Live animals, birds or fish, and then only if they are killed or their destruction is made necessary.
  - (2) Fragile articles such as glassware, statuary, marbles, chinaware and porcelains, if broken. This limitation 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 most we will pay in any one occurrence for the following types of property is:
  - (1) \$2,500 for all furs, fur garments and garments trimmed with fur.
  - (2) \$5,000 for all jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$500 or less per item.
  - (3) \$2,500 for all patterns, dies, molds and forms.
- d. We will not pay for any loss or damage caused by any of the following, even if they are Covered Causes of Loss, if the building where loss or damage occurs has been "vacant" for more than 60 consecutive days before that loss or damage occurs:
  - (1) Vandalism;
  - (2) Sprinkler Leakage, unless you have protected the system against freezing;
  - (3) Building glass breakage;
  - (4) Discharge or leakage of water;
  - (5) "Theft"; or
  - (6) Attempted "theft".

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

- e. Coverage for Business Income and Extra Expense does not apply to any loss or increase in loss caused by direct physical loss of or damage to "Electronic Data Processing Data and Media", except as provided in the Interruption of Computer Operations Coverage Extension.

### 6. Additional Coverages

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

**a. Arson and Theft Reward**

- (1) We will pay for reasonable expenses you incur for rewards that lead to:
  - (a) An arson conviction in connection with a covered fire or explosion loss, or
  - (b) A "theft" conviction in connection with a covered "theft" loss.
- (2) The most we will pay under this Additional Coverage in connection with a particular loss is \$5,000.

**b. Claim Data Expense**

- (1) We will pay the reasonable expenses you incur in preparing claim data when we require such data to show the extent of loss. This includes the cost of taking inventories, making appraisals, preparing income statements, and preparing other documentation.
- (2) Under this Additional Coverage, we will not pay for:
  - (a) Any expenses incurred, directed, or billed by or payable to attorneys, insurance adjusters or their associates or subsidiaries;
  - (b) Any costs in connection with Paragraph E.2., Appraisal; or
  - (c) Any expenses incurred, directed, or billed by or payable to insurance brokers or agents, or their associates or subsidiaries, without our written consent prior to such expenses being incurred.
- (3) The most we will pay for preparation of claim data under this Additional Coverage in any one occurrence is \$5,000 regardless of the number of premises involved.

**c. Debris Removal**

- (1) We will pay your expense to remove debris of Covered Property, other than outdoor trees, shrubs, plants and lawns as described in the Outdoor Trees, Shrubs, Plants and Lawns Coverage Extension, caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writ-

ing within 180 days of the date of direct physical loss or damage.

- (2) Debris Removal does not apply to costs to:
  - (a) Extract "pollutants" from land or water; or
  - (b) Remove, restore or replace polluted land or water.
- (3) Except as provided in Paragraph (4) below, payment for Debris Removal is included within the applicable Limit of Insurance shown in the Declarations. The most we will pay under this Additional Coverage is 25% of:
  - (a) The amount we pay for the direct physical loss or damage to Covered Property; plus
  - (b) The deductible in this Coverage Form applicable to that loss or damage.
- (4) When the debris removal expense exceeds the 25% limitation in Paragraph (3) above or when the sum of the debris removal expense and the amount we pay for the direct physical loss of or damage to Covered Property exceeds the applicable Limit of Insurance, we will pay up to an additional \$25,000 for debris removal expense in any one occurrence, at each described premises.

**d. Employee Dishonesty**

- (1) We will pay for loss of or damage to Covered Property resulting directly from "employee dishonesty".

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

- (2) Paragraphs B.2.h. and B.2.o. do not apply to this Additional Coverage.
- (3) We will not pay for loss resulting from the dishonest acts of any "employee" if coverage for that "employee" was either cancelled or excluded from any previous insurance policy of yours



## BUSINESSOWNERS

- providing "employee dishonesty" coverage.
- (4) This Additional Coverage is cancelled as to any "employee" immediately upon discovery by:
- (a) You; or
  - (b) Any of your partners, "members", "managers", officers, directors or trustees, not in collusion with the "employee",  
of any fraudulent dishonest act committed by that "employee" before or after being employed by you.
- (5) We will pay for covered loss or damage only if discovered no later than one year from the end of the Policy Period.
- (6) The most we will pay for loss or damage under this Additional Coverage in any one occurrence is \$25,000.
- (7) With respect to this Additional Coverage, occurrence means all loss or damage caused by or involving the same "employee(s)" whether the result of a single act or series of acts.
- (8) If, during the period of any prior "Employee Dishonesty" insurance, you (or any predecessor in interest) sustained loss or damage that you could have recovered under that insurance, except that the time within which to discover loss or damage has expired, we will pay for it under this Additional Coverage, subject to the following:
- (a) This insurance became effective at the time of cancellation or termination of the prior insurance; and
  - (b) The loss or damage would have been covered by this insurance had it been in effect when the acts or events causing the loss or damage were committed or occurred.
- (9) The insurance provided under Paragraph (8) above is part of, not in addition to the Limit of Insurance described in Paragraph (6) above and is limited to the lesser of the amount recoverable under:
- (a) This Additional Coverage, as of its effective date; or
  - (b) The prior "Employee Dishonesty" insurance, had it remained in effect.
- e. Expediting Expenses**
- (1) In the event of direct physical loss of or damage to Covered Property caused by or resulting from a Covered Cause of Loss, we will pay for the reasonable and necessary additional expenses you incur to make temporary repairs, expedite permanent repairs, or expedite permanent replacement, at the premises sustaining loss or damage. Expediting expenses include overtime wages and the extra cost of express or other rapid means of transportation. Expediting expenses do not include expenses you incur for the temporary rental of property or temporary replacement of damaged property.
- (2) With respect to this Additional Coverage, "breakdown" to "covered equipment" will not be considered a Covered Cause of Loss, even if otherwise covered elsewhere in this Coverage Form.
- (3) The most we will pay under this Additional Coverage in any one occurrence is \$25,000, regardless of the number of premises involved.
- f. Fine Arts**
- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at any described premises, we will pay for direct physical loss of or damage to "fine arts" which are owned by:
- (a) You; or
  - (b) Others and in your care, custody, or control;
- caused by or resulting from a Covered Cause of Loss, including while on exhibit, anywhere within the Coverage Territory.
- (2) The breakage limitation under Paragraph **A.5.b.(2)** does not apply to this Additional Coverage.

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

- (a)** We will not pay for loss or damage caused by or resulting from wear and tear, any quality in the property that causes it to damage or destroy itself, gradual deterioration, insects, birds, rodents or other animals;
- (b)** We will not pay for loss or damage caused by or resulting from dampness or dryness of atmosphere, or changes in or extremes of temperature;
- (c)** We will not pay for loss or damage caused by or resulting from any repairing, restoration or re-touching process;
- (d)** We will not pay for loss or damage caused by or resulting from faulty packing;
- (e)** Paragraph **B.1.b.** Earth Movement;
- (f)** Paragraph **B.1.c.** Governmental Action;
- (g)** Paragraph **B.1.d.** Nuclear Hazard;
- (h)** Paragraph **B.1.f.** War and Military Action;
- (i)** Paragraph **B.1.g.** Water;
- (j)** Paragraph **B.1.h.** Neglect; and
- (k)** Paragraph **B.2.g.**

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

**(4)** The most we pay for loss or damage under this Additional Coverage in any one occurrence is \$25,000, or the amount shown in the Declarations for "fine arts", whichever is greater. This limit applies regardless of the number of premises involved.

**g. Fire Department Service Charge**

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$25,000 in any one occurrence for your

liability for fire department service charges:

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

**h. Fire Protective Equipment Discharge**

- (1)** If fire protective equipment discharges accidentally or to control a Covered Cause of Loss we will pay your cost to:
  - (a)** Refill or recharge the system with the extinguishing agents that were discharged; and
  - (b)** Replace or repair faulty valves or controls which caused the discharge.
- (2)** The most we will pay under this Additional Coverage in any one occurrence is \$10,000, regardless of the number of premises involved.

**i. Forgery or Alteration**

- (1)** We will pay for loss resulting directly from "forgery" or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in money that are made or drawn by or drawn upon you, or made or drawn by one acting as an agent or purported to have been so made or drawn.

We will consider signatures that are produced or reproduced electronically, mechanically or by facsimile the same as handwritten signatures.

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

- (2)** We will not pay for loss resulting from any dishonest or criminal acts committed by you or any of your partners, "employees", "members", "managers", officers, directors or trustees whether acting alone or in collusion with other persons.

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- (3) We will pay for covered loss discovered no later than one year from the end of the Policy Period.
  - (4) The most we will pay for loss under this Additional Coverage in any one occurrence is \$25,000, regardless of the number of premises involved.
  - (5) With respect to this Additional Coverage, occurrence means all loss caused by any person, or in which that person is concerned or implicated, either resulting from a single act or any number of such acts, whether the loss involves one or more instruments.
  - (6) If, during the period of any prior Forgery or Alteration insurance, you (or any predecessor in interest) sustained loss or damage that you could have recovered under that insurance, except that the time within which to discover loss or damage has expired, we will pay for it under this Additional Coverage provided:
    - (a) This insurance became effective at the time of cancellation or termination of the prior insurance; and
    - (b) The loss would have been covered by this insurance had it been in effect when the acts or events causing the loss were committed or occurred.
  - (7) The insurance provided under Paragraph (6) above is part of, and not in addition to the limit described in Paragraph (4) above and is limited to the lesser of the amount recoverable under:
    - (a) This Additional Coverage up to the applicable Limit of Insurance under this Coverage Form, as of its effective date; or
    - (b) The prior Forgery or Alteration insurance, had it remained in effect.
  - (8) If you are sued for refusing to pay any covered instrument described in Paragraph (1) above on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount we will pay for these legal expenses will be part of and not in addition to the limit described in Paragraph (4) above.
- j. Newly Acquired or Constructed Property**
- (1) Buildings**
    - (a) We will pay for direct physical loss of or damage to the following property caused by or resulting from a Covered Cause of Loss:
      - (i) Your:
        - a) New buildings while being built on a premises shown in the Declarations;
        - b) New buildings while being built on newly acquired premises; and
        - c) Materials, equipment, supplies and temporary structures used in connection with such buildings while they are being built; or
      - (ii) Buildings you acquire by purchase or lease at any premises, including those premises shown in the Declarations.
    - (b) The most we will pay for loss of or damage to newly constructed buildings or newly acquired buildings under this Additional Coverage in any one occurrence is \$500,000 at each premises.
  - (2) Business Personal Property**
    - (a) When a Limit of Insurance is shown in the Declarations for Business Personal Property at any described premises, we will pay for direct physical loss of or damage to the following property caused by or resulting from a Covered Cause of Loss:
      - (i) Business Personal Property, including such property that you newly acquire, at a build-

ing you acquire by purchase or lease at any premises, including those premises shown in the Declarations; and

(ii) Business Personal Property that you newly acquire at a described premises.

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

**(3) Period Of Coverage**

(a) With respect to insurance under this Additional Coverage, coverage will end when any of the following first occurs:

(i) This policy expires;

(ii) 180 days expire after you acquire the property or begin to construct the property;

(iii) You report values to us; or

(iv) The property is more specifically insured.

(b) We will charge you additional premium for values reported to us from the date construction begins or you acquire the property.

**k. Ordinance or Law**

(1) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay for:

(a) Loss in value of the undamaged portion of the building as a consequence of enforcement of the minimum requirements of any ordinance or law that requires the demolition of undamaged parts of the same building;

(b) Demolition cost, meaning the cost to demolish and clear the site of undamaged parts of the same building as a consequence of enforcement of the minimum requirements of any ordinance or law that required demolition of such undamaged property; and

(c) The increased cost of construction, meaning the increased cost to repair, rebuild or construct the

property as a consequence of enforcement of the minimum requirements of any ordinance or law. This increased cost of construction coverage applies only if:

(i) The building is insured for replacement cost;

(ii) The building is repaired, rebuilt or reconstructed; and

(iii) The repaired, rebuilt or reconstructed building is intended for similar occupancy as the current building, unless otherwise required by zoning or land use ordinance or law.

(2) The ordinance or law referred to in this Additional Coverage is an ordinance or Law that:

(a) Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and

(b) Is in force at the time of the loss.

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

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

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

(ii) You failed to comply with; or

(b) Costs associated with the enforcement of any ordinance or law that requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

(4) Paragraph **B.1.a.** does not apply to this Additional Coverage.

(5) Subject to the limit described in Paragraph **(6)** below:

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

- (i) If Replacement Cost Coverage applies and the building is repaired or replaced on the same or another premises, we will not pay more than the lesser of:
    - a) The amount you actually spend to repair, rebuild or reconstruct the undamaged portion of the building; or
    - b) The amount it would cost to restore the undamaged portion of the building on the same premises and to the same height, floor area, style and comparable quality of the original undamaged portion of the building; or
  - (ii) If Replacement Cost Coverage applies and the building is not repaired or replaced, or if Replacement Cost Coverage does not apply, we will not pay more than the actual cash value of the undamaged portion of the building at the time of loss.
  - (b) We will not pay more for demolition costs than the amount you actually spend to demolish and clear the site of the described premises.
  - (c) The insurance provided under this Additional Coverage for increased cost of construction is limited as follows:
    - (i) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay is the increased cost of construction at the same premises; or
    - (ii) If the ordinance or law requires relocation to another premises, the most we will pay is the increased cost of construction at the new premises.
  - (6) The most we will pay for loss under this Additional Coverage for the total of all coverages described in Paragraph (1) above in any one occurrence is \$25,000 at each described premises.
- I. Outdoor Trees, Shrubs, Plants and Lawns**
- (1) We will pay for direct physical loss of or damage to outdoor trees, shrubs, plants (other than "stock" of trees, shrubs or plants) and lawns located at the described premises caused by or resulting from a Covered Cause of Loss.
  - (2) The most we will pay for loss or damage under this Additional Coverage in any one occurrence is \$3,000 at each described premises.
  - (3) Debris removal, because of covered loss or damage to outdoor trees, shrubs, plants and lawns, is included within the limits described in Paragraph (2) above.
- m. Pollutant Cleanup and Removal**
- (1) We will pay your necessary and reasonable expense to extract "pollutants" from land or water at the described premises, if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a "specified cause of loss" which occurs:
    - (a) At the described premises;
    - (b) To Covered Property; and
    - (c) During the policy period.
  - (2) The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the "specified cause of loss" occurs.
  - (3) This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.
  - (4) The most we will pay under this Additional Coverage is \$25,000 for the sum of all covered expenses arising

out of all Covered Causes of Loss occurring during each separate 12 month period of this policy beginning with the effective date of this policy. This amount applies regardless of the number of premises involved.

**n. Preservation of Property**

- (1) 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:
  - (a) Any direct physical loss of or damage to such property while:
    - (i) Being moved; or
    - (ii) Temporarily stored at another location only if the loss or damage occurs within 90 days after the property is first moved; and
  - (b) The costs incurred to:
    - (i) Remove such property from the described premises; and
    - (ii) Return such property to the described premises.
- (2) Coverage under this Additional Coverage will end when any of the following first occurs:
  - (a) When the policy is amended to provide insurance at the new location;
  - (b) The property is returned to the original described premises;
  - (c) 90 days expire after the property is first moved; or
  - (d) This policy expires.
- (3) Payments under this Additional Coverage are subject to and not in addition to the applicable Limit of Insurance.

**o. Temporary Relocation of Property**

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

- (a) Caused by or resulting from a Covered Cause of Loss;
- (b) Up to \$50,000 at each temporary location in any one occurrence; and
- (c) During the storage period of up to 90 consecutive days but not beyond expiration of this policy.

- (2) This Additional Coverage does not apply if the stored property is more specifically insured.

**p. Water Damage, Other Liquids, Powder or Molten Material Damage**

- (1) If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage 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.
- (2) We will not pay the cost to repair any defect to a system or appliance from which the water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:
  - (a) Results in discharge of any substance from an automatic fire protection system; or
  - (b) Is directly caused by freezing.
- (3) Payments under this Additional Coverage are subject to and not in addition to the applicable Limit of Insurance.

**7. Coverage Extensions**

Unless otherwise stated, payments made under the following Coverage Extensions are subject to and not in addition to the applicable Limits of Insurance.

**a. Accounts Receivable**

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to loss, as described in Paragraph (2) below, due to direct physical loss of or damage to your

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records of accounts receivable (including those on electronic data processing media) caused by or resulting from a Covered Cause of Loss. Credit card company media will be considered accounts receivable until delivered to the credit card company.

- (2) We will pay for:
  - (a) All amounts due from your customers that you are unable to collect;
  - (b) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
  - (c) Collection expenses in excess of your normal collection expenses that are made necessary by the loss or damage; and
  - (d) Other reasonable expenses that you incur to re-establish your records of accounts receivable.
- (3) The following exclusions apply to this Coverage Extension:
  - (a) We will not pay for loss caused by or resulting from bookkeeping, accounting or billing errors or omissions;
  - (b) We will not pay for loss that requires an audit of records or any inventory computation to prove its factual existence;
  - (c) We will not pay for loss caused by or resulting from alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of money, securities or other property. But this exclusion applies only to the extent of the wrongful giving, taking or withholding;
  - (d) Paragraph **B.1.b.** Earth Movement;
  - (e) Paragraph **B.1.c.** Governmental Action;
  - (f) Paragraph **B.1.d.** Nuclear Hazard;

- (g) Paragraph **B.1.f.** War and Military Action;
- (h) Paragraph **B.1.g.** Water;
- (i) Paragraph **B.1.h.** Neglect; and
- (j) Paragraph **B.2.g.**

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

- (4) The most we will pay under this Coverage Extension for loss of or damage to records of accounts receivable in any one occurrence while in transit or at a premises other than the described premises is \$25,000.
  - (5) The most we will pay under this Coverage Extension for loss of or damage to records of accounts receivable in any one occurrence at each described premises is \$25,000 or the amount shown in the Declarations for Accounts Receivable, whichever is greater.
  - (6) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.
- b. Appurtenant Buildings and Structures**
- (1) When a Limit of Insurance is shown in the Declarations for Building at the described premises, you may extend that insurance to apply to direct physical loss of or damage to incidental appurtenant buildings or structures, within 1,000 feet of that described premises, caused by or resulting from a Covered Cause of Loss.
  - (2) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to Business Personal Property within incidental appurtenant buildings or structures within 1,000 feet of that described premises, caused by or resulting from a Covered Cause of Loss.

(3) Incidental appurtenant buildings or structures include:

- (a) Storage buildings;
- (b) Carports;
- (c) Garages;
- (d) Pump houses; or
- (e) Above ground tanks;

which have not been specifically described in the Declarations.

(4) The most we will pay for loss or damage under this Coverage Extension in any one occurrence for any combination of loss of or damage to Building and Business Personal Property is \$50,000, regardless of the number of described premises involved.

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

**c. Building Glass**

(1) If:

- (a) You are the building owner; and
- (b) A Limit of Insurance is shown in the Declarations for Building at the described premises;

you may extend that insurance to apply to direct physical loss of or damage to all exterior and interior building glass caused by or resulting from a Covered Cause of Loss, including glass breakage and damage to glass by chemicals accidentally or maliciously applied to glass.

(2) If:

- (a) You are a tenant;
- (b) A Limit of Insurance is shown in the Declarations for Building or Business Personal Property at the described premises; and
- (c) You are contractually obligated to repair or replace building glass at the described premises;

you may extend that insurance to apply to direct physical loss of or damage to all exterior and interior building glass caused by or resulting from a Covered Cause of Loss, including glass breakage and damage to glass

by chemicals accidentally or maliciously applied to glass.

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

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

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

- (a) We will not pay for loss or damage caused by or resulting from:
  - (i) Wear and tear;
  - (ii) Hidden or latent defect;
  - (iii) Corrosion; or
  - (iv) Rust;
- (b) Paragraph B.1.b. Earth Movement;
- (c) Paragraph B.1.c. Governmental Action;
- (d) Paragraph B.1.d. Nuclear Hazard;
- (e) Paragraph B.1.f. War and Military Action; and
- (f) Paragraph B.1.g. Water.

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

**d. Business Income and Extra Expense From Dependent Property**

(1) When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur due to the "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss or damage at the premises of a Dependent Property, caused



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- by or resulting from a Covered Cause of Loss.
- (2) Dependent Property means property operated by others whom you depend on to:
    - (a) Deliver materials or services (other than "water supply services", "communication supply services" or "power supply services") to you, or to others for your account (Contributing Locations);
    - (b) Accept your products or services (Recipient Locations);
    - (c) Manufacture products for delivery to your customers under contract of sale (Manufacturing Locations); or
    - (d) Attract customers to your business (Leader Locations).
  - (3) With respect to this Coverage Extension, the "period of restoration":
    - (a) Begins 24 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the premises of the Dependent Property;
    - (b) Ends on the date when the property at the premises of the Dependent Property should be repaired, rebuilt or replaced with reasonable speed and similar quality; and
    - (c) Does not include any increased period required due to the enforcement of any ordinance or law that:
      - (i) Regulates the construction, use or repair, or requires the tearing down of any property; or
      - (ii) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".
  - (4) This Coverage Extension:
    - (a) Applies to Dependent Property premises located within the Coverage Territory; and
    - (b) Does not apply when you have more specific insurance under any other policy.
  - (5) 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.
  - (6) The most we will pay for Business Income and Extra Expense under this Coverage Extension in any one occurrence is \$10,000, regardless of the number of described premises or number of Dependent Properties involved.
  - (7) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.
- e. Business Income and Extra Expense – Newly Acquired Premises**
- (1) When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur due to the "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss or damage caused by or resulting from a Covered Cause of Loss at any premises you newly acquire by purchase or lease (other than at fairs, trade shows or exhibitions).
  - (2) The most we will pay under this Coverage Extension for the sum of Business Income and Extra Expense you incur in any one occurrence is \$250,000 at each newly acquired premises.
  - (3) Insurance under this Coverage Extension for each newly acquired

premises will end when any of the following first occurs:

- (a) This policy expires;
- (b) 90 days expire after you acquire that premises;
- (c) You report that premises to us; or
- (d) The Business Income or Extra Expense is more specifically insured.

We will charge you additional premium for premises reported from the date you acquire that premises.

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

**f. Business Personal Property Off Premises**

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to such property caused by or resulting from a Covered Cause of Loss while:

- (a) In the course of transit to or from the described premises; or
- (b) Temporarily away from the described premises, and:
  - (i) At a premises you do not own, lease or operate; or
  - (ii) At any fair, trade show or exhibition at a premises you do not own or regularly occupy.

- (2) This Coverage Extension does not apply to property:

- (a) While in the custody of the United States Postal Service;
- (b) Rented or leased to others;
- (c) After delivery to customers;
- (d) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition;
- (e) Temporarily at a premises for more than 60 consecutive days, except "money" and "securities" at a "banking premises";

- (f) Otherwise covered under the Fine Arts Additional Coverage; or

- (g) Otherwise covered under the following Coverage Extensions:

- (i) Accounts Receivable;
- (ii) Electronic Data Processing;
- (iii) Personal Effects; or
- (iv) Valuable Papers and Records.

**g. Civil Authority**

- (1) When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur caused by action of civil authority that prohibits access to the described premises. The civil authority action must be due to direct physical loss of or damage to property at locations, other than described premises, that are within 100 miles of the described premises, caused by or resulting from a Covered Cause of Loss.

- (2) The coverage for Business Income will begin 24 hours after the time of that action and will apply for a period of three consecutive weeks after coverage begins.

- (3) The coverage for Extra Expense will begin immediately after the time of that action and will end when your Business Income coverage ends for this Coverage Extension.

**h. Electronic Data Processing**

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to "Electronic Data Processing Equipment" and to "Electronic Data Processing Data and Media", caused by or resulting from a Covered Cause of Loss.

- (2) Worldwide coverage is provided under this Coverage Extension. The coverage territory as described in

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Paragraph **F.8.b.** does not apply to this Coverage Extension.

- (3)** This Coverage Extension does not apply to:
  - (a)** "Stock"; or
  - (b)** Property that is leased or rented to others.
- (4)** The following exclusions as described in Paragraph **B.** Exclusions do not apply to this Coverage Extension:
  - (a)** Paragraph **1.e.** Utility Services;
  - (b)** Paragraph **2.a.**; or
  - (c)** Paragraph **2.d.(6).**
- (5)** The following additional exclusions apply to this Coverage Extension:
  - (a)** We will not pay for loss or damage caused by or resulting from any of the following:
    - (i)** Programming errors, omissions or incorrect instructions to a machine. But if programming errors, omissions or incorrect instructions to a machine results in a "specified cause of loss" or mechanical breakdown of "Electronic Data Processing Equipment", we will pay for the loss or damage caused by that "specified cause of loss" or mechanical breakdown of "Electronic Data Processing Equipment";
    - (ii)** Unauthorized viewing, copying or use of "Electronic Data Processing Data and Media" (or any proprietary or confidential information or intellectual property) by any person, even if such activity is characterized as "theft";
    - (iii)** Errors or deficiency in design, installation, maintenance, repair or modification of your computer systems or any computer system or network to which your system is connected or on which your system depends (including electronic data). But if errors or

deficiency in design, installation, maintenance, repair or modification of your computer system or any computer system or network to which your system is connected or on which your system depends (including electronic data) results in a "specified cause of loss" or mechanical breakdown of "Electronic Data Processing Equipment", we will pay for the loss or damage caused by that "specified cause of loss" or mechanical breakdown of "Electronic Data Processing Equipment";

- (iv)** Unexplained or indeterminable failure, malfunction or slowdown of a computer system, including "Electronic Data Processing Data and Media" or the inability to access or properly manipulate "Electronic Data Processing Data and Media"; or
- (v)** "Electronic Vandalism" except as provided in Paragraph **(9)** below.

- (6)** The most we will pay under this Coverage Extension for loss of or damage to "Electronic Data Processing Equipment" and to "Electronic Data Processing Data and Media", while in transit or at a premises other than the described premises, in any one occurrence, is \$25,000.
- (7)** The most we will pay under this Coverage Extension for loss of or damage to duplicates of your "Electronic Data Processing Data and Media" while stored at a separate premises from where your original "Electronic Data Processing Data and Media" are kept, in any one occurrence, is \$25,000.
- (8)** The most we will pay under this Coverage Extension for loss or damage to "Electronic Data Processing Equipment", including such property you newly acquire in any one occurrence is \$25,000 at each newly acquired premises. With respect to insurance

under this Coverage Extension on newly acquired "Electronic Data Processing Equipment", coverage will end when any of the following first occurs:

- (a) This policy expires;
  - (b) 180 days expire after you acquire the "Electronic Data Processing Equipment"; or
  - (c) You report values to us.
- (9) The most we will pay under this Coverage Extension for loss of or damage to "Electronic Data Processing Data and Media" caused by or resulting from "electronic vandalism", in any one occurrence is \$25,000, regardless of the number of the number of premises involved. Such limit also applies to any otherwise covered loss of Business Income or Extra Expense.
- (10) The most we will pay under this Coverage Extension for loss of or damage to "Electronic Data Processing Equipment" and to "Electronic Data Processing Data and Media", at the described premises, in any one occurrence, is the Limit of Insurance shown in the Declarations for Business Personal Property at such premises or \$50,000, whichever is less.

**i. Equipment Breakdown**

- (1) When a Limit of Insurance is shown in the Declarations for Building or Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to Covered Property at the described premises caused by or resulting from a "breakdown" to "covered equipment".

With respect to otherwise covered Business Income and Extra Expense, "breakdown" to "covered equipment" will be considered a Covered Cause of Loss.

If an initial "breakdown" causes other "breakdowns", all will be considered one "breakdown". All "breakdowns" that manifest themselves at the same

time and are the result of the same cause will also be considered one "breakdown".

- (2) Under this Coverage Extension, the following coverages also apply:

- (a) Expediting Expenses
  - (i) In the event of direct physical loss of or damage to Covered Property caused by or resulting from a "breakdown" to "covered equipment", we will pay for the reasonable additional expenses you necessarily incur to make temporary repairs to, or expedite the permanent repair or replacement of, the lost or damaged Covered Property.
  - (ii) Expediting expenses include overtime wages and the extra cost of express or other rapid means of transportation.
  - (iii) The most we will pay under this Coverage Extension for all Expediting Expenses arising out of any one "breakdown" is \$25,000. This limit is part of and not in addition to the Limit of Insurance that applies to lost or damaged Covered Property.

(b) "Pollutants"

- (i) In the event of direct physical loss of or damage to Covered Property caused by or resulting from a "breakdown" to "covered equipment", we will pay for the additional cost to repair or replace Covered Property because of contamination by "pollutants". This includes the additional expenses to clean up or dispose of such property. Additional costs mean those beyond what would have been required had no "pollutants" been involved.
- (ii) The most we will pay under this Coverage Extension for loss or damage to Covered Property caused by contamination by "pollutants" arising

out of any one "breakdown" is \$25,000. This limit is subject to and not in addition to the Limit of Insurance that applies to lost or damaged Covered Property.

**(c) Service Interruption**

When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to loss caused by or resulting from a "breakdown" to equipment that is owned, operated or controlled by a local public or private utility or distributor that directly generates, transmits, distributes or provides the following utility services:

- (i)** "Water Supply Services";
- (ii)** "Communication Supply Services"; or
- (iii)** "Power Supply Services".

**(3) We will not pay under this Coverage Extension for loss or damage caused by or resulting from any of the following tests:**

- (a)** A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel; or
- (b)** An insulation breakdown test of any type of electrical equipment.

**(4) We will not pay under this Coverage Extension for loss or damage caused by or resulting from a change in:**

- (a)** Temperature; or
  - (b)** Humidity;
- as a consequence of "breakdown" to "covered equipment".

**(5) The following limitations in Paragraph A.5. do not apply to this Coverage Extension:**

- (a)** Paragraph a.(2); and
- (b)** Paragraph a.(3).

**(6) The following exclusions in Paragraph B. Exclusions do not apply to this Coverage Extension:**

- (a)** Paragraph 2.a.;
- (b)** Paragraph 2.d.(6); and

**(c) Paragraph 2.e.**

**(7) With respect to this Coverage Extension, the following condition is added to Paragraph F. Commercial Property Conditions:**

**Suspension**

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

- 1. Your last known address; or
- 2. The address where the "covered equipment" is located.

Once suspended in this way, such insurance can only be reinstated by a written endorsement issued by us. If we suspend your insurance, you will get a pro rata refund of premium for that "covered equipment". But the suspension will be effective even if we have not yet made or offered a refund.

**(8) The most we will pay under this Coverage Extension for all direct physical loss of or damage to:**

- (a)** "Diagnostic Equipment";
- (b)** "Power Generating Equipment"; or
- (c)** "Production Equipment";

caused by or resulting from a "breakdown" to "covered equipment" in any one occurrence is \$100,000.

**j. Interruption of Computer Operations**

**(1) When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to a "suspension" of "operations" caused by an interruption of computer operations due to direct physical loss of or damage to "Electronic Data Processing Data and Media" at the described premises caused by or resulting from a Covered Cause of Loss.**

- (2) The most we will pay under this Coverage Extension is \$25,000 for the sum of all covered interruptions arising out of all Covered Causes of Loss occurring during each separate 12 month period of this policy beginning with the effective date of this policy.
- (3) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

**k. Money Orders and Counterfeit Paper Currency**

When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to loss due to the good faith acceptance of:

- (1) Any U.S. or Canadian post office or express money order, issued or purporting to have been issued by any post office or express company, if the money order is not paid upon presentation; or
- (2) Counterfeit United States or Canadian paper currency;

in exchange for merchandise, "money" or services or as part of a normal business transaction.

**l. Non-Owned Detached Trailers**

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to trailers or semi-trailers that you do not own, provided that:
  - (a) The trailer or semi-trailer is used in your business;
  - (b) The trailer or semi-trailer is in your care, custody or control at the described premises; and
  - (c) You have a contractual responsibility to pay for loss of or damage to the trailer or semi-trailer.
- (2) We will not pay for loss or damage that occurs:
  - (a) While the trailer or semi-trailer is attached to any motor vehicle or motorized conveyance, whether

or not the motor vehicle or motorized conveyance is in motion; or

- (b) During hitching or unhitching operations, or when a trailer or semi-trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.

- (3) The most we will pay for loss or damage under this Coverage Extension in any one occurrence is \$5,000 regardless of the number of described premises, trailers or semi-trailers involved.

- (4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

**m. Ordinance or Law – Increased Period of Restoration**

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

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

- (a) Regulates the construction, repair or replacement of any property;
- (b) Requires the tearing down or replacement of any parts of property not damaged by a Covered Cause of Loss; and
- (c) Is in force at the time of loss.
- (2) This Coverage Extension applies only to the period that would be required, with reasonable speed, to reconstruct, repair or replace the property to comply with the minimum requirements of the ordinance or law.
- (3) This Coverage Extension does not apply to:

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- (a) Loss due to an ordinance or law that:
    - (i) You were required to comply with before the loss, even if the property was undamaged; and
    - (ii) You failed to comply with; or
  - (b) Costs associated with the enforcement of any ordinance or law that requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".
- (4) Paragraph **B.1.a.**, does not apply to this Coverage Extension.
- (5) The most we will pay for loss under this Coverage Extension in any one occurrence is \$25,000 at each described premises.
- (6) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

### n. Outdoor Property

- (1) When a Limit of Insurance is shown in the Declarations for Building or Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to the following types of outdoor property at that described premises caused by or resulting from a Covered Cause of Loss:
- (a) Radio or television antennas (including microwave or satellite dishes) and their lead-in wiring, masts or towers; or
  - (b) Bridges, walks, roadways, patios and other paved surfaces.
- (2) The most we will pay for loss or damage under this Coverage Extension in any one occurrence is \$10,000 at each described premises.

### o. Personal Effects

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

to apply to direct physical loss of or damage to personal effects owned by:

- (a) You; or
- (b) Your officers, partners, "members", "managers", "employees", directors or trustees;

caused by or resulting from a Covered Cause of Loss.

- (2) Such property must be located at a described premises.
- (3) The most we will pay for loss or damage under this Coverage Extension in any one occurrence is \$25,000 at each described premises.
- (4) Payments under this Coverage Extension are in addition to the applicable Limits of Insurance.

### p. Signs

(1) If:

- (a) You are the building owner; and
- (b) A Limit of Insurance is shown in the Declarations for Building;

at the described premises, you may extend that insurance to apply to direct physical loss of or damage to outdoor signs attached to the building, or on or within 1,000 feet of the described premises, caused by or resulting from a Covered Cause of Loss.

(2) If:

- (a) You are a tenant;
- (b) A Limit of Insurance is shown in the Declarations for Business Personal Property; and
- (c) You own or are contractually obligated to repair or replace outdoor signs;

at the described premises, you may extend that insurance to apply to direct physical loss of or damage to outdoor signs attached to the building, or on or within 1,000 feet of the described premises, caused by or resulting from a Covered Cause of Loss.

**q. Spoilage – Consequential Loss**

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

- (a) Temperature; or
- (b) Humidity;

caused by or resulting from a Covered Cause of Loss to any of the following types of equipment situated within the building at the described premises:

- (a) Refrigerating;
- (b) Cooling;
- (c) Humidifying;
- (d) Air-conditioning;
- (e) Heating;
- (f) Generating or converting power; or
- (g) Connections, supply or transmission lines and pipes associated with the above equipment.

(2) With respect to this Coverage Extension, "breakdown" to "covered equipment" will not be considered a Covered Cause of Loss, even if otherwise covered elsewhere in this Coverage Form.

(3) Paragraphs **B.2.d.(7)(a)** and **B.2.d.(7)(b)** do not apply to this Coverage Extension.

**r. Theft Damage to Rented Property**

(1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to the following caused by or resulting by "theft" or attempted "theft":

- (a) That part of a building you occupy, but do not own, which contains Covered Property; and
- (b) Property within such non-owned building used for maintenance or

service of such non-owned building.

(2) We will not pay under this Coverage Extension for loss or damage:

- (a) Caused by or resulting from fire or explosion; or
- (b) To glass (other than glass building blocks) or to any lettering, ornamentation or burglar alarm tape on glass.

(3) This Coverage Extension applies only if you are a tenant and you are contractually obligated to insure this exposure.

**s. Valuable Papers and Records**

(1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to "valuable papers and records", that:

- (a) You own; or
- (b) Are owned by others, but in your care, custody or control;

caused by or resulting from a Covered Cause of Loss.

(2) This Coverage Extension includes the cost to research, replace or restore the lost information on "valuable papers and records" for which duplicates do not exist.

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

- (a) We will not pay for any loss or damage to "valuable papers and records" caused by or resulting from any errors or omissions in processing or copying. But if errors or omissions in processing or copying results in fire or explosion, we will pay for the resulting loss or damage caused by that fire or explosion.
- (b) Paragraph **B.1.b.** Earth Movement;
- (c) Paragraph **B.1.c.** Governmental Action;
- (d) Paragraph **B.1.d.** Nuclear Hazard;



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- (e) Paragraph **B.1.f.** War and Military Action;
- (f) Paragraph **B.1.g.** Water;
- (g) Paragraph **B.1.h.** Neglect; and
- (h) Paragraph **B.2.g.**

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

- (4) The most we will pay under this Coverage Extension for loss of or damage to "valuable papers and records" in any one occurrence while in transit or at a premises other than the described premises is \$25,000.
- (5) The most we will pay under this Coverage Extension for loss of or damage to "valuable papers and records" in any one occurrence at each described premises is \$25,000 or the amount shown in the Declarations for Valuable Papers and Records, whichever is greater.
- (6) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

### B. EXCLUSIONS

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

#### a. Ordinance or Law

- (1) The enforcement of any ordinance or law:
  - (a) Regulating the construction, use or repair of any property; or
  - (b) Requiring the tearing down of any property, including the cost of removing its debris.
- (2) This exclusion, Ordinance or Law, applies whether the loss results from:

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

#### b. Earth Movement

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

all whether naturally occurring or due to man made or other artificial causes.

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 or volcanic action, we will pay for the loss or damage caused by that fire or volcanic action.

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

- (a) Airborne volcanic blast or airborne shock waves;

(b) Ash, dust, or particulate matter;  
or

(c) Lava flow.

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

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

**c. Governmental Action**

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and done 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 or fluctuation of power or other utility service supplied to the described premises, however caused, if the cause of the failure or fluctuation occurs away from the described premises.

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

**f. War and Military Action**

(1) War, including undeclared or civil war;

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

(3) Insurrection, rebellion, revolution, usurped power or action taken by

governmental authority in hindering or defending against any of these.

**g. Water**

(1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;

(2) Mudslide or mudflow;

(3) Water or sewage that backs up or overflows from a sewer, drain or sump; or

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

(a) Foundations, walls, floors or paved surfaces;

(b) Basements, whether paved or not; or

(c) Doors, windows or other openings;

all whether naturally occurring or due to man made or other artificial causes.

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

**h. Neglect**

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

**i. Collapse of Buildings**

Collapse of buildings meaning an abrupt falling down or caving in of a building or any part of a building with the result being that the building or part of a building cannot be occupied for its intended purpose.

(1) This exclusion does not apply to collapse of buildings if caused only by one or more of the following:

(a) A "specified cause of loss" or breakage of building glass;

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

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- (c) Weight of people or personal property;
- (d) Weight of rain that collects on a roof; or
- (e) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of construction, remodeling or renovation; or
- (f) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs after construction, remodeling, or renovation is complete and is caused in part by a cause of loss listed in Paragraphs (a) through (d) above.

In the event collapse results in a Covered Cause of Loss, we will only pay for the resulting loss or damage by that Covered Cause of Loss.

- (2) We will not pay for loss of or damage to the following types of property, if otherwise covered in this Coverage Form under Paragraphs (1)(b) through (1)(f) above, unless the loss or damage is a direct result of the collapse of a building:
  - (a) Awnings, gutters and downspouts;
  - (b) Outdoor radio or television antennas (including microwave or satellite dishes) and their lead-in wiring, masts or towers;
  - (c) Fences;
  - (d) Piers, wharves and docks;
  - (e) Beach or diving platforms or appurtenances;
  - (f) Retaining walls;
  - (g) Walks, roadway and other paved surfaces;
  - (h) Yard fixtures; or
  - (i) Outdoor swimming pools.
- (3) A building or part of a building that:
  - (a) Is in imminent danger of abruptly falling down or caving in; or
  - (b) Suffers a substantial impairment of structural integrity;

is not considered to have collapsed but is considered to be in a state of imminent collapse.

- (4) With respect to buildings in a state of imminent collapse, we will not pay for loss or damage unless the state of imminent collapse first manifests itself during the policy period and is caused only by one or more of the following which occurs during the policy period:
  - (a) A "specified cause of loss" or breakage of glass;
  - (b) Weight of people or personal property;
  - (c) Weight of rain that collects on a roof; or
  - (d) Use of defective material or methods in construction, remodeling or renovation if the state of imminent collapse occurs during the course of construction, remodeling or renovation.
- 2. We will not pay for loss or damage caused by or resulting from any of the following:
  - a. Artificially generated electrical current, including electric arcing that disturbs electrical devices, appliances or wires unless caused by a "specified cause of loss".

But if artificially generated electrical current results in fire, we will pay for the loss or damage caused by that fire.
  - b. Delay, loss of use or loss of market.
  - c. Smoke, vapor or gas from agricultural smudging or industrial operations.
  - d. (1) Wear and tear;  
(2) Rust, corrosion, fungus, decay, deterioration, wet or dry rot, mold, hidden or latent defect or any quality in property that causes it to damage or destroy itself;  
(3) Smog;  
(4) Settling, cracking, shrinking or expansion;  
(5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;

- (6)** Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision;
- (7)** The following causes of loss to personal property:
  - (a)** Dampness or dryness of atmosphere;
  - (b)** Changes in or extremes of temperature;
  - (c)** Marring or scratching;
  - (d)** Changes in flavor, color, texture or finish;
  - (e)** Evaporation or leakage; or
- (8)** Contamination by other than "pollutants".

But if an excluded cause of loss that is listed in Paragraphs **(1)** through **(8)** above results in a "specified cause of loss", building glass breakage or "breakdown" to "covered equipment" (only if otherwise a Covered Cause of Loss), we will pay for the loss or damage caused by that "specified cause of loss", building glass breakage or "breakdown" to "covered equipment" (only if otherwise a Covered Cause of Loss).

- e.** Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- f.** Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.
- g.** Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protection sys-

tems) 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 water supply if the heat is not maintained.
- h.** Dishonest or criminal acts by you, or any of your partners, "members", officers, "managers", "employees" (including leased employees), directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:
    - (1)** Acting alone or in collusion with others; or
    - (2)** Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your "employees" (including leased employees), but "theft" by "employees" (including leased employees) is not covered.

- i.** Voluntary parting with any property by you or anyone else to whom you have entrusted the property.
- j.** Rain, snow, sand, dust, ice or sleet to personal property in the open.
- k.** Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion, **k.** does not apply to damage to glass caused by chemicals applied to the glass.

- l.** Default on any credit sale, loan, or similar transaction.
- m.** 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 exclusion does not apply to "money" and "securities".

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- n. Loss of property or that part of any loss, the proof of which as to its existence or amount is dependent on:
    - (1) Any inventory computation; or
    - (2) A profit and loss computation.
  - o. The transfer of property to a person or to a place outside the described premises on the basis of unauthorized instructions.
  - p. Loss of "money" or "securities" caused by or resulting from accounting or arithmetic errors or omissions.
  - q. The cost of correcting or making good the damage to personal property attributable to such property being processed, manufactured, tested, repaired, restored, re-touched or otherwise being worked upon.
3. We will not pay for loss or damage caused by or resulting from any of the following under Paragraphs **a.** through **c.** But if an excluded cause of loss that is listed in Paragraphs **a.** and **b.** below results in a Covered Cause of Loss, we will pay for the resulting loss or damage caused by that Covered Cause of Loss.
- a. Weather conditions, but this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph **B.1.** above to produce the loss or damage.
  - b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
  - c. Faulty, inadequate or defective:
    - (1) Planning, zoning, development, surveying, siting;
    - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
    - (3) Materials used in repair, construction, renovation or remodeling; or
    - (4) Maintenance;of part or all of any property on or off the described premises.
- If an excluded cause of loss that is listed in Paragraphs (1) through (4) above results in a Covered Cause of Loss, we will pay for the resulting loss or damage caused by that Covered Cause of Loss. But we will not pay for:

- (1) Any cost of correcting or making good the fault, inadequacy or defect itself, including any cost incurred to tear down, tear out, repair or replace any part of any property to correct the fault, inadequacy or defect; or
- (2) Any resulting loss or damage by a Covered Cause of Loss to the property that has the fault, inadequacy or defect until the fault, inadequacy or defect is corrected.

#### 4. Business Income and Extra Expense Exclusions

We will not pay for:

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

#### C. LIMITS OF INSURANCE

- 1. The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations, Schedules, Coverage Forms, or endorsements.
- 2. Inflation Guard
  - a. When a percentage for Inflation Guard is shown in the Declarations, the Limit of Insurance for property to which this coverage applies will automatically increase by that annual percentage.
  - b. The amount of increase will be:
    - (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, multiplied by

- (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), multiplied by
- (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

Example:

If:

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

**3. Business Personal Property Limit – Seasonal Increase**

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

**D. DEDUCTIBLES**

- 1. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Businessowners Property Coverage Deductible shown in the Declarations. We will then pay the amount of covered loss or damage in excess of that Deductible. But we will not pay more than the applicable Limit of Insurance.
- 2. Regardless of the amount of the Businessowners Property Coverage Deductible, the most we will deduct from any loss or damage under the Building Glass Coverage Extension

in any one occurrence is the Building Glass Deductible shown in the Declarations.

- 3. The Businessowners Property Coverage Deductible does not apply to any of the following:
  - a. Fire Department Service Charge;
  - b. Business Income and Extra Expense;
  - c. Arson and Theft Reward; and
  - d. Accounts Receivable.
- 4. If more than one deductible applies to loss or damage in any one occurrence, we will apply each deductible separately. But the total of all deductible amounts applied in any one occurrence will not exceed the largest applicable deductible.

**E. PROPERTY LOSS CONDITIONS**

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

**1. Abandonment**

There can be no abandonment of any property to us.

**2. Appraisal**

If we and you disagree on the value of the property, the amount of Net Income and operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property, the amount of Net Income and operating expense or 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. This duty does not ap-

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ply to loss or damage arising from "employee dishonesty" and "forgery" or alteration.

- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
- (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.  
  
Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
- (7) For loss or damage from other than "employee dishonesty" or "forgery" or alteration 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) For loss or damage resulting from "employee dishonesty" or "forgery" or alteration, give us a detailed, sworn proof of loss within 120 days after you discover a loss or situation that

may result in loss of or damage to Covered Property.

- (9) Cooperate with us in the investigation and settlement of the claim.
- (10) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.

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

#### 4. Loss Payment – Building and Personal Property

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

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of Paragraph e. below or any applicable provision which amends or supersedes these valuation conditions.

- b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property, except as provided in the Ordinance or Law Additional Coverage.
- c. We will give notice of our intentions within 30 days after we receive the proof of loss.
- d. We will not pay you more than your financial interest in the Covered Property.

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

**(1)** At replacement cost (without deduction for depreciation), except as provided in Paragraphs **(2)** through **(18)** below.

**(a)** You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim on a replacement cost basis if you notify us of your intent to do so within 180 days after the loss or damage.

**(b)** We will not pay on a replacement cost basis for any loss or damage:

**(i)** Until the lost or damaged property is actually repaired or replaced; and

**(ii)** Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

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

**a)** If the conditions in Paragraphs **(i)** and **(ii)** above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost, as set forth under Paragraph **e.(7)** below; and

**b)** We will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement.

**(c)** We will not pay more for loss or damage on a replacement cost basis than the least of Paragraphs **(i)**, **(ii)** or **(iii)** subject to Paragraph **(d)** below:

**(i)** The Limit of Insurance applicable to the lost or damaged property;

**(ii)** The cost to replace the lost or damaged property with other property:

**a)** Of comparable material and quality; and

**b)** Used for the same purpose; or

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

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

**(d)** The cost of repair or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

**(2)** If the Declarations indicate that Actual Cash Value applies to Buildings or Business Personal Property, Paragraph **(1)** above does not apply to the property for which Actual Cash Value is indicated.

**(3)** Personal Property of others at the amount for which you are liable plus the cost of labor, materials or services furnished or arranged by you on personal property of others, not to exceed the replacement cost.

**(4)** The following property at actual cash value:

**(a)** Used or second-hand merchandise held in storage or for sale;

**(b)** Household furnishings; and

**(c)** Personal effects.

**(5)** "Fine Arts" as follows:

**(a)** If there is a schedule of "fine arts" on file which includes a description and value of the lost or damaged item, we will pay the value as stated in the schedule for that



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item if there is a total loss to that item. If there is a partial loss to an item, we will pay the cost of reasonably restoring or repairing that item.

- (b)** For "fine arts" without a schedule on file as described in Paragraph **(a)** above, the value of "fine arts" will be the least of the following amounts:

  - (i)** Market value of the lost or damaged item at the time and place of loss;
  - (ii)** The cost of reasonably restoring the lost or damaged item; or
  - (iii)** The cost of replacing that lost or damaged item with property substantially the same.
- (6)** Glass at the cost of replacement with safety glazing material if required by law.
- (7)** Tenants' Improvements and Betterments at:

  - (a)** Replacement cost if you make repairs promptly.
  - (b)** A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:

    - (i)** Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
    - (ii)** Divide the amount determined in Paragraph **(i)** above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.
- (c)** Nothing, if others pay for repairs or replacement.
- (8)** "Valuable Papers and Records" at the cost of restoration or replacement. To the extent that the contents of the "valuable papers and records" are not restored or replaced, the "valuable papers and records" will be valued at the cost of replacement with blank material of substantially identical type.
- (9)** "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.
- (10)** Property in transit (other than "stock" you have sold) at the amount of invoice, including your prepaid or advanced freight charges and other charges which may have accrued or become legally due from you since the shipment. If you have no invoice, actual cash value will apply.
- (11)** "Money" at its face value.
- (12)** "Securities" at their value at the close of business on the day the loss is discovered.
- (13)** Accounts Receivable as follows:

  - (a)** If you cannot accurately establish the amount of Accounts Receivable outstanding as of the time of loss, we will:

    - (i)** Determine the total of the average monthly amounts of Accounts Receivable for the 12 months immediately preceding the month in which the loss occurs; and
    - (ii)** Adjust that total for any normal fluctuations in the amount for Accounts Receivable for the month in which the loss occurred or for any demonstrated variance from the average for that month.
  - (b)** If you can accurately establish the amount of Accounts Receivable outstanding, that amount will be used in the determination of loss.
  - (c)** The following will be deducted from the total amount of Accounts Receivable, however that amount is established:

    - (i)** The amount of the accounts for which there was no loss;

- (ii) The amount of the accounts that you are able to re-establish or collect;
  - (iii) An amount to allow for probable bad debts that you are normally unable to collect; and
  - (iv) All unearned interest and service charges.
- (14)** "Electronic Data Processing Equipment" at replacement cost as of the time and place of loss, without deduction for physical deterioration, depreciation, obsolescence or depletion. However, in the event replacement of "Electronic Data Processing Equipment" with identical property is impossible, the replacement cost will be the cost of items that are similar to the damaged or destroyed equipment and intended to perform the same function, but which may include technological advances.
- "Electronic Data Processing Equipment" that is obsolete or no longer used by you will be valued at actual cash value.
- (15)** "Electronic Data Processing Data and Media" for which duplicates do not exist will be valued as follows:
- (a) The cost of blank media; and
  - (b) Your cost to research, replace or restore the lost electronic data on lost, damaged or destroyed "Electronic Data Processing Data and Media" but only if the lost electronic data is actually replaced or restored.
- (16)** Duplicate "Electronic Data Processing Data and Media" at the cost of:
- (a) Blank media; and
  - (b) Labor to copy the electronic data, but only if the electronic data is actually copied.
- (17)** The value of United States Government Internal Revenue taxes and custom duties and refundable state and local taxes paid or fully determined on the following property held for sale will not be considered in determining the value of Covered Property:
- (a) Distilled spirits;
  - (b) Wines;
  - (c) Rectified products; or
  - (d) Beer.
- (18)** Lottery tickets at their initial cost to you except for winning tickets at their redeemed value.
- f. Our payment for loss of or damage to personal property of others will only be for the account of the owners of the property. We may adjust losses with the owners of lost or damaged property, if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
  - g. We have the right but not the duty to defend you against suits arising from claims of owners of property. We will do so at our expense.
  - h. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss provided you have complied with all of the terms of this policy; and
    - (1) We have reached agreement with you on the amount of loss; or
    - (2) An appraisal award has been made.
  - i. At our option, we may make a partial payment toward any claim, subject to the policy provisions and our normal adjustment process. To be considered for partial claim payment, you must submit a partial sworn proof of loss with supporting documentation. Any applicable policy deductibles must be satisfied before any partial payments are made.
- 5. Loss Payment – Business Income and Extra Expense**
- a. The amount of Business Income loss will be determined based on:
    - (1) The Net Income of the business before the direct physical loss or damage occurred;
    - (2) The likely Net Income of the business if no physical loss or damage occurred, but not including any likely increase in Net Income attributable to

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- an increase in the volume of business as a result of favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
- (3)** The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
  - (4)** Other relevant sources of information, including:
    - (a)** Your financial records and accounting procedures;
    - (b)** Bills, invoices and other vouchers; and
    - (c)** Deeds, liens or contracts.
- b.** The amount of Extra Expense will be determined based on:
- (1)** All reasonable and necessary expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
    - (a)** The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
    - (b)** Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
  - (2)** All reasonable and necessary expenses that reduce the Business Income loss that otherwise would have been incurred.
- c.** We will reduce the amount of your:
- (1)** Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including "stock") at the described premises or elsewhere; or
  - (2)** Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.
- d.** If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.
  - e.** We will pay for covered loss or damage within 30 days after we receive your sworn proof of loss provided you have complied with all of the terms of this policy; and
    - (1)** We have reached agreement with you on the amount of loss; or
    - (2)** An appraisal award has been made.
- 6. Recovered Property**
- If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, you may retain the property. But then you must return to us the amount we paid to you for the property. We will pay the recovery expenses and the expenses to repair the recovered property, subject to the applicable Limit of Insurance.
- 7. Noncumulative Limit**
- No Limit of Insurance cumulates from policy period to policy period.
- F. COMMERCIAL PROPERTY CONDITIONS**
- 1. Concealment, Misrepresentation or Fraud**
- This Coverage Form is void in any case of fraud by you. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:
- a.** This Coverage Form;
  - b.** The Covered Property;
  - c.** Your interest in the Covered Property; or
  - d.** A claim under this Coverage Form.
- 2. 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 premises will not affect coverage at any premises where, at the time of loss or damage, the breach of condition does not exist.

**3. Insurance Under Two or More Coverages**

If two or more coverages under this Coverage Form apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

**4. Legal Action Against Us**

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

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

**5. Liberalization**

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

**6. No Benefit to Bailee**

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

**7. Other Insurance**

- a. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Form. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Form bears to the Limits of Insurance of all insurance covering on the same basis.
- b. If there is other insurance covering the same loss or damage, other than that described in Paragraph a. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

**8. Policy Period, Coverage Territory**

Under this Coverage Form:

- a. We cover loss or damage you sustain through acts committed or events occurring:
  - (1) During the policy period shown in the Declarations; and

- (2) Within the coverage territory; and
- b. The coverage territory is:
  - (1) The United States of America (including its territories and possessions);
  - (2) Puerto Rico; and
  - (3) Canada.

**9. Transfer of Rights of Recovery Against Others to Us.**

If any person or organization to or for whom we make payment under this Coverage Form 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 or Covered Income; or
- b. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
  - (1) Someone insured by this insurance;
  - (2) A business firm:
    - (a) Owned or controlled by you; or
    - (b) That owns or controls you; or
  - (3) Your tenant.

This will not restrict your insurance.

**10. Coinsurance**

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

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

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

- (1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
- (2) Divide the Limit of Insurance of the property by the figure determined in step (1);
- (3) Multiply the total amount of the covered loss, before the application of

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any deductible, by the figure determined in step (2); and

- (4) Subtract the deductible from the figure determined in step (3).

We will pay the amount determined in step (4) or the limit of insurance, whichever is less.

For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

Example No. 1 (Under insurance):

When:

The value of the property is	\$250,000
The Coinsurance percent for it is	90%
The Limit of Insurance for it is	\$112,500
The Deductible is	\$250
The amount of loss is	\$40,000

Step (1): \$250,000 x 90% = \$225,000 (the minimum amount of insurance to meet your Coinsurance requirements)

Step (2): \$112,500/\$225,000 = .50

Step (3): \$40,000 x .50 = \$20,000

Step (4): \$20,000 - \$250 = \$19,750

We will pay no more than \$19,750. The remaining \$20,250 is not covered.

Example No. 2 (Adequate Insurance):

When:

The value of the property is	\$250,000
The Coinsurance percentage for it is	90%
The Limit of Insurance for it is	\$225,000
The Deductible is	\$250
The amount of loss is	\$40,000

The minimum amount of insurance to meet your Coinsurance requirement is \$225,000 (\$250,000 x 90%).

Therefore, the Limit of Insurance in this Example is adequate and no penalty applies. We will pay no more than \$39,750 (\$40,000 amount of loss minus the deductible of \$250).

- b. Coinsurance does not apply to:
  - (1) "Money" and "securities";

- (2) Additional Coverages;
- (3) Coverage Extensions; or
- (4) Loss or damage in any one occurrence totaling less than \$2,500.

11. Mortgageholders

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

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

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

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued in-

terest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

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

**G. PROPERTY DEFINITIONS**

- 1. **"Banking Premises"** means the interior of that portion of any building which is occupied by a banking institution or similar safe depository.
- 2. **"Breakdown"**
  - a. Means:
    - (1) Failure of pressure or vacuum equipment;
    - (2) Mechanical failure, including rupture or bursting caused by centrifugal force; or
    - (3) Electrical failure including arcing; that causes physical damage to "covered equipment" and necessitates its repair or replacement; and
  - b. Does not mean:
    - (1) Malfunction, including but not limited to adjustment, alignment, calibration, cleaning or modification;
    - (2) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
    - (3) Damage to any vacuum tube, gas tube, or brush;
    - (4) Damage to any structure or foundation supporting the "covered equipment" or any of its parts;
    - (5) The functioning of any safety or protective device; or

- (6) The cracking of any part on any internal combustion gas turbine exposed to the products of combustion.

**3. "Communication Supply Services"**

- a. Means property supplying communication services, including telephone, radio, microwave or television services, to the described premises, such as:
  - (1) Communication transmission lines, including fiber optic transmission lines;
  - (2) Coaxial cables; and
  - (3) Microwave radio relays, except satellites; and
- b. Does not mean overhead transmission lines.

**4. "Covered Equipment"**

- a. Means the following types of equipment:
  - (1) Equipment designed and built to operate under internal pressure or vacuum other than weight of contents;
  - (2) Electrical or mechanical equipment that is used in the generation, transmission or utilization of energy;
  - (3) Fiber optic cable; and
  - (4) Hoists and cranes;
- b. Does not mean any:
  - (1) "Electronic Data Processing Equipment";
  - (2) "Electronic Data Processing Data and Media";
  - (3) Part of pressure or vacuum equipment that is not under internal pressure of its contents or internal vacuum;
  - (4) Insulating or refractory material;
  - (5) Pressure vessels and piping that are buried below ground and require the excavation of materials to inspect, remove, repair or replace;
  - (6) Structure, foundation, cabinet or compartment supporting or containing the "covered equipment" or part of the "covered equipment" including penstock, draft tube or well casing;
  - (7) Vehicle, aircraft, self-propelled equipment or floating vessel, including any

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equipment mounted on or used solely with any vehicle, aircraft, self-propelled equipment or floating vessel;

- (8) Elevator or escalator, but not excluding any electrical machine or apparatus mounted on or used with this equipment; or
  - (9) Equipment or any part of such equipment manufactured by you for sale.
5. **"Diagnostic Equipment"** means any:
- a. Equipment; or
  - b. Apparatus;
- used solely for research, diagnostic, medical, surgical, therapeutic, dental or pathological purposes.
6. **"Electronic Data Processing Data and Media"**
- a. Means any of the following used in your computer operations:
    - (1) Data stored as or on, created or used on, or transmitted to or from computer software (including systems and applications) on electronic data processing, recording or storage media such as 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;
    - (2) The electronic media on which the data is stored; and
    - (3) Programming records and instructions used for "Electronic Data Processing Equipment"; and
  - b. Does not mean "Valuable Papers and Records".
7. **"Electronic Data Processing Equipment"**
- a. Means any of the following equipment used in your operations:
    - (1) Electronic data processing equipment, facsimile machines, word processors, multi-functional telephone equipment and laptop and portable computers; and
    - (2) Any component parts and peripherals of such equipment, including related surge protection devices; and

b. Does not mean equipment used to operate production type of:

- (1) Machinery; or
  - (2) Equipment.
8. **"Electronic Vandalism"** means any acts by persons, other than "employees", involving any of the following:
- a. Willful or malicious destruction of computer programs, content, instructions or other electronic or digital data stored within computer systems; or
  - b. Unauthorized computer code or programming that:
    - (1) Deletes, distorts, corrupts or manipulates computer programs, contents, instructions or other electronic or digital data, or otherwise results in damage to computers or computer systems or networks to which is introduced;
    - (2) Replicates itself, impairing the performance of computers or computer systems or networks; or
    - (3) Gains remote control access to data and programming within computers or computers systems or networks to which it is introduced, for uses other than those intended for authorized users of the computers or computer systems or networks.
9. **"Employee(s)"**
- a. Means:
    - (1) Any natural person:
      - (a) While in your service (and for 30 days after termination of service);
      - (b) Whom you compensate directly by salary, wages or commissions; and
      - (c) Whom you have the right to direct and control while performing services for you;
    - (2) Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you excluding, however, any such person while having care and custody of property outside the premises; or

- (3) Your directors or trustees while acting as a member of any of your elected or appointed committees to perform on your behalf specific, as distinguished from general, directorial acts; and
  - b. Does not mean any agent, broker, person leased to you by a labor leasing firm, factor, commission merchant, consignee, independent contractor or representative of the same general character.
- 10. "Employee Dishonesty"** means only dishonest acts, committed by an "employee", whether identified or not, acting alone or in collusion with other persons, except you, a partner, a "member", or a "manager" with the manifest intent to:
- a. Cause you to sustain loss; and also
  - b. 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:
    - (1) The "employee"; or
    - (2) Any person or organization intended by the "employee" to receive that benefit.
- 11. "Fine Arts"**
- a. Means paintings, etchings, pictures, tapestries, art glass windows, valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, porcelains, rare glass, bric-a-brac, and similar property with historical value, or artistic merit; and
  - b. Does not mean any glass that is part of a building or structure.
- 12. "Forgery"** means the signing of the name of another person or organization with intent to deceive. "Forgery" does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity for any purpose.
- 13. "Interior of any building or structure"** means all portions of the building or structure that are within the exterior facing surface material of the building or structure.
- 14. "Maintenance Fees"** means the regular payment made to you by unit-owners and used to service the common property.
- 15. "Manager"** means a person serving in a directorial capacity for a limited liability company.
- 16. "Member"** means an owner of a limited liability company represented by its membership interest, who also may service as a "manager".
- 17. "Money"** means currency and coins in current use, bank notes, travelers checks, register checks and money orders held for sale to the public.
- 18. "Operations"** means your business activities occurring at the described premises and the tenantability of the described premises.
- 19. "Period of Restoration"**
- a. Means the period of time that:
    - (1) Begins:
      - (i) For Business Income coverage:
        - a) With the date of direct physical loss or damage, if the Declarations show Immediately for Period of Restoration – Time Period; or
        - b) 72 hours after the time of direct physical loss or damage, if the Declarations show 72 hours for Period of Restoration – Time Period; or
      - (ii) For Extra Expense coverage with the date of direct physical loss or damage;
 

caused by or resulting from any Covered Cause of Loss at the described premises; and
    - (2) Ends on the earlier of:
      - (i) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
      - (ii) The date when business is resumed at a new permanent location; and
  - b. Does not mean any increased period required due to the enforcement of any law that:
    - (1) Regulates the construction, use or repair, or requires the tearing down of any property; or



## BUSINESSOWNERS

- (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".

**20. "Pollutants"** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, waste, and any unhealthful or hazardous building materials (including but not limited to asbestos and lead products or materials containing lead). Waste includes materials to be recycled, reconditioned or reclaimed.

**21. "Power Generating Equipment"**

- a. Means the following types of equipment or apparatus:
  - (1) Pressure;
  - (2) Mechanical; or
  - (3) Electrical;used in or associated with the generation of electric power; and
- b. Does not mean such equipment that is used solely to generate emergency power that is less than or equal to 1000KW.

**22. "Power Supply Services"**

- a. Means the following types of property supplying electricity, steam or gas to the described premises:
  - (1) Utility generating plants;
  - (2) Switching stations;
  - (3) Substations;
  - (4) Transformers; and
  - (5) Transmission lines; and
- b. Does not mean overhead transmission lines.

**23. "Production Equipment"**

- a. Means any:
  - (1) Production machinery; or
  - (2) Process machinery;that processes, shapes, forms or grinds:
  - (1) Raw materials;
  - (2) Materials in process; or
  - (3) Finished products; and

- b. Includes "covered equipment" that is used solely with or forms an integral part of the:

- (1) Production;
- (2) Process; or
- (3) Apparatus.

**24. "Rental Value"** means Business Income that consists of:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including the fair rental value of any portion of the described premises which is occupied by you; and
- b. Continuing normal operating expenses incurred in connection with that premises, including:
  - (1) Payroll; and
  - (2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.

**25. "Securities"** means all negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes revenue or other stamps in current use, tokens, tickets and credit card slips for sales made by you and held by you for reimbursement from companies issuing credit cards, but does not include "money". Lottery tickets held for sale are not securities.

**26. "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 underground man-made cavities.

- b. Falling objects does not include loss of or damage to:
    - (1) Personal Property in the open; or
    - (2) The "interior of a building or structure", or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
  - c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) that is located on the described premises and contains water or steam.
27. **"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.
28. **"Suspension"** means:
- a. The partial or complete cessation of your business activities; or
  - b. That a part or all of the described premises is rendered untenable.
29. **"Theft"** means any act of stealing.
30. **"Vacant"** means the following:
- (1) 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.
  - (2) 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:
    - (a) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; or
    - (b) Used by the building owner to conduct customary operations.
31. **"Valuable Papers and Records"**
- a. Means inscribed, printed or written:
    - (1) Documents;
    - (2) Manuscripts; or
    - (3) Records; including abstracts, books, deeds, drawings, films, maps or mortgages; and
  - b. Does not mean "money" or "securities" or "Electronic Data Processing Data and Media".
32. **"Water Supply Services"** means the following types of property supplying water to the described premises:
- a. Pumping stations; and
  - b. Water mains.

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

## **AMENDATORY PROVISIONS CONDOMINIUM ASSOCIATION COVERAGE**

This endorsement modifies insurance provided under the following:

### BUSINESSOWNERS COVERAGE PART

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

**1.** Paragraph **A.1.a.** is replaced by the following:

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

- (1)** Completed additions;
- (2)** Fences;
- (3)** Fixtures, outside of individual units, including outdoor fixtures;
- (4)** Retaining walls, whether or not attached;
- (5)** Permanently attached:
  - (a)** Machinery; and
  - (b)** Equipment;
- (6)** Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
  - (a)** Fire extinguishing equipment;
  - (b)** Outdoor furniture;
  - (c)** Lobby and hallway furnishings;
  - (d)** Floor, wall and ceiling coverings;
  - (e)** Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering, that are not contained within individual units;
  - (f)** Lawn maintenance or snow removal equipment;
  - (g)** Personal property used for maintaining and servicing of pools and other recreational facilities on the premises; and
  - (h)** Alarm systems;
- (7)** Outdoor swimming pools, associated structures and appurtenant structures and equipment, including pumps;

**(8)** If not covered by other insurance:

- (a)** Additions under construction, alterations and repairs to the building or structure; and
- (b)** Materials, equipment, supplies and temporary structures, on or within 1,000 feet of the described premises, used for making additions, alterations or repairs to the building or structure; and

**(9)** Any of the following types of property contained within a unit, regardless of ownership, if your Condominium Association Agreement requires you to insure it:

- (a)** Fixtures, improvements and alterations that are part of the building or structure; and
- (b)** Appliances, such as those used for refrigerating, ventilating, cooking, dishwashing, laundering, security or housekeeping.

But Building 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 **(9)** above.

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

**b. Business Personal Property** located in or on the buildings described in the Declarations or in the open (or in a vehicle) within 1,000 feet of the described premises, including:

- (1)** Property owned by you or owned indivisibly by all unit-owners;
- (2)** Your interest in the labor, materials or services furnished or arranged by you on personal property of others;
- (3)** Property of others that is in your care, custody or control; and
- (4)** "Money" and "securities".

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

3. The following is added to Paragraph E.:

**a. 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.

**b. Insurance Trustee**

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

4. The following is added to Paragraph F.9.:

**a. 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, except for losses that are payable under the Employee Dishonesty or Forgery or Alteration Additional Coverages.

**B. The COMMERCIAL GENERAL LIABILITY COVERAGE FORM is changed as follows:**

1. The following is added to **SECTION II – WHO IS AN INSURED:**

**a.** 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.

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

## **FUNGUS, ROT, BACTERIA AND OTHER CAUSES OF LOSS CHANGES – CALIFORNIA**

This endorsement modifies insurance provided under the following:

### BUSINESSOWNERS PROPERTY COVERAGE PART

- A.** The EXCLUSIONS contained in Section **B.** of the BUSINESSOWNERS PROPERTY COVERAGE FORM are amended as follows:
1. The following exclusion is added to **B.1.:**  
**"Fungus", Wet Rot, Dry Rot and Bacteria**
    - a. We will not pay for loss or damage, or any increase in the amount of loss or damage, caused directly or indirectly by or resulting from the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria.  
  
 But if "fungus", wet or dry rot or bacteria results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".  
  
 This exclusion does not apply:
      - (1) When "fungus", wet or dry rot or bacteria results from fire or lightning; or
      - (2) To the extent that coverage is provided in the Additional Coverage – Limited "Fungus", Wet Rot, Dry Rot and Bacteria in Section **B.1.** below of this endorsement with respect to loss or damage by a cause of loss other than fire or lightning.
  2. The exclusions contained in **B.2.** are amended as follows:
    - a. Under exclusion **B.2.d.(2)**, reference to fungus, wet or dry rot, mold is deleted.
    - b. Exclusion **B.2.f.** is deleted and replaced by the following:  
  
 We will not pay for loss or damage caused by or resulting from 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.
- B.** The Additional Coverages contained in Section **A.6.** of the BUSINESSOWNERS PROPERTY COVERAGE FORM are amended as follows:
1. The following Additional Coverage is added:  
**Additional Coverage – Limited "Fungus", Wet Rot, Dry Rot and Bacteria**
    - a. The coverage described in **b.** and **c.** below only applies when the "fungus", wet or dry rot or bacteria 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 have been used to save and preserve the property from further damage at the time of and after that occurrence.
    - b. Limited "Fungus", Wet Rot, Dry Rot and Bacteria Coverage – Direct Damage
      - (1) We will pay for direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including:
        - (a) The cost of removal of the "fungus", wet or dry rot or bacteria;
        - (b) The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and
        - (c) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.
      - (2) The coverage described in **b.(1)** above 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 under this coverage 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 pol-

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icy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the "fungus", wet or dry rot or bacteria continues to be present or active, or recurs, in a later policy period.

(3) The coverage provided under this Limited "Fungus", Wet Rot, Dry Rot and Bacteria Coverage – Direct Damage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet or dry rot or bacteria, and other loss or damage, we will not pay more for the total of all loss or damage than the applicable Limit of Insurance on the Covered Property.

(4) If there is covered loss or damage to Covered Property that is not caused by "fungus", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited "Fungus", Wet Rot, Dry Rot and Bacteria Coverage – Direct Damage, except to the extent that "fungus", wet or dry rot or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited "Fungus", Wet Rot, Dry Rot and Bacteria Coverage – Direct Damage.

c. Limited "Fungus", Wet Rot, Dry Rot and Bacteria Coverage – Business Income and Extra Expense

The following Limited "Fungus", Wet Rot, Dry Rot and Bacteria Coverage provisions for Business Income and Extra Expense apply only if Business Income and/or Extra Expense coverage applies to the described premises and only if the suspension of "operations" satisfies all of the terms of the applicable Business Income and/or Extra Expense coverage:

(1) If the loss which results in the "fungus", wet or dry rot or bacteria does not in itself necessitate a suspension of "operations", but such suspension of "operations" is necessary due to loss or damage to property at the described premises caused by "fungus", wet or dry rot or bacteria, then our

payment for Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.

(2) If a covered suspension of "operations" is caused by loss or damage at the described premises by other than "fungus", wet or dry rot or bacteria, but remediation of "fungus", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay, regardless of when such a delay occurs during the "period of restoration", but such coverage is limited to 30 days. The days need not be consecutive.

The coverage provided under this Limited "Fungus", Wet Rot, Dry Rot and Bacteria Coverage – Business Income and Extra Expense is included in, and not in addition to any limit or description of coverage for Business Income shown on the Businessowners Coverage Part Declarations or under the Extra Expense Additional Coverage.

d. The terms of this Limited Coverage do not increase or reduce the coverage under the Water Damage, Other Liquids, Powder or Molten Damage Additional Coverage Extension or the coverage provided for collapse of buildings or structures under the Collapse of Buildings exclusion.

C. The DEFINITIONS contained in Section G. are amended as follows:

1. The definition of "Specified Causes of Loss" is deleted and replaced by the following:

"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 as defined below; volcanic action; falling objects as limited below; weight of snow, ice or sleet; and water damage as defined below; all only as otherwise insured against in this Coverage Form.

a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the ac-

tion of water on limestone or dolomite. This cause of loss does not include:

- (1) The cost of filling sinkholes; or
  - (2) Sinking or collapse of land into man-made underground cavities.
- b. Falling objects does not include loss or damage to:
- (1) Personal property in the open; or
  - (2) The "interior of a building or structure", or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
- c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam.

When the Causes of Loss – Earthquake endorsement, Causes of Loss – Earthquake Sprinkler Leakage endorsement or Causes of Loss – Broad Form Flood endorsement is included in this policy, "specified causes of loss" also includes such cause of loss, but only to the extent such cause of loss is insured against under this Coverage Form.

2. The following definition is added:

**"Fungus"** means any type or form of fungus, including but not limited to mold or mildew,

and any mycotoxins, spores, scents or by-products produced or released by fungi.

**D. Ordinance or Law Coverage Change**

Under:

- 1. The ordinance or law coverage in Section A.6.i. Increased Cost of Construction of the Businessowners Property Coverage Form;
- 2. Ordinance or Law Coverage endorsement MP T3 15; and
- 3. Any other Ordinance or Law coverage or Ordinance or Law – Increased "Period of Restoration" coverage provided under this Coverage Part;

the following exclusion is added:

This coverage does not apply to:

- a. Loss caused by or resulting from the enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
- b. Costs associated with the enforcement of 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 "fungus", wet or dry rot or bacteria.

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

## **TERRORISM RISK INSURANCE ACT OF 2002 DISCLOSURE**

This endorsement modifies insurance provided under the following:

### **BUSINESSOWNERS COVERAGE PART**

On November 26, 2002, the President of the United States signed into law the Terrorism Risk Insurance Act of 2002 (the "Act"). The Act establishes a program under which the Federal Government will partially reimburse "*Insured Losses*" caused by certain "*Acts of Terrorism*" (each as defined in the Act).

The Federal Government's share of compensation for *Insured Losses* in each year up to and including calendar year 2006 is 90% of the amount of *Insured Losses* in excess of each *Insurer's* statutorily established deductible for that year, subject to the "*Program Trigger*" (as defined in the Act). For calendar year 2007 the Federal Government's share is 85% of the amount of *Insured Losses* in excess of each *Insurer's* deductible, subject to the *Program Trigger*. In no event, however, will the Federal Government or any *Insurer* be required to pay any portion of the

amount of aggregate *Insured Losses* occurring in any one year that exceeds \$100,000,000,000, provided that such *Insurer* has met its deductible.

The charge for *Insured Losses* under this Coverage Part is included in the Coverage Part premium. The charge that has been included for this Coverage Part is indicated below, and does not include any charge for the portion of losses covered by the federal government under the Act:

- 4% of your total Businessowners Coverage Part premium if your primary location is in a Designated City (as listed below).
- 2% of your total Businessowners Coverage Part premium if your primary location is not in a Designated City (as listed below).

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



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

## **POWER PAC ENDORSEMENT**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM

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

1. With respect to Business Income and Extra Expense, the time frame referenced in Paragraph **A.3.c.(2)(b)** is increased from sixty consecutive days to ninety consecutive days.
2. The limit applicable to the **Additional Coverage – Claim Data Expense** is increased from \$5,000 to \$10,000.
3. The limit applicable to the **Additional Coverage – Newly Acquired or Constructed Property** for Business Personal Property is increased from \$250,000 to \$500,000.
4. The limit applicable to the **Additional Coverage – Outdoor Trees, Shrubs, Plants and Lawns** is increased from \$3,000 to \$5,000.
5. With respect to the **Additional Coverage – Ordinance or Law**, coverage is extended to include tenant's improvements and betterments as described in Paragraph **A.1.b.(3)** if:
  - a. You are a tenant; and
  - b. A Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises.
6. The following **Additional Coverages** are added:

**a. Brands or Labels**

If branded or labeled merchandise that is Covered Property is damaged by a Covered Cause of Loss, we may take all or part of the property at an agreed or appraised value. If so, you may:

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

We will pay reasonable costs you incur to perform the activity described in Paragraphs **(1)** and **(2)** above. The most we will pay for these costs and the value of the damaged property under this Additional Coverage is \$25,000.

Payments under this Additional Coverage are subject to and not in addition to the Limits of Insurance.

**b. Lost Key Consequential Loss**

(1) We will pay for consequential loss to keys and locks if a master or grand master key is lost or damaged from a Covered Cause of Loss. We will pay for:

- (a) The actual cost of keys, and
- (b) Adjustment of locks to accept new keys, or
- (c) If required, new locks including cost of their installation.

(2) Loss or damage must be caused by or result from a Covered Cause of Loss including mysterious disappearance.

(3) The most we will pay for loss or damage under this Additional Coverage is \$500 at each described premises.

**c. Unauthorized Business Card Use**

We will pay for your loss of "money" or charges and costs you incur that result directly from the unauthorized use of credit, debit or charge cards issued in your business name, including:

- (1) Fund transfer cards;
- (2) Charge plates; or
- (3) Telephone cards.

The most we will pay under this Additional Coverage in any one occurrence is \$5,000.

**d. Utility Services – Direct Damage**

(1) We will pay for loss of or damage to Covered Property caused by the interruption of services to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following property not on the described premises:

- (a) "Water Supply Services";
- (b) "Communication Supply Services"; or
- (c) "Power Supply Services".

(2) The most we will pay for loss or damage under this Additional Coverage in any one occurrence is \$2,500 at each described premises.

(3) Payments under this Additional Coverage are subject to and not in addition to the applicable Limit of Insurance.

7. The following **Coverage Extensions** are changed as follows:

a. The limits applicable to the **Coverage Extension – Accounts Receivable** are changed as follows:

(1) The limit applicable to records of accounts receivable while in transit or at a premises other than the described premises is increased by \$100,000.

(2) The limit applicable to records of accounts receivable at each described premises is increased by \$100,000.

b. The limit applicable to the **Coverage Extension – Business Income and Extra Expense From Dependent Property** is increased from \$10,000 to \$25,000.

c. The limit applicable to the **Coverage Extension – Business Income and Extra Expense – Newly Acquired Premises** is increased from \$250,000 to \$500,000.

d. Two of the limits applicable to the **Coverage Extension – Electronic Data Processing** are changed as follows:

(1) The limit applicable to "Electronic Data Processing Equipment" and to "Electronic Data Processing Data and Media" while in transit or at a premises other than the described prem-

ises is increased from \$25,000 to \$50,000.

(2) The limit applicable to loss or damage to "Electronic Data Processing Data and Media" caused by or resulting from "electronic vandalism" is increased from \$25,000 to \$50,000.

e. The limit applicable to the **Coverage Extension – Ordinance or Law – Increased "Period of Restoration"** is increased from \$25,000 to \$50,000.

8. The following **Coverage Extensions** are added:

**a. Computer Fraud**

(1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to loss of or damage to Business Personal Property resulting directly from the use of any computer to fraudulently cause a transfer of that property from inside the building at the described premises or "banking premises":

- (a) To a person outside those premises; or
- (b) To a place outside those premises.

(2) Paragraph **B.2.o.** does not apply to this Coverage Extension.

(3) The most we will pay under this Coverage Extension in any one occurrence is \$5,000, regardless of the number of premises involved.

**b. Limited Building Coverage – Tenant Obligation**

(1) If:

- (a) You are a tenant;
- (b) A Limit of Insurance is shown in the Declarations for Business Personal Property; and
- (c) You are contractually obligated to repair or replace that part of a building you occupy as a tenant;

at the described premises, you may extend that insurance to apply to direct physical loss of or damage to that part of a building you occupy as

- a tenant caused by or resulting from a Covered Cause of Loss other than "theft" or attempted "theft".
- (2) This Coverage Extension does not apply to any otherwise covered:
    - (a) Building glass; or
    - (b) Tenants improvements and betterments as described in Paragraph A.1.b.(3).
  - (3) The most we will pay under this Coverage Extension in any one occurrence is \$5,000 at each described premises.
- c. Utility Services – Time Element**
- (1) When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the loss of Business Income or Extra Expense caused by the interruption of service to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following property not on the described premises:
    - (a) "Water Supply Services";
    - (b) "Communication Supply Services"; or
    - (c) "Power Supply Services".
  - (2) We will pay the actual loss sustained from the initial time of service(s) failure at the described premises but only when the service interruption at the described premises exceeds 24 hours immediately following the direct physical loss or damage. Coverage does not apply to any reduction of income after service has been restored to your premises.
  - (3) The most we will pay for loss under this Coverage Extension in any one occurrence is \$2,500 at each described premises.

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

## **EQUIPMENT BREAKDOWN EXCLUSION**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM

**A. SCHEDULE**

Premises Location No.	Building No.
01	01
01	02
01	03

**B.** The BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM is changed as follows:

1. Paragraph **A.7.i.** is deleted for each of the described premises shown in the schedule above.

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

## **NON-CUMULATION OF LIMITS – CALIFORNIA**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM

- A.** With respect to the **Additional Coverage - Employee Dishonesty**, Paragraph **A.6.d.** in the BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM is changed as follows:
1. Paragraph **(1)** is deleted and replaced by the following:
    - (1)** We will pay for loss of or damage to Covered Property resulting directly from "employee dishonesty".

We will pay for loss or damage you sustain through acts committed or events occurring and whether or not sustained only during the period of this policy. Regardless of the number of years this insurance remains in force or the number of premiums paid, no Limit of Insurance cumulates year to year or period to period.
  2. The following provision is added:
    - (10)** If a loss is sustained partly within the period of this Policy, any amount recoverable on account of such loss under this Policy shall be reduced by any amount recoverable by you, or any affiliate of yours, with respect to such loss under any other Policy issued by us, or any affiliate of ours. The most we will pay is the amount recoverable under this Policy or the amount recoverable under such other Policy, whichever is larger.
- B.** With respect to the **Additional Coverage – Forgery or Alteration**, Paragraph **A.6.i.** in the BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM is changed as follows:
1. Paragraph **(1)** is deleted and replaced by the following:
    - (1)** We will pay for loss resulting directly from "forgery" or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in money that are made or drawn by or drawn upon you, or made or drawn by one acting as an agent or purported to have been so made or drawn.

We will consider signatures that are produced or reproduced electronically, mechanically or by facsimile the same as handwritten signatures.

We will pay for loss or damage you sustain through acts committed or events occurring and whether or not sustained only during the period of this policy. Regardless of the number of years this insurance remains in force or the number of premiums paid, no Limit of Insurance cumulates year to year or period to period.
  2. The following provision is added:
    - (9)** If a loss is sustained partly within the period of this Policy, any amount recoverable on account of such loss under this Policy shall be reduced by any amount recoverable by you, or any affiliate of yours, with respect to such loss under any other Policy issued by us, or any affiliate of ours. The most we will pay is the amount recoverable under this Policy or the amount recoverable under such other Policy, whichever is larger.

## **GENERAL LIABILITY**



**GENERAL LIABILITY**

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

# DIRECTORS AND OFFICERS LIABILITY OWNERS ASSOCIATION CLAIMS MADE FORM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

## SCHEDULE

**ENDORSEMENT PERIOD** – The endorsement period is the same as the policy period of the General Liability coverage afforded by this policy. If this Directors and Officers Liability coverage has been added during the policy period, the effective date of coverage is as stated in the policy change endorsement accompanying this endorsement.

### LIMITS OF INSURANCE

Aggregate \$ 1,000,000  
Each Wrongful Act \$ 1,000,000  
Retained Limit \$ N/A

None of the terms of the Coverage Part to which this endorsement is attached apply to the insurance provided by this endorsement, except for the **COMMON POLICY CONDITIONS**.

#### A. INSURING AGREEMENT

1. We will reimburse you for "loss," in excess of the Retained Limit shown in the Schedule above, which you become legally obligated to pay due to any civil claim(s):
  - a. made against your "Directors" or "Officers"; and
  - b. caused by a "wrongful act."
2. We will pay, in excess of the Retained Limit shown in the Schedule above, for "loss" which an "insured" becomes legally obligated to pay due to any civil claim(s):
  - a. made against the "insured"; and
  - b. caused by a "wrongful act."
3. This insurance applies only if a claim for "loss" is first made against any "insured" during the endorsement period.
  - a. A claim for "loss" by a person or organization will be deemed to have been made when notice of such claim is received and recorded by any "insured" or by us, whichever comes first.
  - b. All claims for "loss" due to the same "wrongful act" or interrelated acts will be deemed to have been made at the time

the first of those claims is made against any "insured."

- c. Written notice given by the "insured" during the endorsement period of a "wrongful act" which may result in a claim will be considered notice of a claim made against the "insured" during the endorsement period.

4. The amount we will pay for "loss" is limited as described in Section C. **LIMITS OF INSURANCE**.

#### B. EXCLUSIONS

1. This insurance does not apply to any claim:
  - a. for which you or an "insured" are entitled to reimbursement and/or payment by another insurer because:
    - (1) the other insurer provided a policy or policies which expired prior to the effective date of this endorsement; and
    - (2) notice was given to the other insurer of a circumstance which might give rise to a claim under their policy.
  - b. for "bodily injury," "property damage," "personal injury" or "advertising injury."
  - c. for an accounting of profits or losses made from the purchase or sale of securities.
  - d. for salary, compensation or bonuses or other remuneration voted to "Officers" or



## COMMERCIAL GENERAL LIABILITY

"Directors" by your Board of Directors or Board of Governors.

- e. for anything other than money damages.
- f. due to any negligent act, error, omission, or failure or breach of duty:
  - (1) in effecting and maintaining insurance; or
  - (2) with respect to amount, form, conditions or provisions of insurance.
- g. due to an "insured" gaining any personal profit or remuneration or advantage to which the "insured" is not legally entitled.
- h. under Insuring Agreement **A.2.** above, for any "loss" for which an "insured" will be indemnified by you, pursuant to the operation of the law, or as otherwise authorized by your charter or by-laws which determine and define such rights of indemnity.
- i. if judgement adverse to your "Directors" or "Officers," in "suit" brought against them, will establish that their affirmative dishonesty or actual intent to deceive or defraud was material to the cause of action so adjudicated.
- j. due to discrimination on account of race, religion, sex or age, or in any way connected with a violation of any state or federal civil rights law.
- k. based on, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving, actual or alleged seepage, pollution or contamination of any kind;
- l. based on any actual or alleged violations of the Employee Retirement Income Security Act of 1974 or any regulations promulgated thereunder, or of any similar provisions of any federal, state or local law or regulation;
- m. for "loss" due to or arising out of nuclear reaction, nuclear radiation or radioactive contamination, or to any act or condition incident to any of the foregoing.

### C. LIMITS OF INSURANCE

The Limit of Insurance stated below as:

1. Aggregate is the most we will pay for "loss" for all claims under this endorsement;

2. Each Wrongful Act is the most we will pay, subject to **C.1.** above, in excess of the Retained Limit shown in the schedule, for "loss" due to claims arising out of any one "wrongful act" of one or more of the "insureds." The Retained Limit shall be borne by the "insured" at its own risk and uninsured. All claims arising from the same act or acts or interrelated acts of one or more of the "Directors" or "Officers" are considered as arising out of one "wrongful act."

### D. CONDITIONS

#### 1. Concealment or Misrepresentation.

This endorsement is void if you or an "insured" has concealed or misrepresented:

- a. any material fact of or circumstance concerning this insurance; or
- b. in the case of fraud or false swearing by you or an "insured," any matter relating to this insurance; whether before or after a "loss."

#### 2. Notice Of Claim Or Circumstances

- a. If during the endorsement period you become aware of any circumstances which may result in a claim against any "insured," you must send us written notice of such circumstances with full particulars of the "wrongful act" as soon as practicable.
- b. If during the endorsement period a claim is received by any "insured," you must immediately record the specifics of the claim and date received, and send us written notice of the claim as soon as practicable.

#### 3. Defense of Claims: Cooperation

We will not be called to assume charge of the settlement or defense of any claim or "suit" brought or proceeding instituted against you or any "insured." We will have the right and be given the opportunity to be involved, at our own expense, in the defense of any claim or "suit." In that event, you and any "insured" will cooperate with us in all things in the defense of the claim. You and any "insured" will not, except at your own cost, voluntarily make a payment, assume any obligation or incur any "defense expenses" without our consent, which will not be unreasonably withheld.

**4. Appeals.**

If you or an "insured" elect not to appeal a judgment in excess of the Retained Limit, we may elect to appeal the judgment at our own expense and be liable for the taxable costs and disbursements and interest. In no event will our liability exceed the limits shown in the Schedule above and the additional expenses of the appeal.

**5. Loss Payable.**

Recovery under this endorsement will not be made until your liability or an "insured's" liability has been:

- a. rendered fixed and certain by final judgment; or
- b. admitted by us in writing.

The recovery will not be made unless proof of claim is made to us within 90 days after the final judgment or admission.

**6. 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 you or an "insured"; or
- b. to sue us on this endorsement unless all of its terms have been fully complied with.

**7. Bankruptcy.**

Bankruptcy or insolvency of you or an "insured" or of your or an "insured's" estate will not relieve us of our obligations under this endorsement.

**8. Transfer of Rights of Recovery Against Others to Us.**

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

Any amount recovered as a result of such proceedings will be apportioned as follows:

- a. We will be first reimbursed to the extent of our actual payment. Any remaining

balance will be applied to reimburse you or any "insured."

- b. The expense of all proceedings necessary to the recovery of any such amount will be apportioned between you (and any "insured") and us in the ratio of the respective recoveries as finally settled. If there should be no recovery in proceedings instituted solely by us, we will bear all expenses.

**9. Extended Reporting Period.**

If this endorsement is cancelled for any reason other than nonpayment of premium, or is not renewed, we will provide an Extended Reporting Period consisting of the 12 months immediately following the date of cancellation or nonrenewal.

This Extended Reporting Period does not extend the endorsement period. It applies only to claims first made within the reporting period for "wrongful acts" committed prior to the date of cancellations or nonrenewal. This Extended Reporting Period applies only if no subsequent insurance you purchase applies to the claim, or would apply but for the exhaustion of its applicable limit of insurance.

**10. Exhaustion.**

If the Limit of Insurance is exhausted by the payment of "loss," including "defense expenses," our obligations under this endorsement shall be completely fulfilled and extinguished, and we shall have no further obligations of any kind or nature whatsoever under this endorsement.

**11. Authorization Clause.**

By acceptance of this policy, you agree to act on behalf of all "insured's" with respect to the giving and receiving of notice of claim or termination, the payment of premiums and the receiving of any return premiums that may become due under this endorsement, the acceptance of endorsements, and the giving or receiving of any other notice provided for in this endorsement and the "insureds" agree that you shall act on their behalf.

**E. DEFINITIONS**

- 1. "Advertising injury" means injury arising out of one or more of the following offenses:

## COMMERCIAL GENERAL LIABILITY

- a. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
  - b. Oral or written publication of material that violates a person's right of privacy;
  - c. Misappropriation of advertising ideas or style of doing business; or
  - d. Infringement of copyright, title or slogan.
2. "Bodily injury" means bodily injury, sickness, mental anguish, emotional distress, or disease sustained by a person, including death resulting from any of these at any time.
  3. "Defense Expenses" means reasonable and necessary legal fees and expenses incurred in defense of claims or "suits," provided, however, "defense expenses" shall not include salaries, wages, overhead or benefit expenses associated with "Directors," "Officers" or your employees or any amounts incurred in defense of any claim or "suit" where any insurer has a duty to defend.
  4. "Directors" means all of your directors or members of your Board of Governors or Directors or Trustees.
  5. "Insured" means any person who has been, now is, or shall become an "Officer" or "Director." It also includes the estate, heirs, or legal representatives of an "Officer" or "Director" who dies or becomes incompetent.
  6. "Loss " means adjudicated damages, settlements and "defense expenses"; provided, however, that "loss" shall not include:
    - (1) punitive or exemplary damages,
    - (2) criminal or civil fines or penalties imposed by law,
    - (3) taxes, or
    - (4) matters which are uninsurable under the law pursuant to which this endorsement shall be construed;
  7. "Officers" means the holders of the titles or positions specified by your charter or by-laws. "Officers" also means employees, committee members or any other person acting on the behalf of or at the direction of the Board of Directors or an "Officer."
8. "Personal injury" means injury, other than "bodily injury," arising out of one or more of the following offenses:
    - a. False arrest, detention or imprisonment;
    - b. Malicious prosecution;
    - c. Wrongful entry into, or eviction of a person from, a room, dwelling or premises that the person occupies;
    - d. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
    - e. Oral or written publication of material that violates a person's right of privacy.
  9. "Property damage" means:
    - a. Physical injury to tangible property, including all resulting loss of use of that property; or
    - b. Loss of use of tangible property that is not physically injured.
  - 10 "Suit" means a civil proceeding in which damages to which this insurance applies are alleged. "Suit" includes an arbitration proceeding alleging such damages to which you must submit or submit with our consent.
  11. "Wrongful act" means any or all of the following:
    - a. actual or alleged errors;
    - b. misstatement or misleading statement;
    - c. act or omission; or
    - d. neglect or breach of duty;by the "Directors" or "Officers" while acting in their capacity as such. All such causally connected errors, statements, acts, omissions, neglects or breaches of duty by one or more of the "insureds" shall be deemed to be inter-related "wrongful acts."

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

**EXCLUSION –  
REAL ESTATE DEVELOPMENT ACTIVITIES –  
COMPLETED OPERATIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**PROVISIONS**

- A.** This insurance does not apply to "bodily injury" or "property damage" that is included in the "products-completed operations hazard" and that arises out of any "real estate development activities" by or on behalf of any insured.
- B.** Paragraph **16. b. (3) of SECTION V – DEFINITIONS** does not apply to any "real estate development activities" by or on behalf of any insured.

- C.** The following definition is added to **SECTION V – DEFINITIONS**:

"Real estate development activities" means the design, site preparation, construction, marketing or sales of residential, commercial or industrial buildings.

- D.** The Provisions of this endorsement do not apply to the repair, maintenance, renovation, alteration or addition to an existing building owned by the Named Insured.

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

**AMENDMENT – NON CUMULATION OF EACH  
OCCURRENCE LIMIT OF LIABILITY and  
NON CUMULATION OF PERSONAL and ADVERTISING  
INJURY LIMIT**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

- 1. Paragraph 5 of SECTION III – LIMITS OF INSURANCE, is amended to include the following:**

Non cumulation of Each Occurrence Limit – If one "occurrence" causes "bodily injury" and/or "property damage" during the policy period and during the policy period of one or more prior and/or future policies that include a commercial general liability coverage part for the insured issued by us or any affiliated insurance company, the amount we will pay is limited. This policy's Each Occurrence Limit will be reduced by the amount of each payment made by us and any affiliated insurance company under the other policies because of such "occurrence".
- 2. Paragraph 4 of SECTION III – LIMITS OF INSURANCE, is amended to include the following:**

Non cumulation of Personal and Advertising Limit – If "personal injury" and/or "advertising injury" is sustained by any one person or organization during the policy period and during the policy period of one or more prior and/or future policies that include a commercial general liability coverage part for the insured issued by us or any affiliated insurance company, the amount we will pay is limited. This policy's Personal Injury and Advertising Injury Limit will be reduced by the amount of each payment made by us and any affiliated insurance company under the other policies because of such "personal injury" and/or "advertising injury".

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

**WEB XTEND LIABILITY**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**PROVISIONS**

Paragraph **o. Personal And Advertising Injury**, Part **2. Exclusions** of **SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY** is deleted and replaced by the following:

**o. Personal Injury, Advertising Injury and Web Site Injury**

"Bodily injury" arising out of "personal injury", "advertising injury" or "web site injury".

**COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY (SECTION I – COVERAGES)** is deleted in its entirety and replaced by the following:

**COVERAGE B. PERSONAL INJURY, ADVERTISING INJURY AND WEB SITE INJURY LIABILITY**

**1. Insuring Agreement.**

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

- (1)** The amount we will pay for damages is limited as described in Section **III – Limits Of Insurance**; and
- (2)** Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverage **A** or **B** or medical expenses under Coverage **C**.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly

provided for under Supplementary Payments – Coverages **A** and **B**.

**b.** This insurance applies to:

- (1)** "Personal injury" caused by an offense arising out of your business, excluding advertising, publishing, broadcasting or telecasting done by or for you;
- (2)** "Advertising injury" caused by an offense committed in the course of advertising your goods, products or services; or
- (3)** "Web site injury" caused by an offense committed in the course of the visual or audio presentation of material on "your web site" or in the numerical expression of computer code used to enable "your web site";

but only if the offense was committed in the "coverage territory" during the policy period.

With respect to subparagraph **b. (1)** above, bulletins, financial or annual reports, or newsletters that are not published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters will not be considered publishing.

**2. Exclusions.**

This insurance does not apply to:

**a. Knowing Violation Of Rights Of Another**

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

**b. Material Published With Knowledge Of Falsity**

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

**c. Material Published Prior To Policy Period**

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

**d. Criminal Acts**

"Personal injury", "advertising injury" or "web site injury" arising out of a criminal act committed by or with the consent of the insured.

**e. Contractual Liability**

"Personal injury", "advertising injury" or "web site injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to:

(1) "Personal injury" liability assumed in a contract or agreement that is an "insured contract", provided the "personal injury" arises out of an offense committed subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "personal injury" 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; or

(2) "Personal injury", "advertising injury" or "web site injury" that the insured would have in the absence of the contract or agreement.

**f. Breach Of Contract**

"Advertising injury" or "web site injury" arising out of a breach of contract.

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

"Advertising injury" or "web site injury" arising out of the failure of goods, products or services to conform with any statement of quality

or performance made in the course of advertising your goods, products or services.

**h. Wrong Description Of Prices**

"Advertising injury" or "web site injury" arising out of the wrong description of the price of goods, products or services.

**i. Insureds In Media And Internet Type Businesses**

"Personal injury", "advertising injury" or "web site injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web-sites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **a.**, **b.** and **c.** of the "personal injury" definition under **SECTION V – DEFINITIONS** of this endorsement.

For the purposes of this exclusion, bulletins, financial or annual reports, or newsletters that are not published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters will not be considered publishing.

**j. Electronic Chatrooms Or Bulletin Boards**

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

**k. Unauthorized Use Of Another's Name Or Product**

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

**l. Pollution**

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

**m. Pollution-Related**

Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or "suit" by or on behalf of a governmental authority 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".

**n. Dishonest, Fraudulent Or Malicious Acts**

"Web site injury" arising out of dishonest, fraudulent, criminal or malicious acts, errors or omissions committed by any insured, or by anyone for whom the insured is legally responsible, whether acting alone or with others.

**o. Web Site Intellectual Property**

"Web site injury" committed by any insured whose business is providing access to intellectual property of others via "your web site".

**p. Employment-Related Practices**

"Web site 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 or discrimination directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in paragraphs **p.(1)(a)(b)** or **(c)** above is directed.

This exclusion applies:

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

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

**SUPPLEMENTARY PAYMENTS – COVERAGES A AND B** (Section I – Coverages) is amended as follows:

- 1. Paragraph **2.d.** is deleted and replaced by the following:

- d.** The allegations in the "suit" and the information we know about the "occurrence" or offense are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;

- 2. The third sentence of Paragraph **2.** is deleted and replaced by the following:

Notwithstanding the provisions of Paragraph **2.b.(2)** of Section I – Coverage **A** – Bodily Injury And Property Damage Liability and Paragraph **2.e.(1)** of Section I – Coverage **B** – Personal Injury, Advertising Injury And Web Site Injury Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage", or damages for "personal injury", and will not reduce the limits of insurance.

**SECTION II – WHO IS AN INSURED**

The introductory sentence of paragraph **2. a. (1)** Section II – Who Is An Insured is deleted and replaced by the following:

- 2. a. (1)** "Bodily injury", "personal injury" or "web site injury":

Section II – Who Is An Insured, paragraph **4. c.**, is deleted and replaced by the following:

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

**SECTION III – LIMITS OF INSURANCE**

**SECTION III – Limits Of Insurance, paragraph 4,** is deleted and replaced by the following:

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



## SECTION V – DEFINITIONS

### ADVERTISEMENT

The definition of "**Advertisement**" (**SECTION V – DEFINITIONS**) is deleted in its entirety.

### COVERAGE TERRITORY

The definition of "**Coverage Territory**" (**SECTION V – DEFINITIONS**) is deleted in its entirety and replaced by the following:

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
- b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in **a.** above; or
- c. All parts of the world if the injury or damage arises out of:
  - (1) Goods or products made or sold by you in the territory described in **a.** above;
  - (2) The activities of a person whose home is in the territory described in **a.** above, but who is away for a short time on your business; or
  - (3) "Personal injury", "advertising injury", and "web site injury" offenses that take place through the Internet or similar electronic means of communication; and

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

### INSURED CONTRACT

The first paragraph of part **f.** of the definition of "**Insured Contract**" (**SECTION V – DEFINITIONS**) is deleted and replaced by the following:

- 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", "property damage" or "personal injury" to a third party or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

### PERSONAL AND ADVERTISING INJURY

The definition of "**Personal and advertising injury**" (**SECTION V – DEFINITIONS**) is deleted in its entirety and replaced by the following definitions of "advertising injury" and "personal injury":

"Advertising injury" means injury, arising out of one or more of the following offenses:

- a. Oral, written or electronic publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services, provided that claim is made or "suit" is brought by a person or organization that claims to have been slandered or libeled, or whose goods, products or services have allegedly been disparaged;
- b. Oral, written or electronic publication of material that appropriates a person's likeness, unreasonably places a person in a false light or gives unreasonable publicity to a person's private life; or
- c. Infringement of copyright, title or slogan, provided that claim is made or "suit" is brought by a person or organization claiming ownership of such copyright, title or slogan.

"Personal injury" means injury, other than "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 by or on behalf of its owner, landlord or lessor, provided that the wrongful eviction, wrongful entry or invasion of the right of private occupancy is performed by or on behalf of the owner, landlord or lessor of that room, dwelling or premises;
- d. Oral, written or electronic publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services, provided that claim is made or "suit" is brought by a person or organization that claims to have been slandered or libeled, or whose goods, products or services have allegedly been disparaged; or
- e. Oral, written or electronic publication of material that appropriates a person's likeness, unreasonably places a person in a false light or gives unreasonable publicity to a person's private life.

### SUIT

The definition of "**Suit**" (**SECTION V – DEFINITIONS**) is deleted in its entirety and replaced by the following:

"Suit" means a civil proceeding in which damages because of "bodily injury", "property damage", "personal injury", "advertising injury" or "web site injury" to

which this insurance applies are alleged. "Suit" includes:

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

The following definitions are added to **SECTION V – DEFINITIONS**

**WEB SITE INJURY**

"Web site injury" means injury, other than "personal injury" or "advertising injury", arising out of one or more of the following offenses:

- a. Oral, written or electronic publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services, provided that claim is made or "suit" is brought by a person or organization that claims to have been slandered or libeled, or

whose goods, products or services have allegedly been disparaged;

- b. Oral, written or electronic publication of material that appropriates a person's likeness, unreasonably places a person in a false light or gives unreasonable publicity to a person's private life;
- c. Oral, written or electronic publication of material that violates a person's right of publicity, provided that claim is made or "suit" is brought by the person claiming rights of publicity; or
- d. Infringement of copyright, title or slogan, provided that claim is made or "suit" is brought by a person or organization claiming ownership of such copyright, title or slogan.

**YOUR WEB SITE**

"Your web site" means all computer files and data which may be accessed via the Internet using a Universal Resource Locator that includes any domain name owned by or assigned to you.

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

**HIRED AUTO AND NONOWNED AUTO LIABILITY**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

**SCHEDULE**

Insurance is provided only with respect to those coverages for which a specific premium charge is shown:

<b>COVERAGE</b>	<b>ADDITIONAL PREMIUM</b>
Hired Auto Liability	\$ INCLUDED
Nonowned Auto Liability	\$ INCLUDED

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

**PROVISIONS**

**A. COVERAGE**

If a premium charge is shown in the SCHEDULE above, the insurance provided under **Section I – Coverage A – Bodily Injury And Property Damage Liability** applies to "bodily injury" and "property damage" arising out of the maintenance or use of a "hired auto" or "nonowned auto". Maintenance or use of a "nonowned auto" includes test driving in connection with an "auto business".

**B. EXCLUSIONS**

With respect to the insurance provided by this endorsement:

1. The exclusions, under **Section I – Coverage A – Bodily Injury And Property Damage Liability**, other than exclusions **a., b., d., e., f.** and **i.** and the Nuclear Energy Liability Exclusion (Broad Form) are deleted and replaced by the following:
  - a. "Bodily injury" to:
    - (1) Any fellow "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.
    - b. "Property damage" to:
      - (1) Property owned or being transported by, or rented or loaned to the insured; or
      - (2) Property in the care, custody or control of the insured.

**C. WHO IS AN INSURED**

**Section II – Who Is An Insured** is replaced by the following:

Each of the following is an insured under this insurance to the extent set forth below:

1. You;
2. Anyone else including any partner or "executive officer" of yours while using with your permission a "hired auto" or a "nonowned auto" except:
  - a. The owner or lessee (of whom you are a sublessee) of a "hired auto" or the owner or lessee of a "nonowned auto" or any agent or "employee" of any such owner or lessee;
  - b. Your "employee" if the covered "auto" is owned by that "employee" or a member of his or her household;
  - c. Your "employee" if the covered "auto" is leased, hired or rented by him or her or a member of his or her household under a lease or rental agreement for a period of 180 days or more;
  - d. Any partner or "executive officer" with respect to any "auto" owned by such partner or officer or a member of his or her household;
  - e. Any partner or "executive officer" with respect to any "auto" leased or rented to such partner or officer or a member of his or her household under a lease or rental agreement for a period of 180 days or more;

## COMMERCIAL GENERAL LIABILITY

- f. Any person while employed in or otherwise engaged in duties in connection with an "auto business", other than an "auto business" you operate;
  - g. Anyone other than your "employees", partners, a lessee or borrower or any of their "employees", while moving property to or from a "hired auto" or a "nonowned auto"; or
3. Any other person or organization, but only with respect to their liability because of acts or omissions of an insured under 1. or 2. above.

### D. AMENDED DEFINITIONS

The Definition of "insured contract" of **Section V – Definitions** is amended by the addition of the following exceptions to paragraph f.:

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

- (4) That pertains to the loan, lease or rental of an "auto" to you or any of your "employees", if the "auto" is loaned, leased or rented with a driver; or
- (5) That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a covered "auto" over a route or territory that person or organization is authorized to serve by public authority.

### E. ADDITIONAL DEFINITIONS

**Section V – Definitions** is amended by the addition of the following definitions:

- 1. "Auto Business" means the business or occupation of selling, repairing, servicing, storing or parking "autos".
- 2. "Hired auto" means any "auto" you lease, hire, rent or borrow. This does not include:
  - a. Any "auto" you lease, hire or rent under a lease or rental agreement for a period of 180 days or more, or
  - b. Any "auto" you lease, hire, rent or borrow from any of your "employees", partners, stockholders, or members of their households.
- 3. "Nonowned auto" means any "autos" you do not own, lease, hire, rent or borrow that are being used in the course and scope of your business at the time of an "occurrence". This includes "autos" owned by your "employees" or partners or members of their households but only while being used in the course and scope of your business at the time of an "occurrence".

If you are a sole proprietor, "nonowned auto" means any "autos" you do not own, lease, hire, rent or borrow that are being used in the course and scope of your business or personal affairs at the time of an "occurrence".

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

## **FUNGI OR BACTERIA EXCLUSION**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

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

**2. Exclusions**

This insurance does not apply to:

**Fungi or Bacteria**

- a.** "Bodily injury" or "property damage" 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.
- b.** 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 consumption.

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

**2. Exclusions**

This insurance does not apply to:

**Fungi or Bacteria**

- a.** "Personal injury" or "advertising injury" which would not have taken place, 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.
- b.** 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.

**C. The following definition is added to the Definitions Section:**

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

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

## **EXCLUSION – LEAD**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
CATASTROPHE UMBRELLA POLICY

### **PROVISIONS**

This insurance does not apply to any injury, damage, loss, cost, payment or expense, including, but not limited to, defense and investigation, of any kind arising out of, resulting from, caused by or contributed to by the actual or alleged presence or actual, alleged or threatened dispersal, release, ingestion, inhalation or absorption of lead, lead compounds or lead which is or was contained or incorporated into any material or substance. This exclusion applies, but is not limited to:

1. Any supervision, instructions, recommendations, warnings or advice given in connection with the above;
2. Any obligation to share damages, losses, costs, payments or expenses with or repay someone else who must make payment because of such injury or damage, loss, cost, payment or expense; or
3. Any request, order or requirement to abate, mitigate, remediate, contain, remove or dispose of lead, lead compounds or materials or substances containing lead.

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

## **CALIFORNIA CHANGES**

This endorsement modifies insurance provided under the following:

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

The term "spouse" is replaced by the following:

Spouse or registered domestic partner under California law.

**INTERLINE  
ENDORSEMENTS**





**INTERLINE  
ENDORSEMENTS**

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

## **CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
DELUXE PROPERTY COVERAGE PART

### **A. Cap On Certified Terrorism Losses**

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The criteria contained in that Act for a "certified act of terrorism" include the following:

1. The act resulted in aggregate losses in excess of \$5 million; 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 acting on behalf of any foreign person or foreign interest, 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.

With respect to any one or more "certified acts of terrorism" under the federal Terrorism Risk Insurance Act of 2002, we will not pay any amounts for which we are not responsible under the terms of that Act (including subsequent action of Congress pursuant to the Act) due to the application of any clause which results in a cap on our liability for payments for terrorism losses.

### **B. Application Of Exclusions**

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

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

## **CALIFORNIA CHANGES – ACTUAL CASH VALUE**

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
FARM COVERAGE PART  
STANDARD PROPERTY POLICY

With respect to an "open policy", the following are added to any provision which uses the term actual cash value:

- A.** In the event of a total loss to a building or structure, actual cash value is calculated as the lesser of the following:
  - 1. The Limit of Insurance applicable to that building or structure; or
  - 2. The fair market value of the building or structure.
- B.** In the event of a partial loss to a building or structure, actual cash value is calculated as the lesser of the following:
  - 1. The amount it would cost to repair, rebuild or replace the property less a fair and reasonable deduction for physical depreciation of the components of the building or structure that are normally subject to repair or replacement during its useful life. Physical depreciation is based upon the condition of the property at the time of the loss; or
  - 2. The Limit of Insurance applicable to the property.
- C.** In the event of a partial or total loss to Covered Property other than a building or structure, actual cash value is calculated as the lesser of the following:
  - 1. The amount it would cost to repair or replace the property less a fair and reasonable deduction for physical depreciation, based on the condition of the property at the time of loss; or
  - 2. The Limit of Insurance applicable to the property.
- D.** An "open policy" is a policy under which the value of Covered Property is not fixed at policy inception, but is determined at the time of loss in accordance with policy provisions on valuation. The term "open policy" does not apply to Covered Property that is subject to an Agreed Value clause or similar clause that establishes an agreed value prior to loss, unless such clause has expired.

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

## **CALIFORNIA CHANGES**

This endorsement modifies insurance provided under the following:

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

- A.** When this endorsement is attached to the Standard Property Policy **CP 00 99** the term Coverage Part in this endorsement is replaced by the term Policy.
- B.** The **Concealment, Misrepresentation Or Fraud** Condition is replaced by the following with respect to loss ("loss") or damage caused by fire:
- We do not provide coverage to the insured ("insured") who, whether before or after a loss ("loss"), has committed fraud or intentionally concealed or misrepresented any material fact or circumstance concerning:
1. This Coverage Part;
  2. The Covered Property;
  3. That insured's ("insured's") interest in the Covered Property; or
  4. A claim under this Coverage Part or Coverage Form.
- C.** The **Concealment, Misrepresentation Or Fraud** Condition is replaced by the following with respect to loss ("loss") or damage caused by a Covered Cause of Loss other than fire:
- This Coverage Part is void if any insured ("insured"), whether before or after a loss ("loss"), has committed fraud or intentionally concealed or misrepresented any material fact or circumstance concerning:
1. This Coverage Part;
  2. The Covered Property;
  3. An insured's ("insured's") interest in the Covered Property; or
  4. A claim under this Coverage Part or Coverage Form.
- D.** Except as provided in **E.**, the **Appraisal** Condition is replaced by the following:
- If we and you disagree on the value of the property or the amount of loss ("loss"), either may make written request for an appraisal of the loss ("loss"). If the request is accepted, each party will select a competent and impartial appraiser. Each party shall notify the other of the appraiser selected within 20 days of the request. The two appraisers will select an umpire. If they cannot agree within 15 days, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss ("loss"). If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:
1. Pay its chosen appraiser; and
  2. Bear the other expenses of the appraisal and umpire equally.
- If there is an appraisal, we will still retain our right to deny the claim.
- E.** The Appraisal Condition in:
1. Business Income (And Extra Expense) Coverage Form **CP 00 30**; and
  2. Business Income (Without Extra Expense) Coverage Form **CP 00 32**;
- is replaced by the following:
- If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written request for an appraisal of the loss. If the request is accepted, each party will select a competent and impartial appraiser. Each party shall no-

tify the other of the appraiser selected within 20 days of the request. The two appraisers will select an umpire. If they cannot agree within 15 days, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the um-

pire. 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.

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

## **CALIFORNIA CHANGES – CANCELLATION AND NONRENEWAL**

This endorsement modifies insurance provided under the following:

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

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

**2. All Policies In Effect For 60 Days Or Less**

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

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

**(1)** Nonpayment of premium; or

**(2)** Discovery of fraud by:

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

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

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

**3. All Policies In Effect For More Than 60 Days**

**a.** If this policy has been in effect for more than 60 days, or is a renewal of a policy

we issued, we may cancel this policy only upon the occurrence, after the effective date of the policy, of one or more of the following:

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

**(2)** Discovery of fraud or material misrepresentation by:

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

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

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

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

- (5) Failure by you or your representative to implement reasonable loss control requirements, agreed to by you as a condition of policy issuance, or which were conditions precedent to our use of a particular rate or rating plan, if that failure materially increases any of the risks insured against.
- (6) A determination by the Commissioner of Insurance that the:
  - (a) Loss of, or changes in, our reinsurance covering all or part of the risk would threaten our financial integrity or solvency; or
  - (b) Continuation of the policy coverage would:
    - (i) Place us in violation of California law or the laws of the state where we are domiciled; or
    - (ii) Threaten our solvency.
- (7) A change by you or your representative in the activities or property of the commercial or industrial enterprise, which results in a materially added, increased or changed risk, unless the added, increased or changed risk is included in the policy.

- b. We will mail or deliver advance written notice of cancellation, stating the reason for cancellation, to the first Named Insured, at the mailing address shown in the policy, and to the producer of record, at least:
  - (1) 10 days before the effective date of cancellation if we cancel for non-payment of premium or discovery of fraud; or
  - (2) 30 days before the effective date of cancellation if we cancel for any other reason listed in Paragraph 3.a.

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

**7. Residential Property**

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

Commercial Property Coverage Part

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

- a. If such coverage has been in effect for 60 days or less, and is not a renewal of coverage we previously issued, we may cancel this coverage for any reason, except as provided in **b.** and **c.** below.
- b. We may not cancel this policy solely because the first Named Insured has:
  - (1) Accepted an offer of earthquake coverage; or
  - (2) Cancelled or did not renew a policy issued by the California Earthquake Authority (CEA) that included an earthquake policy premium surcharge.

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

- c. We may not cancel such coverage solely because corrosive soil conditions exist on the premises. This Restriction (**c.**) applies only if coverage is subject to one of the following, which exclude loss or damage caused by or resulting from corrosive soil conditions:
  - (1) Capital Assets Program Coverage Form (Output Policy);
  - (2) Commercial Property Coverage Part – Causes Of Loss – Special Form; or
  - (3) Farm Coverage Part – Causes Of Loss Form – Farm Property, Paragraph **D.** Covered Causes Of Loss – Special.

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

**NONRENEWAL**

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

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

## 2. Residential Property

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

Capital Assets Program (Output Policy) Coverage Part

Commercial Property Coverage Part

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

- a. We may elect not to renew such coverage for any reason, except as provided in **b.**, **c.** and **d.** below:
- b. We will not refuse to renew such coverage solely because the first Named Insured has accepted an offer of earthquake coverage.

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

- (1) The nonrenewal is based on sound underwriting principles that relate to the coverages provided by this policy and that are consistent with the approved rating plan and related documents filed with the Department of Insurance as required by existing law;
- (2) The Commissioner of Insurance finds that the exposure to potential losses will threaten our solvency or place us in a hazardous condition. A hazardous condition includes, but is not limited to, a condition in which we make claims payments for losses resulting from an earthquake that occurred within the preceding two years and that required a reduction in policyholder surplus of at least 25% for payment of those claims; or

(3) We have:

- (a) Lost or experienced a substantial reduction in the availability or scope of reinsurance coverage; or
- (b) Experienced a substantial increase in the premium charged for reinsurance coverage of our residential property insurance policies; and

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

- c. We will not refuse to renew such coverage solely because the first Named Insured has cancelled or did not renew a policy, issued by the California Earthquake Authority that included an earthquake policy premium surcharge.
- d. We will not refuse to renew such coverage solely because corrosive soil conditions exist on the premises. This Restriction **(d.)** applies only if coverage is subject to one of the following, which exclude loss or damage caused by or resulting from corrosive soil conditions:
  - (1) Capital Assets Program Coverage Form (Output Policy);
  - (2) Commercial Property Coverage Part – Causes Of Loss – Special Form; or
  - (3) Farm Coverage Part – Causes Of Loss Form – Farm Property, Paragraph **D.** Covered Causes Of Loss – Special.

3. We are not required to send notice of nonrenewal in the following situations:
  - a. If the transfer or renewal of a policy, without any changes in terms, conditions, or rates, is between us and a member of our insurance group.
  - b. If the policy has been extended for 90 days or less, provided that notice has been given in accordance with Paragraph **C.1.**
  - c. If you have obtained replacement coverage, or if the first Named Insured has agreed, in writing, within 60 days of the termination of the policy, to obtain that coverage.



- d. If the policy is for a period of no more than 60 days and you are notified at the time of issuance that it will not be renewed.
- e. If the first Named Insured requests a change in the terms or conditions or risks covered by the policy within 60 days of the end of the policy period.
- f. If we have made a written offer to the first Named Insured, in accordance with the timeframes shown in Paragraph **C.1.**, to renew the policy under changed terms or conditions or at an increased premium rate, when the increase exceeds 25%.

**MASTER PAC POLICY  
REVISIONS TO THE BUSINESSOWNERS COVERAGE PART  
IMPORTANT NOTICE TO POLICYHOLDERS**

Changes were made to your Businessowners Coverage Part. A summary of the broadenings and restrictions that were made in the Businessowners Coverage Forms and Coverage Endorsements is shown below. It does not include every clarification or editorial change made in these forms or endorsements. Your policy may not include all Coverage Forms or Coverage Endorsements listed in this summary. Endorsements with an edition date of 02 05 or later that were re-formatted to correspond with the changes made to the Coverage Form, or were changed for editorial purposes only, are not listed.

**NO COVERAGE IS PROVIDED BY THIS SUMMARY, NOR CAN IT BE CONSTRUED TO REPLACE ANY PROVISION OF YOUR POLICY. YOU SHOULD READ YOUR ENTIRE POLICY CAREFULLY AND REVIEW YOUR DECLARATIONS PAGE FOR COMPLETE INFORMATION ON THE COVERAGES YOU ARE PROVIDED AND TO DETERMINE YOUR RIGHTS AND DUTIES. PLEASE CONTACT YOUR AGENT WITH ANY QUESTIONS, OR IF YOU DESIRE ANY CHANGES IN YOUR POLICY. IF THERE IS ANY CONFLICT BETWEEN THE POLICY AND THIS SUMMARY, THE PROVISIONS OF THE POLICY SHALL PREVAIL.**

**PROPERTY COVERAGE FORM**

**BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM (MP T1 02 02 05)**

***Broadened Features***

1. A new Coverage Extension has been added for Equipment Breakdown to provide coverage for breakdown to covered equipment. Within this Coverage Extension, coverage is provided for losses related to breakdown of covered equipment for expediting expenses (up to \$25,000), contamination by a pollutant (up to \$25,000), service interruption (extension from otherwise covered business income or extra expense) and the following types of equipment: diagnostic, power generating and production (up to \$100,000).
2. A new Coverage Extension has been added for Electronic Data Processing equipment, data and media at the described premises. This Additional Coverage provides up to \$50,000 or the Business Personal Property limit, whichever is less for loss or damage to such electronic data processing equipment, data and media. The following coverage for this type of property is also provided: (1) Up to \$25,000 for in transit or at a premises other than the described premises; (2) Up to \$25,000 for newly acquired; (3) Up to \$25,000 for duplicate data stored at a separate premises from where the originals are kept; and (4) Up to \$25,000 for loss or damage caused by electronic vandalism.
3. A new Additional Coverage has been added for Fine Arts. This Additional Coverage provides up to \$25,000 for loss or damage to fine arts.
4. A new Coverage Extension has been added for Business Income and Extra Expense From Dependent Property. This Coverage Extension provides up to \$10,000 for the actual loss of business income you sustain or the reasonable and necessary extra expense you incur due to the suspension of your operations due to direct physical loss of or damage to a dependent property caused by or resulting from a Covered Cause of Loss.
5. A new Coverage Extension has been added for Accounts Receivable. This Coverage Extension provides up to \$25,000 for loss or damage to accounts receivable records while at a described premises and up to \$25,000 while in transit or at a premises other than the described premises.
6. The limit for the Newly Acquired or Constructed Property Additional Coverage for Buildings has been increased from \$250,000 to \$500,000. A criterion for when coverage will end has been increased from 60 days to 180 days.
7. A new Additional Coverage has been added for Ordinance or Law. This Additional Coverage provides up to \$25,000 for the loss in value of the undamaged portion of the building and the demolition costs and the

increased cost of construction related to the damaged building as a consequence of enforcement of the minimum requirements of certain ordinances or laws. Previously only the increased cost of construction was provided under the Increased Cost of Construction Additional Coverage.

8. A new Coverage Extension has been added for Ordinance or Law – Increased Period of Restoration. This Coverage Extension provides up to \$25,000 for the actual loss of business income you sustain or the reasonable and necessary extra expense you incur during the increased period of suspension of operations caused by or resulting from the enforcement of certain ordinances or laws.
9. The Building Glass Coverage Extension has been revised to extend coverage for a tenant who is contractually obligated to repair or replace building glass. Coverage now applies to interior building glass as well as exterior building glass. Also, the \$100 per pane/\$500 per occurrence limitation has been removed.
10. The limit for the Personal Effects Coverage Extension has been increased from \$5,000 to \$25,000.
11. The limit for the Valuable Papers and Records Coverage Extension has been increased from \$1,000 to \$25,000 at each described premises. Coverage is also provided for \$25,000 for loss or damage to valuable papers and records while in transit or at a premises other than the described premises.
12. With respect to the Civil Authority Coverage Extension, the period of coverage has been increased from two consecutive weeks to three consecutive weeks.
13. The limit for the Outdoor Property Coverage Extension has been increased from \$5,000 to \$10,000. The coverage under this Coverage Extension has also been broadened to cover loss or damage to outdoor property caused by a Covered Cause of Loss, where previously coverage was provided only on named peril basis.
14. The limit for the Expediting Expense Additional Coverage has been increased from \$10,000 to \$25,000.
15. The limit for the Fire Department Service Charge Additional Coverage has been increased from \$1,000 to \$25,000.
16. A new Additional Coverage has been added for Fire Protective Equipment Discharge. If a fire protective system discharges, this Additional Coverage provides up to \$10,000 to refill or recharge the system, or to replace or repair faulty valves or controls.
17. With respect to the Outdoor Trees, Shrubs, Plants and Lawns Additional Coverage, the Covered Causes of Loss have been expanded.
18. The limit for the Claim Data Expense Additional Coverage has been increased from \$1,000 to \$5,000.
19. The limit for the Pollutant Cleanup and Removal Additional Coverage has been increased from \$10,000 to \$25,000.
20. With respect to the Preservation of Property Additional Coverage, a criterion for when coverage will end has been increased from 30 days to 90 days.
21. The theft limitation for jewelry threshold has been increased from \$100 per item to \$500 per item (jewelry items worth \$500 or less per item are not subject to the theft limitation of \$5,000).
22. With respect to the Appurtenant Buildings and Structures Coverage Extension, the 10% limitation has been removed.
23. With respect to the Business Income and Extra Expense – Newly Acquired Premises Coverage Extension, the number of days for which that coverage applies has been increased from 60 to 90.
24. Fences, retaining walls (whether or not attached), outdoor swimming pools and lobby and hallway furnishings have been added as Covered Property under Building coverage.
25. Additions under construction have been added as Covered Property under Building coverage (if not covered by other insurance).
26. Bulkheads, piers, pilings, wharves and docks can now qualify as Covered Property (if described in the Declarations).
27. Underground pipes, flues, drains and tunnels can now qualify as Covered Property (if described in the Declarations).

### **Restrictive Features**

1. Fish was added to the limitation regarding live animals and birds.
2. Business Income and Extra Expense losses resulting from damage to electronic media or records were previously limited to a period of 60 days. Under the new Interruption of Computer Operations Coverage Extension, these losses are limited to a total of \$25,000 for each separate 12-month period of the policy.
3. The limit for the Employee Dishonesty Additional Coverage is now \$25,000. Previously, the limit was the lesser of the Business Personal Property limit or \$250,000. However, in cases where your Business Personal Property limit is less than \$25,000, this would be a broadening of coverage.
4. The limit for the Forgery or Alteration Additional Coverage is now \$25,000. Previously, the limit was the lesser of the Business Personal Property limit or \$250,000. However, in cases where your Business Personal Property limit is less than \$25,000, this would be a broadening of coverage.
5. The limit for outdoor trees, shrubs, plants and lawns has been reduced from \$5,000 to \$3,000. However, the Covered Causes of Loss have been expanded.
6. Coverage for business income under the Civil Authority Coverage Extension now begins 24 hours after the time of the civil authority action. Previously, it began immediately after the time of the action.
7. Losses to electronic data processing equipment and data and media due to electronic vandalism are now limited to \$25,000. However, in cases where your Business Personal Property limit is less than \$25,000, this would be a broadening of coverage.
8. Losses to electronic data processing equipment and data and media while in transit or at a premises other than the described premises is limited to \$25,000. However, in cases where your Business Personal Property limit is less than \$25,000, this would be a broadening of coverage.
9. The following has been added to the Exclusions. Loss or damage due to the presence or condensation of humidity, moisture or vapor, which occurs over a period of 14 days or more.
10. Previously the form excluded loss or damage due to voluntary parting with any property if induced to do so by any fraudulent scheme, trick, device or false pretense. These conditions have been removed and any voluntary parting with property is now excluded.
11. An Exclusion has been added for the cost of correcting or making good the damage to personal property attributable to such property being processed, manufactured, tested, repaired, restored, retouched or otherwise being worked upon.
12. The following has been added to Exclusion 3.c. We will not pay for any cost of correcting or making good the fault, inadequacy or defect itself, including any cost incurred to tear down, tear out, repair or replace any part of any property to correct the fault, inadequacy or defect; or any resulting loss or damage by a Covered Cause of Loss to the property that has the fault, inadequacy or defect until the fault, inadequacy or defect is corrected.

### **PROPERTY ENDORSEMENTS**

AMENDATORY PROVISIONS – CONDOMINIUM ASSOCIATIONS (MP T1 03 02 05).

AMENDATORY PROVISIONS CONDOMINIUM ASSOCIATIONS – MINNESOTA (MP T4 28 03 02 05).

AMENDATORY PROVISIONS CONDOMINIUM ASSOCIATION COVERAGE – ALABAMA, ARIZONA, LOUISIANA, MAINE, MARYLAND, MISSOURI, NEW MEXICO, NORTH CAROLINA, PENNSYLVANIA, RHODE ISLAND AND WEST VIRGINIA (MP T4 32 02 05) and

AMENDATORY PROVISIONS CONDOMINIUM ASSOCIATIONS COVERAGE – FLORIDA (MP T4 61 02 05)

#### **Broadened Features**

1. Fences, retaining walls (whether or not attached) and alarm systems have been added as Covered Property under Building coverage.

#### **Restrictive Features**

1. Previously these endorsements provided \$25,000 in coverage for theft of business personal property even if you did not purchase Business Personal Property coverage. This coverage is no longer provided automatically. However, coverage for theft of business personal property is automatically provided when you purchase Business Personal Property coverage.

2. Previously these endorsements provided \$25,000 in coverage for money and securities even if you did not purchase Business Personal Property coverage. This coverage is no longer provided automatically. However, coverage for money and securities is automatically provided when you purchase Business Personal Property coverage.

#### AMENDATORY PROVISIONS – OFFICE (MP T1 05 02 05)

##### ***Broadened Features***

1. The types of services involved in the Utility Services – Telephone Interruption/Fax or Facsimile Failure Additional Coverage have been expanded beyond telephone and fax and that coverage has been renamed Communication Supply Services – Time Element Coverage Extension.

##### ***Restrictive Features***

1. Previously, Utility Services – Telephone Interruption/Fax or Facsimile Failure Additional Coverage provided coverage for actual loss sustained. The renamed Communication Supply Services – Time Element Coverage Extension is now limited to \$25,000. However, increased limits are available via the optional endorsement for Utility Services – Time Element.

#### AMENDATORY PROVISIONS – MANUFACTURERS PAC (MP T1 59 02 05).

#### AMENDATORY PROVISIONS – MANUFACTURERS PAC INCLUDING BUSINESS INCOME ORDINARY PAYROLL LIMITATION (MP T1 62 02 05) and

#### AMENDATORY PROVISIONS –WHOLESALE PAC (MP T1 80 02 05)

##### ***Restrictive Features***

1. The Coverage Extension for Business Personal Property Off Premises no longer provides coverage for the following: property while in the custody of the U.S. Postal Service; property after delivery to customers; property otherwise covered under the Fine Arts Additional Coverage; or property otherwise covered under the following Coverage Extensions: Accounts Receivable, Electronic Data Processing or Valuable Papers and Records.

#### MANUFACTURERS AND WHOLESALE SELLING PRICE ENDORSEMENT (MP T1 60 02 05)

##### ***Restrictive Features***

1. A new exclusion was added with respect to Business Income and Extra Expense coverage. We will not pay for any loss of business income caused by or resulting from damage or destruction of finished stock you manufacture or wholesale or the time required to reproduce finished stock you manufacture or wholesale.

#### GARAGE PAC – AMENDATORY PROVISIONS (MP T1 65 02 05)

##### ***Restrictive Features***

1. Previously, Utility Services – Telephone FAX or Facsimile Failure Additional Coverage provided coverage for actual loss sustained. This coverage has been renamed Communication Supply Services – Time Element Coverage Extension and is now limited to \$25,000. However, increased limits are available via the optional endorsement for Utility Services – Time Element.

#### EATING ESTABLISHMENT ENDORSEMENT (MP T1 68 02 05)

##### ***Broadened Features***

1. The limit for the Claim Data Expense Additional Coverage is now increased to \$10,000.
2. The limit for the Newly Acquired or Constructed Property Additional Coverage for Business Personal Property is now increased to \$500,000.
3. The limit for the Outdoor Trees, Shrubs, Plants and Lawns Additional Coverage is now increased to \$5,000.
4. The Ordinance or Law Additional Coverage has been extended to include tenant's improvements and betterments under certain conditions.
5. A new Additional Coverage has been added for Brands or Labels. This Additional Coverage provides up to \$25,000 for reasonable costs incurred to stamp the word "salvage" on merchandise or remove brands or labels under certain conditions.

6. A new Additional Coverage has been added for Lost Key Consequential Loss. This Additional Coverage provides up to \$500 for consequential loss to keys and locks if a master or grand master key is lost or damaged from a Covered Cause of Loss.
7. A new Additional Coverage has been added for Unauthorized Business Card Use. This Additional Coverage provides up to \$5,000 for loss of money or charges and costs incurred that result directly from the unauthorized use of credit, debit or charge cards issued in your business name.
8. A new Additional Coverage has been added for Utility Services-Direct Damage. This Additional Coverage provides up to \$2,500 for loss or damage to covered property caused by the interruption of services to the described premises caused by a Covered Cause of Loss.
9. The limits for the Accounts Receivable Coverage Extension have been increased. The limit with respect to transit or at a premises other than the described premises is now increased by \$100,000. The limit with respect to the described premises is now increased by \$100,000.
10. The limit for the Business Income and Extra Expense From Dependent Property Coverage Extension is now increased to \$25,000.
11. The limit for the Business Income and Extra Expense – Newly Acquired Premises Coverage Extension is now increased to \$500,000.
12. Two of the limits for the Electronic Data Processing Coverage Extension have been increased. The limit with respect to transit or at a premises other than the described premises is now increased to \$50,000. The limit with respect to electronic vandalism is now increased to \$50,000.
13. The limit for the Ordinance or Law – Increased Period of Restoration Coverage Extension is now increased to \$50,000.
14. A new Coverage Extension has been added for Computer Fraud. This Coverage Extension provides up to \$5,000 for loss or damage to Business Personal Property resulting directly from the use of any computer to fraudulently cause a transfer of that property.
15. A new Coverage Extension has been added for Limited Building Coverage-Tenant Obligation. This Coverage Extension provides up to \$5,000 for loss or damage to that part of the building you occupy as a tenant.
16. A new Coverage Extension has been added for Utility Services – Time Element. This Coverage Extension provides up to \$2,500 for loss of business income or extra expense caused by the interruption of service to the described premises caused by a Covered Cause of Loss.

#### **BUILDING OWNERS ENDORSEMENT (MP T1 71 02 05)**

##### ***Broadened Features***

1. With respect to the Ordinance or Law Additional Coverage, the per occurrence limit is now increased to \$250,000. The limit at each described premises remains at \$100,000, however the limitation of 10% was removed.
2. The limit for the Debris Removal Additional Coverage has been increased from \$25,000 to \$50,000.
3. A new Additional Coverage has been added for Utility Services-Direct Damage. This Additional Coverage provides up to \$10,000 for loss or damage to covered property caused by the interruption of services to the described premises caused by a Covered Cause of Loss.

#### **CAUSES OF LOSS – EARTHQUAKE (MP T1 82 02 05)**

##### ***Restrictive Features***

1. An exclusion has been added for the cost of restoring or remediating land or for loss resulting from the time required to restore or remediate land.

#### **POWER PAC ENDORSEMENT (MP T9 70 02 05)**

##### ***Broadened Features***

1. The limit for the Claim Data Expense Additional Coverage is now increased to \$10,000.
2. The limit for the Outdoor Trees, Shrubs, Plants and Lawns Additional Coverage is now increased to \$5,000.

3. The Ordinance or Law Additional Coverage has been extended to include tenant's improvements and betterments under certain conditions.
4. A new Additional Coverage has been added for Unauthorized Business Card Use. This Additional Coverage provides up to \$5,000 for loss of money or charges and costs incurred that result directly from the unauthorized use of credit, debit or charge cards issued in your business name.
5. The limits for the Accounts Receivable Coverage Extension have been increased. The limit with respect to transit or at a premises other than the described premises is now increased by \$100,000. The limit with respect to the described premises is now increased by \$100,000.
6. Two of the limits for the Electronic Data Processing Coverage Extension have been increased. The limit with respect to transit or at a premises other than the described premises is now increased to \$50,000. The limit with respect to electronic vandalism is now increased to \$50,000.
7. The limit for the Ordinance or Law – Increased Period of Restoration Coverage Extension is now increased to \$50,000.
8. A new Coverage Extension has been added for Computer Fraud. This Coverage Extension provides up to \$5,000 for loss or damage to Business Personal Property resulting directly from the use of any computer to fraudulently cause a transfer of that property.
9. A new Coverage Extension has been added for Limited Building Coverage-Tenant Obligation. This Coverage Extension provides up to \$5,000 for loss or damage to that part of the building you occupy as a tenant.

#### **PROPERTY FORMS/ENDORSEMENTS NO LONGER USED**

Several forms and endorsements are no longer being used because most of their provisions are now built into the Coverage Form, which generally broadens coverage. However, if there is a restrictive impact, such impact is shown below.

#### **ENERGY EQUIPMENT SPECIAL COVERAGE FORM (BM T1 41 04 92)**

This coverage is now built into the Coverage Form under the Equipment Breakdown Coverage Extension, however, some of the features are now changed.

##### ***Broadened Features***

1. Hoists and cranes are now considered covered equipment.

##### ***Restrictive Features***

1. Defense and Supplementary Payments coverage is no longer provided.
2. Expediting Expenses are now limited to \$25,000.
3. Off Premises Service Interruption coverage is now limited to \$25,000.
4. Hazardous Substance coverage is now limited to \$25,000 under the Pollutant provision.
5. The Water Damage Coverage Extension is no longer provided.
6. The Increased Cost of Construction or Repair Coverage Extension is no longer provided.
7. The Newly Acquired Locations Coverage Extension is no longer provided.
8. The Error in Description Coverage Extension is no longer provided.
9. Coverage is now limited to the applicable Limit of Insurance for Building or Business Personal Property.
10. Covered Property is now subject to the Property Not Covered provision of the Coverage Form.
11. The coverage for drying out of electrical objects due to flooding is no longer provided.

#### **FINE ARTS COVERAGE- SPECIAL FORM (CM T1 05 06 93)**

This coverage is now built into the Coverage Form under the Fine Arts Additional Coverage, however, some of the features are now changed.

### ***Broadened Features***

1. The breakage limitation no longer applies.
2. The Coinsurance provision no longer applies.

### ***Restrictive Features***

1. The Newly Acquired Fine Arts Coverage Extension is no longer provided.
2. The earth movement, water and neglect causes of loss are now excluded for this coverage.
3. Previously, a separate deductible applied to this coverage. This coverage is now subject to the Businessowners Property Coverage Deductible, which may be higher than that separate deductible.

### **BUSINESS COMPUTER COVERAGE FORM (CM T1 21 01 98)**

This coverage is now built into the Coverage Form under the Electronic Data Processing Coverage Extension, however, some of the features are now changed.

### ***Restrictive Features***

1. Additional limit of \$5,000 for computer virus extraction expense is no longer provided.
2. Business Income and Extra Expense (BIEE) coverage subject to a limit of 20% of the equipment limit at the premises is no longer provided automatically. However, if BIEE is otherwise covered under the policy, this would be a broadening of coverage.
3. Previously coverage for newly acquired electronic data processing equipment was provided subject to a limit of \$100,000. The limit is now \$25,000.
4. Previously coverage at a newly acquired location was provided subject to a limit of \$100,000. The limit is now \$25,000.
5. Previously coverage for duplicate data while stored at a separate premises from where the originals are kept was provided subject to a limit of \$50,000. The limit is now \$25,000.
6. Previously, a separate deductible applied to this coverage. This coverage is now subject to the Businessowners Property Coverage Deductible, which may be higher than that separate deductible.

### **AMENDATORY PROVISIONS – RESTAURANTS (MP T1 06 11 03)**

### ***Restrictive Features***

1. The Additional Coverage for Utility Services – Power Failure is no longer provided automatically. This coverage is available via the optional endorsement for Utility Services – Time Element.

### **AMENDATORY PROVISIONS – APARTMENTS (MP T1 08 01 00) and AMENDATORY PROVISIONS – BUILDING OWNERS (MP T1 10 01 00)**

### ***Restrictive Features***

1. Previously these endorsements provided \$25,000 in coverage for theft of business personal property even if you did not purchase Business Personal Property coverage. This coverage is no longer provided automatically. However, coverage for theft of business personal property is automatically provided when you purchase Business Personal Property coverage.
2. Previously these endorsements provided \$25,000 in coverage for money and securities even if you did not purchase Business Personal Property coverage. This coverage is no longer provided automatically. However, coverage for money and securities is automatically provided when you purchase Business Personal Property coverage.

### **ACCOUNTS RECEIVABLE COVERAGE (MP T1 12 01 00)**

This coverage is now built into the Coverage Form under the Accounts Receivable Coverage Extension. However, some of the features are now changed.

### ***Broadened Features***

1. Coverage while in transit or off premises is now increased from \$5,000 to \$25,000.



2. The magnetic injury cause of loss is no longer excluded for this coverage.
3. Previously, a separate deductible applied to this coverage. This coverage is now not subject to a deductible.

***Restrictive Features***

1. The earth movement and water causes of loss are now excluded for this coverage.

**VALUABLE PAPERS AND RECORDS COVERAGE (MP T1 14 01 00)**

This coverage is now built into the Coverage Form under the Valuable Papers and Records Coverage Extension. However, some of the features are now changed.

***Restrictive Features***

1. The earth movement and water causes of loss are now excluded for this coverage.
2. Previously, a separate deductible applied to this coverage. This coverage is now subject to the Businessowners Property Coverage Deductible, which may be higher than that separate deductible.

**AMENDATORY PROVISIONS – FLORISTS (MP T1 15 01 00)**

***Restrictive Features***

1. The Additional Coverage for Utility Services – Power, Telephone, FAX or Facsimile Failure is no longer provided automatically. This coverage is available via the optional endorsement for Utility Services – Time Element.

**AMENDATORY PROVISIONS – RETAIL MAIL ESTABLISHMENTS (MP T1 64 01 00)**

***Restrictive Features***

1. The seasonal increase of 50% for the period of November 1 through December 31 is no longer provided automatically. This coverage is available via the optional coverage for Seasonal Increase.

**SMALL COMPUTER COVERAGE FORM (MP T1 69 08 96)**

This coverage is now built into the Coverage Form under the Electronic Data Processing Coverage Extension. However, some of the features are now changed.

***Broadened Features***

1. The coverage for newly acquired property is increased from \$10,000 to \$25,000.
2. The coverage while in transit or off premises is increased from \$10,000 to \$25,000.
3. The coverage for duplicate data and media stored at a separate premises from where the originals are kept is increased from \$10,000 to \$25,000.

***Restrictive features***

1. Coverage is now subject to all of the limitations and exclusions in the Coverage Form, except artificially generated current, mechanical breakdown or utility services power failure.
2. Previously, a separate deductible applied to this coverage. This coverage is now subject to the Businessowners Property Coverage Deductible, which may be higher than that separate deductible.

**AMENDATORY PROVISIONS – PHARMACIES (MP T6 04 01 00)**

***Restrictive Features***

1. The Additional Coverage for Utility Services – Power Failure is no longer provided automatically. This coverage is available via the optional endorsement for Utility Services – Time Element.
2. The Additional Coverage for Spoilage of Pharmaceutical Products is no longer provided automatically. This coverage is available via the optional endorsement for Spoilage Coverage.

AMENDATORY PROVISIONS – PIZZA SHOPS (MP T6 06 01 00), AMENDATORY PROVISIONS – ORIENTAL RESTAURANTS (MP T6 07 01 00) and AMENDATORY PROVISIONS – SOCRATIC UNION (MP T6 12 08 96)

**Restrictive Features**

1. The Additional Coverage for Utility Services – Power and Telephone Failure is no longer provided automatically. This coverage is available via the optional endorsement for Utility Services – Time Element.
2. The Additional Coverage for Recharging – Automatic Cooking Protection Systems is now built into the Coverage Form (Fire Protective Equipment Discharge). However, the coverage is now subject to the Businessowners Property Coverage Deductible.

AMENDATORY PROVISIONS – PROFESSIONAL PET GROOMERS (MP T6 09 01 00) and AMENDATORY PROVISIONS – VETERINARY ANIMAL HOSPITALS (MP T9 23 01 00)

**Restrictive Features**

1. The Additional Coverage for Utility Services – Power Failure is no longer provided automatically. This coverage is available via the optional endorsement for Utility Services – Time Element.
2. The Extended Business Income of 90 days is no longer provided automatically. This coverage is available via the optional endorsement for Business Income Extension.

AMENDATORY PROVISIONS – TRAVEL AGENTS (MP T6 10 01 00)

**Restrictive Features**

1. The Additional Coverage for Utility Services – Power and Telephone Failure is no longer provided automatically. This coverage is available via the optional endorsement for Utility Services – Time Element.

**COMMERCIAL GENERAL LIABILITY ENDORSEMENTS**

EXCLUSION – FINANCIAL SERVICES (CG D1 08 02 05)

**Restrictive features**

1. The financial services excluded now include Debt or credit consulting, and Personal finance consulting.

PROFESSIONAL SERVICES EXCLUSION – COUNSELING SERVICES (CG D1 24 02 05)

**Restrictive features**

1. The counseling services excluded include: rendering or failure to render psychological or emotional counseling service, treatment, advice or instruction; furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances; and service as a member of an accreditation, standards review, peer review or equivalent professional board, or professional organization or committee.

PROFESSIONAL SERVICES EXCLUSION – SCHEDULED SERVICES FURNISHED BY HEALTH CARE PROVIDERS (CG D2 97 02 05)

**Restrictive features**

1. The professional services excluded now also include: any psychiatric, psychological or counseling service, treatment, advice or instruction; and service as a member of an accreditation, standards review, peer review or equivalent professional board, or professional organization or committee.

PROFESSIONAL SERVICES EXCLUSION – LEGAL SERVICES (CG D3 37 2 05)

**Restrictive features**

1. The endorsement excludes "bodily injury" and "property damage", as well as "personal injury" and "advertising injury" arising out of professional legal services.

PROFESSIONAL SERVICES EXCLUSION – SERVICES FURNISHED BY HEALTH CARE PROVIDERS  
(CG D3 43 02 05)

***Restrictive features***

1. The professional services excluded now also include: any psychiatric, psychological or counseling service, treatment, advice or instruction; and service as a member of an accreditation, standards review, peer review or equivalent professional board, or professional organization or committee.

PROFESSIONAL SERVICES EXCLUSION – THERAPEUTIC OR COSMETIC SERVICES  
(CG D3 44 02 05)

***Restrictive features***

1. This endorsement excludes eight types of professional therapeutic or cosmetic services listed in the endorsement; service or treatment done without a license; and service, treatment, advice or instruction that requires involvement of a medical doctor.

EXCLUSION – EXPLOSIVES, FIREWORKS OR INCENDIARY DEVICES (CG D3 45 02 05)

***Restrictive features***

1. This endorsement excludes "bodily injury" or "property damage" arising out of any explosive, fireworks, or "pyrotechnic device" or "incendiary device" as defined in the endorsement.

BARBER OR BEAUTY SHOP ENDORSEMENT (CG T3 55 02 05)

***Restrictive features***

1. This endorsement now includes a provision excluding "bodily injury", "property damage", "personal injury" or "advertising injury" arising out of eight types of services listed in the endorsement.

EXCLUSION – PUBLISHERS AND PRINTERS LIABILITY (CG T3 57 07 86)

***Restrictive features***

1. This endorsement excludes "advertising injury" or "personal injury" arising out of the publication or printing of any material written or printed by you on your behalf; any mistake, error or omission in any publication or printing; or any act in the course of gathering material for publication or printing.

## **POLICYHOLDER NOTICE**

### **CALIFORNIA INSURANCE GUARANTEE ASSOCIATION (CIGA) SURCHARGE**

Companies writing property and casualty insurance business in California are required to participate in the California Insurance Guarantee Association. If a company becomes insolvent, the California Insurance Guarantee Association settles unpaid claims and assesses each insurance company for its fair share.

California law requires all companies to surcharge policies to recover these assessments. If your policy is surcharged, "CA (CIGA) Surcharge" with an amount will be displayed on your premium notice.

This notice does not change the policy to which it is attached.

## **IMPORTANT NOTICE REGARDING INDEPENDENT AGENT AND BROKER COMPENSATION**

For information about how St. Paul Travelers compensates independent agents and brokers, please visit [www.StPaulTravelers.com](http://www.StPaulTravelers.com), or you may request a written copy from Marketing at One Tower Square, 2GSA, Hartford, Connecticut 06183; Fax (860) 954-5987.



## **IMPORTANT INFORMATION FOR MASTER PAC POLICYHOLDERS**

Dear Policyholder:

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

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



To Our Valued Customers:

Each year, homeowners and business owners across the nation sustain significant weather-related property damage due to floods. These can include losses caused by waves, tidal waters, the overflow of a body of water, the rapid accumulation or runoff of surface water, and mudslide. In nearly all cases, these flood losses cannot be prevented or even anticipated. And, in many instances, the losses are devastating.

Most standard property insurance policies, including most of our policies, do not provide coverage for flood losses. While flood coverage is often available – primarily through the National Flood Insurance Program – it is rarely purchased. Unfortunately, each year we find that some policyholders are surprised and disappointed to learn that damages they have suffered as a direct result of flood are not covered under the policies they have purchased.

Please review your insurance coverage with your agent or Company representative. As you consider the need for flood insurance, keep in mind that floods can, and do, occur in locations all over the country. They are not limited to coastal areas or locations with nearby rivers or streams. Several inches of rain falling over a short period of time can cause flood damage, even in normally dry areas that are not prone to flooding.

Your agent or Company representative can help you assess your risk. They can provide you with information on flood insurance available through us, including our "Write Your-Own-Flood" program, which enables agents to write flood insurance through the National Flood Insurance Program. Your agent or Company representative can help you assess your risk.



## NOTICE TO POLICYHOLDERS JURISDICTIONAL INSPECTIONS

Dear Policyholder;

Many states and some cities issue certificates permitting the continued operation of certain equipment such as boilers, water heaters, pressure vessels, etc. Periodic inspections are normally required to renew these certificates. In most jurisdictions, insurance company employees who have been licensed are authorized to perform these inspections.

If:

- You own or operate equipment that requires a certificate from a state or city to operate legally, and
- We Insure that equipment under this Policy, and
- You would like us to perform the next required inspection;

Then;

Call this toll-free number – **1-800-425-4119**

When you call this number, our representative will ask you for the following information:

- Name of your business (as shown on this Policy)
- Policy Number
- Location where the equipment is located. Including Zip Code.
- Person to contact and phone number for scheduling of inspection
- Type of equipment requiring inspection
- Certificate inspection date and certificate number

Or;

Fill in the form on the reverse side of this notice and fax it to the toll-free number indicated on that form.

Please note the following:

- Your jurisdiction may charge you a fee for renewing a certificate. It is your responsibility to pay such a fee.
- All the provisions of the INSPECTIONS AND SURVEYS Condition apply to the inspections described in this notice.

### REMINDER

If new equipment is installed or old equipment replaced that requires a jurisdictional inspection please let us know by calling our toll-free number listed above.



# REQUEST FOR JURISDICTIONAL INSPECTION

Name of Business: \_\_\_\_\_  
(As Shown on Policy)

Policy Number: \_\_\_\_\_

Location of Equipment:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Person to Contact for Scheduling Inspection: \_\_\_\_\_

Telephone Number of Person to Contact: \_\_\_\_\_

Equipment Type	Certificate Number	Certificate Expiration Date

**Fax Form to 1-877-764-9535**

Completed by: \_\_\_\_\_ Phone Number: \_\_\_\_\_