



Acuity, A Mutual Insurance Company

July 28, 2021

CHRISTOPHE CONDOMINIUM  
ASSOCIATION INC  
PO BOX 1223  
KETCHUM ID 83340

Policy Number: Z80660

Dear Policyholder:

This renewal policy continues your business coverage under the Acuity Commercial Package Policy Program. By choosing Acuity, you have selected a commercial insurer committed to quality. Our commitment to you includes state-of-the-industry coverages plus policy, claims and loss control services that meet the highest standards. We value our continuing association as a provider of vital insurance protection for your business operations.

### **Your Independent Agent**

This policy is sold and serviced by an independent insurance agent. Because independent agents can provide insurance coverage through more than one company, you can be confident that you have made a wise selection. Your agent stands ready to serve your needs and answer your questions with regard to this policy.

### **Terrorism Information**

Please refer to the Policyholder Disclosure Notice of Terrorism Insurance Coverage and any applicable Terrorism Premium Information page(s) following this letter for information regarding the Terrorism Risk Insurance Act.

Your policy has been issued with coverage for losses resulting from terrorist acts as defined in the Act. Endorsements have been attached to your policy for the lines of business that qualify for coverage under the Act and a premium charge has been applied. Refer to your Declarations for the exact premium charge associated with each endorsement. You have the right to reject this coverage by signing the attached rejection form. If you do, a premium charge may apply. Coverage cannot be rejected under workers' compensation insurance if included in this policy.

The Terrorism Risk Insurance Program is scheduled to terminate on December 31, 2027. Please refer to the Potential Change in Terrorism Coverage During the Term of Your Policy notice for details regarding changes in your coverage for acts of terrorism if the Program is not extended by the federal government.

**For More Information**

Please contact your agent if you have any questions or desire any changes in your policy. Your agent can also help determine if your coverage adequately meets your insurance needs.

Thank you for insuring with Acuity.

Acuity

Represented by

AMERICAN INSURANCE AND INVESTMENTS  
448 S 400 E  
SALT LAKE CITY UT 84158  
801.364.3434

## **Policyholder Disclosure Notice of Terrorism Insurance Coverage**

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

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 80% OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

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

The attached policy includes coverage for terrorism as described in the Act. The premium charge for this coverage is based on the premiums for each coverage part included in your policy that qualifies for coverage under the Act and the location of any property covered under the policy. The attached Terrorism Premium Information sheet provides complete information for developing this premium.



REJECTION OF COVERAGE FOR TERRORIST ACTS AS DEFINED IN THE  
TERRORISM RISK INSURANCE ACT

You may reject coverage for terrorist acts as defined in the Terrorism Risk Insurance Act, where permitted. You may do this by signing this rejection form and submitting it using one of the following methods:

**Mail: Acuity  
PO Box 58  
Sheboygan, WI 53082-0058**

**Email: [clservice@acuity.com](mailto:clservice@acuity.com)**

**Fax: 920.458.1618**

If you choose to reject this coverage, you will not be able to add the coverage back to your policy until your next renewal.

I have read the Policyholder Disclosure Notice of Terrorism Insurance Coverage and the Terrorism Premium Information page(s) and hereby reject coverage for terrorist acts as defined in the Terrorism Risk Insurance Act. I understand that coverage for terrorist acts as defined in the Act will be excluded under my policy.

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First Named Insured's Signature

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Date

A rejection form received within 30 days of the date shown on the bottom right corner will be valid as of the Policy Effective Date shown above. A rejection form received after 30 days of the date shown will be valid on the date we receive the form. This rejection will apply until the expiration date of the policy term that begins on the Policy Effective Date shown above.



**Potential Change in Terrorism Coverage During the Term of Your Policy**  
**(Applicable to Coverage Other Than Workers' Compensation**  
**and Employers' Liability Insurance)**

The Terrorism Risk Insurance Act established the Terrorism Risk Insurance Program. The Program is scheduled to terminate at the end of December 31, 2027, unless extended by the federal government. If the federal Program terminates before or during the term of your policy, the treatment of terrorism under your policy will change. An endorsement, Conditional Exclusion of Terrorism (Relating to Disposition of Federal Terrorism Risk Insurance Act), has been attached to your policy. The provisions of this endorsement will become applicable to your policy if the Program terminates as scheduled. Under this endorsement coverage for injury or damage arising out of a terrorism incident is excluded if:

- The total of all insured damage to all types of property and business interruption losses from the incident, exceeds \$25 million.
- For certain coverage, fifty or more persons sustain death or serious physical injury.
- The terrorism event involves nuclear materials or results in nuclear reaction or radiation or radioactive contamination.
- The terrorism event involves the release of radioactive material, and it appears that one purpose of the terrorism was to release such material.
- The terrorism event is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials.
- The terrorism event involves the release of pathogenic or poisonous biological or chemical materials and it appears that one purpose of the terrorism was to release such materials.

We will refund the premium charged for terrorism coverage if you have or will be accepting coverage for terrorism as defined in the Act and the Program is terminated. If your policy is effective prior to December 31, 2027, you will be refunded the premium charged from January 1, 2028, until the end of your policy term. If your policy is effective on or after January 1, 2028, you will be refunded the entire premium charged.

If the Program is extended without change, the coverage under your policy and any premium charge will not change.

**Potential Change in Terrorism Coverage During the Term of Your Policy**  
**(Applicable to Workers' Compensation and Employers' Liability Insurance)**

The Terrorism Risk Insurance Act established the Terrorism Risk Insurance Program. The Program is scheduled to terminate at the end of December 31, 2027, unless extended by the federal government. If the federal Program terminates before or during the term of your policy, the treatment of terrorism under your policy will not change. The premium charge for coverage your policy provides for terrorism or war losses may continue or change if the federal Program terminates.







## Terrorism Premium Information Idaho

The premium for terrorism coverage, as defined in Section 102(1) of the Act, is based on the premiums for each coverage part included in your policy that qualifies for coverage under the Terrorism Risk Insurance Act. Refer to the attached Policyholder Disclosure Notice of Terrorism Insurance Coverage for a description of applicable provisions in the Act.

If your Acuity policy contains the following coverage part:	The premium charge for terrorism insurance if you <b>accept</b> coverage under the Act is:
• Bis-Pak - Property Portion of Your Premium	• 4.2% of the property premium for all locations
• Bis-Pak - Liability Portion of Your Premium	• 1% of the liability premium applying to your policy
• Commercial Property Coverage Part and Commercial Output Program in the Commercial Inland Marine Coverage Part	• 4.2% of the premium for all locations
• Commercial Inland Marine Coverage Part - except for the Commercial Output Program	• 3% of the premium for all locations
• Commercial General Liability and Commercial Excess Liability Coverage Parts	• 1% of the premium applying to each of the coverage parts
• Workers' Compensation	• The premium charge is \$.01 for each \$100 of payroll for all classes

\*Workers' Compensation coverage automatically applies to loss caused by terrorism. You are **not** permitted to reject this coverage.





### **Keep This Notice With Your Insurance Papers**

**Problems With Your Insurance?** - If you are having problems with your insurance company or agent, do not hesitate to contact the insurance company or agent to resolve your problem.

*ACUITY*  
2800 South Taylor Drive  
Sheboygan, WI 53081-9613  
800.242.7666

You can also contact the **Idaho Department of Insurance**, a state agency that enforces Idaho's insurance laws. You can contact the **Idaho Department of Insurance** by writing to:

Idaho Department of Insurance  
700 West State Street, 3rd Floor  
PO Box 83720  
Boise, ID 83720-0043

or you can call 800.721.3272 outside of Boise or 208.334.4250 in Boise or fill out a form at [www.doi.idaho.gov](http://www.doi.idaho.gov).





**SPECIALIZING IN  
INSURANCE FOR  
CONDOMINIUMS**

**COMMON POLICY  
DECLARATIONS**

Acuity, A Mutual Insurance Company

First Named Insured and Address:

CHRISTOPHE CONDOMINIUM  
ASSOCIATION INC  
PO BOX 1223  
KETCHUM ID 83340

Agency Name and Number:

8078-AY (801)364-3434  
AMERICAN INSURANCE AND INVESTMENTS  
448 S 400 E  
PO BOX 58489  
SALT LAKE CITY UT 84158

Policy Number: Z80660

Policy Period: Effective Date: 08-29-21

Expiration Date: 08-29-22

12:01 A.M. standard time at  
your mailing address shown  
in the declarations

**This is not a bill. If premium is due, a billing notice will be sent separately.**

**COVERAGE**

Your coverage consists of the following lines of insurance for which a premium is indicated.  
This premium may be subject to adjustment.

<b>Property</b> .....	14,416.00
<b>General Liability</b> .....	1,948.00
<b>Automobile</b> .....	268.00
<b>Crime</b> .....	430.00
<b>Excess Liability</b> .....	1,103.00
<b>Directors' and Officers' Liability</b> .....	350.00
<b>Employment-Related Practices Liability</b> .....	207.00
<b>Total Advance Premium</b> .....	<b>\$ 18,722.00</b>

Secretary

President

## **MUTUAL POLICY CONDITIONS**

Every person, co-partnership or corporation insured by the company shall be a member of it and shall have one vote. The annual meeting of the members shall be held on the first Tuesday in March at 1:30 P.M. of each year, at the corporate headquarters of the company in Sheboygan, Wisconsin. Notice printed in each policy shall be sufficient as to the time and place of said meeting.

The Named Insured, upon termination of this policy, shall participate in the distribution of dividends, if any are declared, and fixed as determined by the directors in accordance with law.

This policy is nonassessable and the liability of the Named Insured to the company is limited to the payment of the premium herein provided.

### **Corporate Headquarters Address**

**Acuity  
2800 South Taylor Drive  
PO Box 58  
Sheboygan, Wisconsin 53082-0058  
800.242.7666**

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Acuity, A Mutual Insurance Company

## COMMERCIAL PROPERTY COVERAGE PART

### Renewal Declarations

First Named Insured and Address:

CHRISTOPHE CONDOMINIUM  
ASSOCIATION INC  
PO BOX 1223  
KETCHUM ID 83340

Agency Name and Number:

AMERICAN INSURANCE AND INVESTMENTS  
8078-AY

Policy Number: Z80660

Policy Period: Effective Date: 08-29-21

Expiration Date: 08-29-22

In return for the payment of the premium and subject to all the terms of the policy, we agree to provide the insurance coverage as stated in the same.

12:01 A.M. standard time at  
your mailing address shown  
in the declarations

### COVERAGES PROVIDED AND COVERAGE PREMIUMS

Coverage is provided where a Limit of Insurance is shown.

Coverage Item	Premises Number	Building Number	Limit of Insurance	Covered Causes of Loss	Coinsurance Percentage	Premium
Building	001	001	\$ 7,492,451	Special	90%	\$ 6,637.00
Business Income and Extra Expense	001	001	300,000	Special		342.00
Building	001	004	31,561	Special	90%	157.00
Building	002	001	2,524,953	Special	90%	2,991.00
Business Income and Extra Expense	002	001	100,000	Special		121.00
Building	002	002	1,862,152	Special	90%	2,340.00
Business Income and Extra Expense	002	002	100,000	Special		121.00
<b>Total Property Coverage Premium</b>						<b>\$ 12,709.00</b>

### COVERAGE FORMS AND ENDORSEMENT PREMIUMS APPLICABLE TO THIS COVERAGE PART

Form Number	Form Title	Premium
CP-0090F (07-88)	Commercial Property Conditions	\$
CP-7078 (11-13)	Equipment Breakdown Coverage	773.00
IL-0017F (11-98)	Common Policy Conditions	
CP-0017R (06-07)	Condominium Association Coverage Form	
CP-1532F (06-07)	Civil Authority Changes	
CP-0030F (12-13)	Business Income and Extra Expense Coverage Form	
CP-1030F (09-14)	Causes of Loss - Special Form	
CP-7102 (09-14)	ACUITY Property Enhancements	400.00

Policy Number: Z80660  
Effective Date: 08-29-21

Form Number	Form Title	Premium
IL-0935F (07-02)	Exclusion of Certain Computer-Related Losses . . . . .	
CP-0140F (07-06)	Exclusion of Loss Due to Virus or Bacteria . . . . .	
IL-0995R (01-15)	Conditional Exclusion of Terrorism (Relating to Disposition of Federal Act)	
IL-0204F (03-14)	Idaho Changes - Cancellation and Nonrenewal . . . . .	
IL-7080 (01-15)	Cap on Losses from Certified Acts of Terrorism . . . . .	534.00
IL-7082 (12-20)	Disclosure Pursuant to Terrorism Risk Insurance Act . . . . .	
IL-0415R (01-06)	Protective Safeguards . . . . .	
<b>Total Endorsement Premium . . . . .</b>		<b>\$ 1,707.00</b>

**PREMIUM SUMMARY**

Total Property Coverage Premium . . . . .	\$ 12,709.00
Total Endorsement Premium . . . . .	1,707.00
<b>Total Advance Premium . . . . .</b>	<b>\$ 14,416.00</b>

**DESCRIPTION OF PREMISES**

Premises Number	Building Number	Construction, Occupancy and Location
001	001	FRAME CONDO UNITS 351 2ND AVE S KETCHUM ID
001	004	FRAME POOL HOUSE 351 2ND AVE S KETCHUM ID
002	001	FRAME 4 TOWNHOMES 280 COTTONWOOD LN KETCHUM ID
002	002	FRAME 3 TOWNHOMES 280 COTTONWOOD LN KETCHUM ID

**MORTGAGE HOLDER NAME AND ADDRESS**

NONE

**OPTIONAL COVERAGES INCLUDED**

Applicable only when entries are made in the Schedule below:



Coverage Item	Premises Number	Building Number	Deductible	Agreed Value Expiration Date	Amount	Inflation Guard Percentage
Building	001	001	\$ 5,000			6%
Business Income and Extra Expense	001	001				
Building	001	004	\$ 5,000			6%
Building	002	001	\$ 5,000			6%
Business Income and Extra Expense	002	001				
Building	002	002	\$ 5,000			6%
Business Income and Extra Expense	002	002				

Premises Number	Building Number	Replacement Cost Building	Personal Property	Cost Including Stock	Business Income Indemnity Monthly Limit	Maximum Period	Extended Period	Business Income Including Rent	Business Income Excluding Rent	Rental Value
001	001	X			1/4			X		
001	004	X								
002	001	X			1/4			X		
002	002	X			1/4			X		

#### ADDITIONAL NAMED INSURED

WHO IS AN INSURED includes the following Additional Named Insureds:

HARRIMAN PLACE



# CONDOMINIUM ASSOCIATION COVERAGE FORM

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## CONDOMINIUM ASSOCIATION COVERAGE FORM

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

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

Other words and phrases that appear in italics have special meaning. Refer to Section H - Definitions.

### A. COVERAGE

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

#### 1. Covered Property

Covered Property, as used in this Coverage Part, means the type of property described in this section, A1, and limited in A2, Property Not Covered, if a Limit of Insurance is shown in the Declarations for that type of property.

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

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

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

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

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 A1a (6) above.

**b. Your Business Personal Property** located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises, consisting of the following:

- (1) Personal property owned by you or owned indivisibly by all unit-owners;
- (2) Your interest in the labor, materials or services furnished or arranged by you on personal property of others; and
- (3) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property Of Others.

But Your Business Personal Property does not include personal property owned only by a unit-owner.

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

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

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

#### 2. Property Not Covered

Covered Property does not include:

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

- b. Animals, unless owned by others and boarded by you;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband or property in the course of illegal transportation or trade;
- f. The cost of excavations, grading, back-filling or filling;
- g. Foundations of buildings, structures, machinery or boilers if their foundations are below:
  - (1) The lowest basement floor; or
  - (2) The surface of the ground if there is no basement;
- h. Land (including land on which the property is located), water, growing crops or lawns;
- i. Personal property while airborne or waterborne;
- j. Bulkheads, pilings, piers, wharves or docks;
- k. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- l. Retaining walls that are not part of a building;
- m. Underground pipes, flues or drains;
- n. Electronic data, except as provided under the Additional Coverages, Electronic Data. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data;
- o. The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of ac-

count, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data;

- p. Vehicles or self-propelled machines (including aircraft or watercraft) that:
  - (1) Are licensed for use on public roads; or
  - (2) Are operated principally away from the described premises.

This paragraph does not apply to:

- (a) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;
- (b) Vehicles or self-propelled machines, other than autos, you hold for sale;
- (c) Rowboats or canoes out of water at the described premises; or
- (d) Trailers, but only to the extent provided for in the Coverage Extension for Non-Owned Detached Trailers;

- q. The following property while outside of buildings:
  - (1) Grain, hay, straw or other crops;
  - (2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, trees, shrubs or plants (other than *stock* of trees, shrubs or plants), all except as provided in the Coverage Extensions.

### 3. Covered Causes Of Loss

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

### 4. Additional Coverages

#### a. Debris Removal

- (1) Subject to paragraphs (3) and (4), we will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- (2) Debris Removal does not apply to costs to:
  - (a) Extract *pollutants* from land or water; or

- (b) Remove, restore or replace polluted land or water.
- (3) Subject to the exceptions in paragraph (4), the following provisions apply:
  - (a) The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.
  - (b) Subject to (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.
- (4) We will pay up to an additional \$10,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:
  - (a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
  - (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

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

(5) Examples

The following examples assume that there is no Coinsurance penalty.

**EXAMPLE #1**

Limit of Insurance	\$90,000
Amount of Deductible	\$500
Amount of Loss	\$50,000

Amount of Loss Payable	\$49,500
	(\$50,000 - \$500)
Debris Removal Expense	\$10,000
Debris Removal Expense Payable	\$10,000
	(\$10,000 is 20% of \$50,000)

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

**EXAMPLE #2**

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

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

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

**b. Preservation Of Property**

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

- (1) While it is being moved or while temporarily stored at another location; and

- (2) Only if the loss or damage occurs within 30 days after the property is first moved.

We will not pay for any loss or damage under this Additional Coverage if the Covered Property was moved from the described premises to preserve it from loss or damage by a cause of loss that is not a Covered Cause of Loss.

**c. Fire Department Service Charge**

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000, unless a higher limit is shown in the Declarations, for your liability for fire department service charges:

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

No Deductible applies to this Additional Coverage.

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

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

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

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

**e. Increased Cost Of Construction**

- (1) This Additional Coverage applies only to buildings to which the Replacement Cost Optional Coverage applies.  
(2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with enforcement of an or-

dinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in e(3) through e(9) of this Additional Coverage.

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

Coinsurance percentage.

The amount payable under this Additional Coverage is additional insurance.

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

**f. Electronic Data**

- (1) Under this Additional Coverage, electronic data has the meaning

described under Property Not Covered, Electronic Data.

- (2) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.
- (3) The Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage - Electronic Data, subject to the following:
- (a) If the Causes of Loss - Special Form applies, coverage under this Additional Coverage, Electronic Data is limited to the *specified causes of loss* as defined in that Form, and Collapse as set forth in that Form.
  - (b) If the Causes of Loss - Broad Form applies, coverage under this Additional Coverage, Electronic Data includes Collapse as set forth in that Form.
  - (c) If the Causes of Loss Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Electronic Data.
  - (d) If the Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.



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

## 5. Coverage Extensions

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

If a Coinsurance percentage of 80% or more is shown in the Declarations, you may extend the insurance provided by this Coverage Part by the Extensions listed below.

Each of these Extensions is additional insurance. The Additional Condition, Coinsurance, does not apply to the Extensions listed below.

### a. Newly Acquired Or Constructed Property

#### (1) Buildings

You may extend the insurance that applies to Building to apply to:

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

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

#### (2) Your Business Personal Property

- (a) If this policy covers your Business Personal Property, you may extend that insurance to apply to:

- (i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;
- (ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or
- (iii) Business personal property that you newly acquire, located at the described premises.

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

- (b) This Extension does not apply to:

- (i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
- (ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

#### (3) Period of Coverage

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

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

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

### b. Personal Effects And Property Of Others

You may extend the insurance that ap-

plies to Your Business Personal Property to apply to:

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

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

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

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

**d. Property Off-premises**

- (1) You may extend the insurance pro-

vided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:

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

**e. Outdoor Property**

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

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

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

**f. Non-owned Detached Trailers**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:
  - (a) The trailer is used in your business;
  - (b) The trailer is in your care, custody or control at the

premises described in the Declarations; and

- (c) You have a contractual responsibility to pay for loss or damage to the trailer.
- (2) We will not pay for any loss or damage that occurs:
  - (a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;
  - (b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.
- (3) The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown in the Declarations.
- (4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

## **B. EXCLUSIONS AND LIMITATIONS**

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

## **C. LIMITS OF INSURANCE**

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

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

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

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

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

## **D. DEDUCTIBLE**

In any one occurrence of loss or damage (hereinafter referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or

equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss, and will pay the resulting amount or the Limit of Insurance, whichever is less.

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

### **EXAMPLE #1**

(This example assumes there is no Coinsurance penalty.)

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

The amount of loss to Building 1 (\$60,000) is less than the sum (\$60,250) of the Limit of Insurance applicable to Building 1 plus the Deductible.

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

\$60,100
- 250
\$59,850 Loss Payable - Building 1

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

Total amount of loss payable: \$59,850 + \$80,000 = \$139,850

### **EXAMPLE #2**

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

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

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

## **E. LOSS CONDITIONS**

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

### **1. Abandonment**

There can be no abandonment of any property to us.

## 2. Appraisal

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

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

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

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

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

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage and keep a record of your expenses reasonably incurred to protect the Covered Property. We will consider these expenses in the settlement of a claim, but this will not increase the applicable Limit of Insurance. However, we will not consider any expenses incurred in order to protect the Covered Property from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
- (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

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

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

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

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

## 4. Loss Payment

- a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:

- (1) Pay the value of lost or damaged property;
- (2) Pay the cost of repairing or replacing the lost or damaged property subject to b below;
- (3) Take all or any part of the property at an agreed or appraised value; or
- (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to b below.

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this Coverage Form or any applicable provision which amends or supersedes the Valuation Condition.

- b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.
- c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- d. We will not pay you more than your financial interest in the Covered Property.
- e. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims

against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.

- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.

- g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:

- (1) We have reached agreement with you on the amount of loss; or

- (2) An appraisal award has been made.

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.

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

## 5. Recovered Property

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

## 6. Unit-owner's Insurance

A unit-owner may have other insurance covering the same property as this insur-

ance. This insurance is intended to be primary and not to contribute with such other insurance.

## 7. Vacancy

### a. Description of Terms

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

- (a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

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

- (i) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; and/or

- (ii) Used by the building owner to conduct customary operations.

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

### b. Vacancy Provisions

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

- (1) We will not pay for any loss or damage caused by any of the following, even if they are Covered Causes of Loss:

- (a) Vandalism;

- (b) Sprinkler leakage, unless you have protected the system against freezing;

- (c) Building glass breakage;

- (d) Water damage;

- (e) Theft; or

- (f) Attempted theft.

- (2) With respect to Covered Causes of Loss, other than those listed in b(1)(a) through b(1)(f) above, we will reduce the amount we would

otherwise pay for the loss or damage by 15%.

## 8. Valuation

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

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

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

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

- (1) Awnings or floor coverings;
- (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
- (3) Outdoor equipment or furniture.

- c. Glass at the cost of replacement with safety-glazing material if required by law.

## 9. 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.

## F. ADDITIONAL CONDITIONS

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

### 1. Coinsurance

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

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

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

- (1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
- (2) Divide the Limit of Insurance of the property by the figure determined in step (1);

- (3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in step (2); and

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

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

### EXAMPLE #1 (UNDERINSURANCE)

When:

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

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

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

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

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

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

### EXAMPLE #2 (ADEQUATE INSURANCE)

When:

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

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

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

### EXAMPLE #3

When:

The value of the property is:	
Building at Location Number 1	\$ 75,000
Building at Location Number 2	\$100,000
Personal Property at Location Number 2	<u>\$ 75,000</u>
	\$250,000
The Coinsurance percentage for it is	90%

The Limit of Insurance for Buildings and Personal Property at Location Numbers 1 and 2 is \$180,000

The Deductible is \$1,000

The amount of loss is:

Building at Location Number 2 \$30,000

Personal Property at Location Number 2 \$20,000  
\$50,000

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

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

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

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

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

## 2. Mortgageholders

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

the mortgage will be transferred to us to the extent of the amount we pay; and

- (2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

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

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

## G. OPTIONAL COVERAGES

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

### 1. Agreed Value

- a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of, or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.
- b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.
- c. The terms of this Optional Coverage apply only to loss or damage that occurs:
  - (1) On or after the effective date of this Optional Coverage; and
  - (2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

### 2. Inflation Guard

- a. The Limit of Insurance for property to

which this Optional Coverage applies will automatically increase by the annual percentage shown in the Declarations.

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

**EXAMPLE:**

If:

The applicable Limit of Insurance is \$100,000

The annual percentage increase is 8%

The number of days since the beginning of policy year (or last policy change) is 146

The amount of increase is  $\$100,000 \times .08 \times (146 \div 365) = \$3,200$

**3. Replacement Cost**

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

Under the terms of this Replacement Cost Optional Coverage, personal property owned indivisibly by all unit-owners, and the property covered under paragraph A1a(6) of this Coverage Form, are not considered to be the personal property of others.

- c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage pro-

vides if you notify us of your intent to do so within 180 days after the loss or damage.

- d. We will not pay on a replacement cost basis for any loss or damage:
- (1) Until the lost or damaged property is actually repaired or replaced; and
  - (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.
- e. We will not pay more for loss or damage on a replacement cost basis than the least of (1), (2) or (3), subject to f below.
- (1) The Limit of Insurance applicable to the lost or damaged property;
  - (2) The cost to replace the lost or damaged property with other property:
    - (a) Of comparable material and quality; and
    - (b) Used for the same purpose; or
  - (3) The amount actually spent that is necessary to repair or replace the lost or damaged property.

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

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

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

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

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

If an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for



which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance.

#### **H. DEFINITIONS**

1. "*Fungus*" means any type or form of *fungus*, including mold or mildew, and any mycotoxins, spores, scents or byproducts

produced or released by fungi.

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

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**BUSINESS INCOME AND EXTRA EXPENSE COVERAGE FORM**

**Index of Policy Provisions**

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## BUSINESS INCOME AND EXTRA EXPENSE COVERAGE FORM

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

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

Other words and phrases that appear in italics have special meaning. Refer to Section F, Definitions.

### A. COVERAGE

#### 1. Business Income

Business Income means the:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- b. Continuing normal operating expenses incurred, including payroll.

For manufacturing risks, Net Income includes the net sales value of production.

Coverage is provided as described and limited below for one or more of the following options for which a Limit of Insurance is shown in the Declarations:

- (1) Business Income Including *Rental Value*.
- (2) Business Income Other Than *Rental Value*.
- (3) *Rental Value*.

If option (1) above is selected, the term Business Income will include *Rental Value*. If option (3) above is selected, the term Business Income will mean *Rental Value* only.

If Limits of Insurance are shown under more than one of the above options, the provisions of this Coverage Part apply separately to each.

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 premises which are described in the Declarations and for which a Business Income Limit of Insurance is shown in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises are located.

With respect to the requirements set forth in the preceding paragraph, if you occupy only

part of the site at which the described premises are located, your premises means:

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

#### 2. Extra Expense

- a. Extra Expense Coverage is provided at the premises described in the Declarations only if the Declarations show that Business Income Coverage applies at that premises.
- b. Extra Expense means necessary expenses you incur during the *period of restoration* that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

We will pay Extra Expense (other than the expense to repair or replace property) to:

- (1) 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 location or temporary location.
- (2) Minimize the *suspension* of business if you cannot continue *operations*.

We will also pay Extra Expense to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Form.

#### 3. Covered Causes Of Loss, Exclusions And Limitations

See applicable Causes of Loss Form as shown in the Declarations.

#### 4. Additional Limitation - Interruption Of Computer Operations

- a. Coverage for Business Income does not apply when a *suspension* of *operations* is caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage

- Interruption of Computer Operations.

- b. Coverage for Extra Expense does not apply when action is taken to avoid or minimize a *suspension of operations* caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage - Interruption of Computer Operations.
- c. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.

## 5. Additional Coverages

### a. Civil Authority

In this Additional Coverage - Civil Authority, the described premises are premises to which this Coverage Form applies, as shown in the Declarations.

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

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

Civil Authority Coverage for Business Income will begin 72 hours after the

time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

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

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

### b. Alterations And New Buildings

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur due to direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss to:

- (1) New buildings or structures, whether complete or under construction;
- (2) Alterations or additions to existing buildings or structures; and
- (3) Machinery, equipment, supplies or building materials located on or within 100 feet of the described premises and:
  - (a) Used in the construction, alterations or additions; or
  - (b) Incidental to the occupancy of new buildings.

If such direct physical loss or damage delays the start of *operations*, the *period of restoration* for Business Income Coverage will begin on the date *operations* would have begun if the direct physical loss or damage had not occurred.

### c. Extended Business Income

- (1) Business Income other than *Rental Value*

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

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

- (b) Ends on the earlier of:
  - (i) The date you could restore your *operations*, with reasonable speed, to the level which would generate the business income amount that would have existed if no direct physical loss or damage had occurred; or
  - (ii) 30 consecutive days after the date determined in (1)(a) above.

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

Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

(2) *Rental Value*

If the necessary *suspension* of your *operations* produces a *Rental Value* loss payable under this policy, we will pay for the actual loss of *Rental Value* you incur during the period that:

- (a) Begins on the date property is actually repaired, rebuilt or replaced and tenantability is restored; and
- (b) Ends on the earlier of:
  - (i) The date you could restore tenant occupancy, with reasonable speed, to the level which would generate the *Rental Value* that would have existed if no direct physical loss or damage had occurred; or
  - (ii) 30 consecutive days after the date determined in (2)(a) above.

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

Loss of *Rental Value* must be caused by direct physical loss or damage at the described premises

caused by or resulting from any Covered Cause of Loss.

**d. Interruption Of Computer Operations**

- (1) Under this Additional Coverage, electronic data has the meaning described under Additional Limitation - Interruption of Computer Operations.
- (2) Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Business Income and Extra Expense to apply to a *suspension* of *operations* caused by an interruption in computer operations due to destruction or corruption of electronic data due to a Covered Cause of Loss.
- (3) With respect to the coverage provided under this Additional Coverage, the Covered Causes of Loss are subject to the following:
  - (a) If the Causes of Loss - Special Form applies, coverage under this Additional Coverage - Interruption of Computer Operations is limited to the *specified causes of loss* as defined in that Form, and Collapse as set forth in that Form.
  - (b) If the Causes of Loss - Broad Form applies, coverage under this Additional Coverage - Interruption of Computer Operations includes Collapse as set forth in that Form.
  - (c) If the Causes of Loss Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage - Interruption of Computer Operations.
  - (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, de-

sign, install, maintain, repair or replace that system.

- (4) The most we will pay under this Additional Coverage - Interruption of Computer Operations is \$2,500 for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.
- (5) This Additional Coverage - Interruption in Computer Operations does not apply to loss sustained or expense incurred after the end of the *period of restoration*, even if the amount of insurance stated in (4) above has not been exhausted.

## 6. Coverage Extension

If a Coinsurance percentage of 50% or more is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

### Newly Acquired Locations

- a. You may extend your Business Income and Extra Expense Coverages to apply to property at any location you acquire other than fairs or exhibitions.
- b. The most we will pay under this extension, for the sum of Business Income loss and Extra Expense incurred, is \$100,000 at each location.
- c. Insurance under this extension for each newly acquired location will end when any of the following occurs:
- (1) This policy expires;
  - (2) Thirty days expire after you acquire or begin to construct the property; or
  - (3) You report values to us.
- We will charge you additional premium

for values reported from the date you acquire the property.

- d. The Additional Condition, Coinsurance, does not apply to this Extension.

## B. LIMITS OF INSURANCE

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

Payments under the following Coverages will not increase the applicable Limit of Insurance:

1. Alterations And New Buildings;
2. Civil Authority;
3. Extra Expense; or
4. Extended Business Income.

The amounts of insurance stated in the Interruption Of Computer Operations Additional Coverage and the Newly Acquired Locations Coverage Extension apply in accordance with the terms of those coverages and are separate from the Limit(s) of Insurance shown in the Declarations for any other coverage.

## C. LOSS CONDITIONS

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

### 1. Appraisal

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser.

The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

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

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

### 2. Duties In The Event Of Loss

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

scription of how, when and where the direct physical loss or damage occurred.

- (4) Take all reasonable steps to protect the Covered Property from further damage and keep a record of your expenses reasonably incurred to protect the Covered Property. We will consider these expenses in the settlement of a claim, but this will not increase the applicable Limit of Insurance. However, we will not consider any expenses incurred in order to protect the Covered Property 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) 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.

- (6) 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.
- (7) Cooperate with us in the investigation or settlement of the claim.
- (8) 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.

### 3. Loss Determination

- a. The amount of Business Income loss will be determined based on:
    - (1) The Net Income of the business before the direct physical loss or damage occurred;
    - (2) The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have

been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses.

- (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 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) Necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

### c. Resumption Of Operations

We will reduce the amount of your:

- (1) Business Income loss, other than Extra Expense, to the extent you can resume your *operations*, in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.
  - (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 possi-



ble, we will pay based on the length of time it would have taken to resume *operations* as quickly as possible.

#### 4. Loss Payment

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:

- a. We have reached agreement with you on the amount of loss; or
- b. An appraisal award has been made.

### D. ADDITIONAL CONDITION

#### Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies in addition to the Common Policy Conditions and the Commercial Property Conditions.

We will not pay the full amount of any Business Income loss if the Limit of Insurance for Business Income is less than:

1. The Coinsurance percentage shown for Business Income in the Declarations; times
2. The sum of:
  - a. The Net Income (Net Profit or Loss before income taxes); and
  - b. Operating expenses, including payroll expenses, that would have been earned or incurred (had no loss occurred) by your *operations* at the described premises for the 12 months following the inception or last previous anniversary date of this policy (whichever is later).

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

Step 1: Multiply the Net Income and operating expense for the 12 months following the inception or last previous anniversary date of this policy by the coinsurance percentage;

Step 2: Divide the Limit of Insurance for the described premises by the figure determined in Step 1; and

Step 3: Multiply the total amount of loss by the figure determined in Step 2.

We will pay the amount determined in Step 3, 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.

In determining operating expenses for the purpose of applying the Coinsurance condition, the following expenses, if applicable, shall be deducted from the total of all operating expenses:

- (1) Prepaid freight - outgoing;
- (2) Returns and allowances;
- (3) Discounts;

- (4) Bad debts;
- (5) Collection expenses;
- (6) Cost of raw stock and factory supplies consumed (including transportation charges);
- (7) Cost of merchandise sold (including transportation charges);
- (8) Cost of other supplies consumed (including transportation charges);
- (9) Cost of services purchased from outsiders (not employees) to resell, that do not continue under contract;
- (10) Power, heat and refrigeration expenses that do not continue under contract (if form CP-1511F is attached);
- (11) All ordinary payroll expenses or the amount of payroll expense excluded (if form CP-1510F is attached); and
- (12) Special deductions for mining properties (royalties unless specifically included in coverage; actual depletion commonly known as unit or cost depletion - not percentage depletion; welfare and retirement fund charges based on tonnage; hired trucks).

#### EXAMPLE #1 (UNDERINSURANCE)

When:

The Net Income and operating expenses for the 12 months following the inception or last previous anniversary date of this policy at the described premises would have been \$400,000

The Coinsurance percentage is	50%
The Limit of Insurance is	\$150,000
The amount of loss is	\$80,000

Step 1:  $\$400,000 \times 50\% = \$200,000$   
(the minimum amount of insurance to meet your Coinsurance requirements)

Step 2:  $\$150,000 \div \$200,000 = .75$

Step 3:  $\$80,000 \times .75 = \$60,000$

We will pay no more than \$60,000. The remaining \$20,000 is not covered.

#### EXAMPLE #2 (ADEQUATE INSURANCE)

When:

The Net Income and operating expenses for the 12 months following the inception or last previous anniversary date of this policy at the described premises would have been \$400,000

The Coinsurance percentage is	50%
The Limit of Insurance is	\$200,000
The amount of loss is	\$80,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ( $\$400,000 \times 50\%$ ). Therefore, the Limit of Insur-

ance in this example is adequate and no penalty applies. We will pay no more than \$80,000 (amount of loss).

This condition does not apply to Extra Expense Coverage.

## E. OPTIONAL COVERAGES

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

### 1. Maximum Period Of Indemnity

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.
- b. The most we will pay for the total of Business Income loss and Extra Expense is the lesser of:
  - (1) The amount of loss sustained and expenses incurred during the 120 days immediately following the beginning of the *period of restoration*; or
  - (2) The Limit of Insurance shown in the Declarations.

### 2. Monthly Limit Of Indemnity

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.
- b. The most we will pay for loss of Business Income in each period of 30 consecutive days after the beginning of the *period of restoration* is:
  - (1) The Limit of Insurance, multiplied by:
  - (2) The fraction shown in the Declarations for this Optional Coverage.

#### EXAMPLE

When:

The Limit of Insurance is \$120,000

The fraction shown in the Declarations for this Optional Coverage is  $\frac{1}{4}$

The most we will pay for loss in each period of 30 consecutive days is: \$30,000

$(\$120,000 \times \frac{1}{4} = \$30,000)$

If, in this example, the actual amount of loss is:

Days 1-30:	\$40,000
Days 31-60:	\$20,000
Days 61-90:	<u>\$30,000</u>
	\$90,000

We will pay:

Days 1-30:	\$30,000
Days 31-60:	\$20,000
Days 61-90:	<u>\$30,000</u>
	\$80,000

The remaining \$10,000 is not covered.

### 3. Business Income Agreed Value

#### a. To activate this Optional Coverage:

- (1) A Business Income Report/Work Sheet must be submitted to us and must show financial data for your *operations*:
  - (a) During the 12 months prior to the date of the Work Sheet; and
  - (b) Estimated for the 12 months immediately following the inception of this Optional Coverage.
- (2) The Declarations must indicate that the Business Income Agreed Value Optional Coverage applies, and an Agreed Value must be shown in the Declarations. The Agreed Value should be at least equal to:
  - (a) The Coinsurance percentage shown in the Declarations; multiplied by:
  - (b) The amount of Net Income and operating expenses for the following 12 months you report on the Work Sheet.

#### b. The Additional Condition, Coinsurance, is suspended until:

- (1) Twelve months after the effective date of this Optional Coverage; or
- (2) The expiration date of this policy; whichever occurs first.

#### c. We will reinstate the Additional Condition, Coinsurance, automatically if you do not submit a new Work Sheet and Agreed Value:

- (1) Within 12 months of the effective date of this Optional Coverage; or
- (2) When you request a change in your Business Income Limit of Insurance.

#### d. If the Business Income Limit of Insurance is less than the Agreed Value, we will not pay more of any loss than the amount of loss multiplied by:

- (1) The Business Income Limit of Insurance; divided by
- (2) The Agreed Value.

## EXAMPLE

When:

The Limit of Insurance is	\$100,000
The Agreed Value is	\$200,000
The amount of loss is	\$80,000

Step (1):  $\$100,000 \div \$200,000 = .50$

Step (2):  $.50 \times \$80,000 = \$40,000$

We will pay \$40,000. The remaining \$40,000 is not covered.

### 4. Extended Period Of Indemnity

Under paragraph A5c, Extended Business Income, the number 30 in subparagraphs (1)(b) and (2)(b) is replaced by the number shown in the Declarations for this Optional Coverage.

## F. DEFINITIONS

1. "Finished stock" means stock you have manufactured.

*Finished stock* also includes whiskey and alcoholic products being aged, unless there is a Coinsurance percentage shown for Business Income in the Declarations.

*Finished stock* does not include stock you have manufactured that is held for sale on the premises of any retail outlet insured under this Coverage Part.

2. "Operations" mean:

- a. Your business activities occurring at the described premises; and
- b. The tenantability of the described premises, if coverage for Business Income Including *Rental Value* or *Rental Value* applies.

3. "Period of restoration" means the period of time that:

- a. Begins:

- (1) Seventy-two hours after the time of direct physical loss or damage for Business Income Coverage; or
- (2) Immediately after the time of direct physical loss or damage for Extra Expense Coverage;

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

- b. Ends on the earlier of:

- (1) The date when the property at the described premises should be re-

paired, rebuilt or replaced with reasonable speed and similar quality; or

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

*Period of restoration* does not include any increased period required due to the enforcement of any ordinance or law that:

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

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

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

5. "Rental Value" means Business Income that consists of:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of 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.

6. "Suspension" means:

- a. The slowdown or cessation of your business activities; or
- b. That a part or all of the described premises is rendered untenable, if coverage for Business Income Including *Rental Value* or *Rental Value* applies.

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## COMMERCIAL PROPERTY CONDITIONS

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

### A. CONCEALMENT, MISREPRESENTATION OR FRAUD

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

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

### B. CONTROL OF PROPERTY

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

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

### C. INSURANCE UNDER TWO OR MORE COVERAGES

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

### D. LEGAL ACTION AGAINST US

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

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

### E. LIBERALIZATION

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

### F. NO BENEFIT TO BAILEE

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

### G. OTHER INSURANCE

1. You may have other insurance subject to the

same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.

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

### H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

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

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

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

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

This will not restrict your insurance.

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## CAUSES OF LOSS - SPECIAL FORM

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

### A. COVERED CAUSES OF LOSS

When Special is shown in the Declarations, Covered Causes of Loss means Risks of Direct Physical Loss unless the loss is:

1. Excluded in Section B, Exclusions; or
2. Limited in Section C, Limitations; that follow.

### B. EXCLUSIONS

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

#### a. Ordinance Or Law

The enforcement of any ordinance or law:

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

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

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

#### b. Earth Movement

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

sion, improperly compacted soil and the action of water under the ground surface.

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

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

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

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

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

Volcanic Action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

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

#### c. Governmental Action

Seizure or destruction of property by order of governmental authority.

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

#### d. Nuclear Hazard

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

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

**e. Utility Services**

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

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

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

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

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

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

**f. War And Military Action**

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

**g. Water**

- (1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;

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

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

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

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

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

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

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

But if *fungus*, wet or dry rot or bacteria results in a Covered Cause Of Loss, we will pay for the loss or damage caused by that Covered Cause Of Loss.

This exclusion does not apply:

- (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 Coverage For *Fungus*, Wet Rot, Dry Rot And Bacteria with respect to loss or damage by a cause of loss other than fire or lightning.

Exclusions B1a through B1h apply whether or not the loss event results in widespread damage or affects a substantial area.

2. We will not pay for loss or damage caused by or resulting from any of the following:
  - a. Artificially generated electrical, magnetic or electromagnetic energy that dam-



ages, disturbs, disrupts or otherwise interferes with any:

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

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

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

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

- b.** Delay, loss of use or loss of market.
- c.** Smoke, vapor or gas from agricultural smudging or industrial operations.
- d.**
  - (1) Wear and tear;
  - (2) Rust, or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
  - (3) Smog;
  - (4) Settling, cracking, shrinking or expansion;
  - (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals.
  - (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.
  - (7) The following causes of loss to personal property:
    - (a) Dampness or dryness of atmosphere;
    - (b) Changes in or extremes of temperature; or
    - (c) Marring or scratching.

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

*of loss* or building glass breakage.

- e.** Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you or operated under your control.

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

- f.** Continuous or repeated seepage or leakage of water or the presence or condensation of humidity, moisture or vapor that occurs over a period of 14 days or more.
- g.** Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
  - (1) You do your best to maintain heat in the building or structure; or
  - (2) You drain the equipment and shut off the supply if the heat is not maintained.
- h.** Dishonest or criminal act by you, any of your partners, members, officers, managers, employees (including leased employees), directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:
  - (1) Acting alone or in collusion with others; or
  - (2) Whether or not occurring during the hours of employment.

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

- i.** Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- j.** Rain, snow, ice or sleet to personal property in the open.
- k.** Collapse, including any of the following conditions of property or any part of the property:

- (1) An abrupt falling down or caving in;
- (2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
- (3) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to (1) or (2) above.

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

This exclusion, k, does not apply:

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

- I. 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, I, does not apply to damage to glass caused by chemicals applied to the glass.

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

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

**a. Weather Conditions**

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

- b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
- c. Faulty, inadequate or defective:
  - (1) Planning, zoning, development, surveying, sitting;
  - (2) Design, specifications, workmanship, repair, construction, renovations, remodeling, grading, compaction;
  - (3) Materials used in repair, construction, renovation or remodeling; or
  - (4) Maintenance;
 of part or all of any property on or off the described premises.

**4. Special Exclusions**

The following provisions apply only to the specified Coverage Forms.

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

We will not pay for:

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

This exclusion does not apply to Extra Expense.

- (2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.
- (3) Any increase of loss caused by or resulting from:
  - (a) Delay in rebuilding, repairing or replacing the property or resuming *operations*, to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
  - (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the *suspension of operations*, we will cover such loss that affects your Business Income during the *period of restoration* and any extension of the *period of restoration* in accordance with the terms of the Extended Business Income Ad-

ditional Coverage and the Extended Period of Indemnity Optional Coverage or any variation of these.

- (4) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the *period of restoration*.
- (5) Any other consequential loss.

**b. Leasehold Interest Coverage Form**

- (1) Paragraph B1a, Ordinance Or Law, does not apply to insurance under this Coverage Form.
- (2) We will not pay for any loss caused by:
  - (a) Your cancelling the lease;
  - (b) The suspension, lapse or cancellation of any license; or
  - (c) Any other consequential loss.

**c. Legal Liability Coverage Form**

- (1) The following Exclusions do not apply to insurance under this Coverage Form:
  - (a) Paragraph B1a, Ordinance or Law;
  - (b) Paragraph B1c, Governmental Action;
  - (c) Paragraph B1d, Nuclear Hazard;
  - (d) Paragraph B1e, Utility Services;
  - (e) Paragraph B1f, War and Military Action.
- (2) The following additional exclusions apply to insurance under this Coverage Form:
  - (a) Contractual Liability

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

    - (i) Your assumption of liability was executed prior to the accident; and
    - (ii) The building is Covered

Property under this Coverage Form.

**(b) Nuclear Hazard**

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

**5. Additional Exclusion**

The following provisions apply only to the specified property.

**LOSS OR DAMAGE TO PRODUCTS**

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

**C. LIMITATIONS**

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

- 1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.
  - a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
  - b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
  - c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:

- (1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
  - (2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.
  - d. 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.
  - e. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
2. We will not pay for loss of or damage to the following types of property unless caused by the *specified causes of loss* or building glass breakage:
- a. Animals, and then only if they are killed or their destruction is made necessary.
  - b. Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:
    - (1) Glass; or
    - (2) Containers of property held for sale.
  - c. Builders' machinery, tools and equipment owned by you or entrusted to you, provided such property is Covered Property.
- However, this limitation does not apply:
- (1) If the property is located on or within 100 feet of the described premises, unless the premises is insured under the Builders' Risk Coverage Form; or
  - (2) To Business Income Coverage or to Extra Expense Coverage.
3. The special limit shown for each category, a through e, is the total limit for loss of or damage to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are:
- a. \$2,500 for furs, fur garments and garments trimmed with fur.
  - b. \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply

to jewelry and watches worth \$100 or less per item.

- c. \$2,500 for patterns, dies, molds and forms.
- d. \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.
- e. \$10,000 for building materials and supplies not attached as part of the building or structure, caused by or resulting from theft.

However, this limitation does not apply to building materials and supplies held for sale by you, unless they are insured under the Builders' Risk Coverage Form.

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

This limitation, C3, does not apply to Business Income Coverage or to Extra Expense Coverage.

4. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire-extinguishing equipment if the damage:
- a. Results in discharge of any substance from an automatic fire protection system; or
  - b. Is directly caused by freezing.

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

#### **D. ADDITIONAL COVERAGE COLLAPSE**

The coverage provided under this Additional Coverage - Collapse applies only to an abrupt collapse as described and limited in D1 through D7.

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

- b. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
  - c. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.
  - d. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:
    - (1) A cause of loss listed in 2a or 2b;
    - (2) One or more of the *specified causes of loss*;
    - (3) Breakage of building glass;
    - (4) Weight of people or personal property; or
    - (5) Weight of rain that collects on a roof.
3. This Additional Coverage - Collapse does not apply to:
- a. A building or any part of a building that is in danger of falling down or caving in;
  - b. A part of a building that is standing, even if it has separated from another part of the building; or
  - c. A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
4. With respect to the following property:
- a. Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;
  - b. Awnings, gutters and downspouts;
  - c. Yard fixtures;
  - d. Outdoor swimming pools;
  - e. Fences;
  - f. Piers, wharves and docks;
  - g. Beach or diving platforms or appurtenances;
  - h. Retaining walls; and
  - i. Walks, roadways and other paved surfaces;
- if an abrupt collapse is caused by a cause of loss listed in 2a through 2d, we will pay for loss or damage to that property only if:
- (1) Such loss or damage is a direct result of the abrupt collapse of a building insured under this Cover-

age Form; and

- (2) The property is Covered Property under this Coverage Form.
5. If personal property abruptly falls down or caves in and such collapse is not the result of abrupt collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:
- a. The collapse of personal property was caused by a cause of loss listed in 2a through 2d above;
  - b. The personal property which collapses is inside a building; and
  - c. The property which collapses is not of a kind listed in 4, regardless of whether that kind of property is considered to be personal property or real property.
- The coverage stated in this paragraph 5 does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.
6. This Additional Coverage - Collapse does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
7. This Additional Coverage-Collapse, will not increase the Limits of Insurance provided in this Coverage Part.
8. The term Covered Cause of Loss includes the Additional Coverage - Collapse as described and limited in D1 through D7.
- E. ADDITIONAL COVERAGE - LIMITED COVERAGE FOR FUNGUS, WET ROT, DRY ROT AND BACTERIA**
1. The coverage described in E2 and E6 only applies when the *fungus*, wet or dry rot or bacteria is the result of one or more of the following causes that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.
- a. A Covered Cause Of Loss other than fire or lightning; or
  - b. Flood, if the Flood Coverage Endorsement applies to the affected premises.
2. We will pay for loss or damage by *fungus*, wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:
- a. Direct physical loss or damage to Covered Property caused by *fungus*, wet or dry rot or bacteria, including the cost of

removal of the *fungus*, wet or dry rot or bacteria;

- b. The cost to tear out and replace any part of the building or other property as needed to gain access to the *fungus*, wet or dry rot or bacteria; and
  - c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that *fungus*, wet or dry rot or bacteria are present.
3. The coverage described under E2 of this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of Covered Causes Of Loss (other than fire or lightning) and Flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in *fungus*, wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the *fungus*, wet or dry rot or bacteria continues to be present or active, or recurs, in a later policy period.
4. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by *fungus*, wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.
- If there is covered loss or damage to Covered Property, not caused by *fungus*, wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that *fungus*, wet or dry rot or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.
5. The terms of this Limited Coverage do not increase or reduce the coverage provided under paragraph F2 (Water Damage, Other Liquids, Powder or Molten Material Damage) of this Causes of Loss Form or under the Additional Coverage - Collapse.
6. The following 6a or 6b, applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the *suspension of operations* satisfies all terms and conditions of the applicable Business Income and/or Extra Expense Coverage Form.
- a. If the loss which resulted in *fungus*, wet or dry rot or bacteria does not in itself neces-

sitate a *suspension of operations*, but such *suspension* is necessary due to loss or damage to property caused by *fungus*, wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.

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

## F. ADDITIONAL COVERAGE EXTENSIONS

### 1. Property In Transit

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

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

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

### 2. Water Or Other Liquid, Powder Or Molten Material Damage

If loss or damage caused by or resulting from covered water or other liquid, powder

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

### 3. Glass

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

This Coverage Extension, F3, does not increase the Limit of Insurance.

## G. DEFINITIONS

1. "*Fungus*" means any type or form of *fungus*, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. "*Specified causes of loss*" means the following: 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; or water damage.

- a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
  - (1) The cost of filling sinkholes; or
  - (2) Sinking or collapse of land into man-made underground cavities.
- b. Falling objects does not include loss 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 a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts) that is located on the described premises and contains water or steam.

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## EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

CP-0140F(7-06)

This endorsement modifies insurance provided under the following:

### COMMERCIAL PROPERTY COVERAGE PART STANDARD PROPERTY POLICY

1. The exclusion set forth in paragraph 2 applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
2. We will not pay for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.

However, this exclusion does not apply to loss or damage caused by or resulting from *fungus*, wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Cov-

erage Part or Policy.

3. With respect to any loss or damage subject to the exclusion in paragraph 2, such exclusion supersedes any exclusion relating to *pollutants*.
4. The following provisions in this Coverage Part or Policy are hereby amended to remove reference to bacteria:
  - a. Exclusion of *Fungus*, Wet Rot, Dry Rot And Bacteria; and
  - b. Additional Coverage - Limited Coverage for *Fungus*, Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.
5. The terms of the exclusion in paragraph 2, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.

## EQUIPMENT BREAKDOWN COVERAGE

CP-7078(11-13)

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

CAUSES OF LOSS - BASIC FORM

CAUSES OF LOSS - BROAD FORM

CAUSES OF LOSS - SPECIAL FORM

- A. The following is added as an Additional Coverage to the Causes of Loss - Basic Form, Broad Form or Special Form.

### **Additional Coverage - Equipment Breakdown**

The term Covered Cause of Loss includes the Additional Coverage - Equipment Breakdown as described and limited below.

1. We will pay for direct physical damage to Covered Property that is the direct result of an *accident*.
2. The following coverages also apply to the direct result of an *accident*. These coverages do not provide additional amounts of insurance.

#### **a. Expediting Expenses**

With respect to your damaged Covered Property, we will pay the reasonable extra cost to:

- (1) Make temporary repairs; and
- (2) Expedite permanent repairs or permanent replacement.

The most we will pay for loss or expense under this coverage is \$50,000.

#### **b. Hazardous Substances**

We will pay for the additional cost to repair or replace Covered Property because of contamination by a *hazardous substance*. This includes the additional expenses to clean up or dispose of such property.

This does not include contamination of *perishable goods* by refrigerant, including but not limited to ammonia, which is addressed in 2c(1)(b) below. As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no *hazardous substance* been involved.

The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, is \$50,000.

#### **c. Spoilage**

- (1) We will pay:

- (a) For physical damage to *perishable goods* due to spoilage.
- (b) For physical damage to *perishable goods* due to contamination from the release of refrigerant, including but not limited to ammonia.
- (c) Any necessary expenses you incur to reduce the amount of loss under this coverage, to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

- (2) If you are unable to replace the *perishable goods* before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the *perishable goods* at the time of the *accident*, less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Valuation Condition.

The most we will pay for loss, damage or expense under this coverage is \$50,000.

#### **d. Data Restoration**

We will pay for your reasonable and necessary cost to research, replace and restore lost *data*.

The most we will pay for loss or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur is \$50,000.

#### **e. Service Interruption**

- (1) Any insurance provided for Business Income, Extra Expense or Spoilage is extended to apply to your loss, damage or expense caused by the interruption of utility services. The interruption must result from an *accident* to equipment, including overhead transmission lines, that is owned by a utility, landlord, a landlord's utility or other supplier who provides you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks or data transmission. The equipment must meet the definition

of *covered equipment* except that it is not Covered Property.

- (2) We will not pay for any loss of Business Income you sustain that results from the interruption of utility services during the first 24 hours following the *accident*. However, if the *period of restoration* begins more than 24 hours after the time of the direct physical damage for Business Income, then that time period will apply instead of the 24 hours provided for in this paragraph.
- (3) The most we will pay in any *one accident* for loss, damage or expense under this coverage is the limit that applies for Business Income, Extra Expense or Spoilage.

**f. Business Income and Extra Expense**

Any insurance provided under this coverage part for Business Income or Extra Expense is extended to the coverage provided by this endorsement.

The most we will pay for loss or expense under this coverage is the applicable limit for Business Income and Extra Expense.

3. All exclusions in the applicable Causes of Loss form apply except as modified below and to the extent that coverage is specifically provided by this Additional Coverage - Equipment Breakdown.

**a. The following exclusions are modified:**

- (1) If the Causes of Loss - Basic Form or Causes of Loss - Broad Form applies, the following is added to Exclusion B2:  
Depletion, deterioration, corrosion, erosion, wear and tear or other gradually developing conditions. However, if an *accident* results, we will pay for the resulting loss, damage or expense caused by that *accident*.
- (2) The following is added to Exclusion B1g:  
However, if electrical *covered equipment* requires drying out because of Water, we will pay for the direct expenses of such drying out subject to the applicable Limit of Insurance and deductible for Building or Business Personal Property, whichever applies.
- (3) If the Causes of Loss - Special Form applies, as respects this en-

dorsement only, the last paragraph of Exclusion B2d is deleted and replaced with the following:

But if an excluded cause of loss that is listed in 2d(1) through (7) results in an *accident*, we will pay for the loss, damage or expense caused by that *accident*.

**b. The following exclusions are added:**

- (1) We will not pay for loss, damage or expense caused by or resulting from:
  - (a) A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel, or an electrical insulation breakdown test of any type of electrical equipment; or
  - (b) Any of the following:
    - (i) Defect, programming error, programming limitation, computer virus, malicious code, loss of *data*, loss of access, loss of use, loss of functionality or other condition within or involving *data* or *media* of any kind; or
    - (ii) Misalignment, miscalibration, tripping off-line, or any condition which can be corrected by resetting, tightening, adjusting or cleaning, or by the performance of maintenance.

However, if an *accident* results, we will pay for the resulting loss, damage or expense caused by that *accident*.

- (2) With respect to Service Interruption coverage, we will also not pay for an *accident* caused by or resulting from: fire; lightning; windstorm or hail; explosion (except as specifically provided in item (3) under the definition of *accident*); smoke; aircraft or vehicles; riot or civil commotion; vandalism; sprinkler leakage; falling objects; weight of snow, ice or sleet; freezing; collapse; flood or earth movement.
- (3) With respect to Business Income, Extra Expense and Service Interruption coverages, we will also not pay for any increase in loss resulting from an agreement between you and your customer or supplier.
- (4) We will not pay for loss, damage or

expense caused directly or indirectly by the following, whether or not caused by or resulting from an *accident*: Any mold, fungus, mildew or yeast, including any spores or toxins produced by or emanating from such mold, fungus, mildew or yeast. This includes, but is not limited to, costs arising from clean up, removal, or abatement of such mold, fungus, mildew or yeast, spores or toxins. However, this exclusion does not apply to spoilage of personal property that is *perishable goods*, to the extent that spoilage is covered under Spoilage coverage.

- (5) We will not pay for any loss or damage to animals.
4. The most we will pay for loss, damage or expense under this endorsement arising from any *one accident* is the applicable Limit of Insurance shown in the Declarations. Coverage provided under this endorsement does not provide an additional amount of insurance.
5. The following definitions are added:
  - a. "*Accident*" means a fortuitous event that causes direct physical damage to *covered equipment*. The event must be one of the following:
    - (1) Mechanical breakdown, including rupture or bursting caused by centrifugal force;
    - (2) Artificially generated electric current, including electric arcing, that disturbs electrical devices, appliances or wires;
    - (3) Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
    - (4) Loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
    - (5) Loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.
  - b. "*Covered equipment*" means Covered Property:
    - (1) That generates, transmits or utilizes energy, including electronic communications and data processing equipment; or

- (2) Which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.

As respects this endorsement only, Covered Property includes machinery and equipment that are part of the building or structure at the premises described in the Declarations which you occupy but do not own for which you have a contractual responsibility to maintain, repair, or replace.

*Covered equipment* may utilize conventional design and technology or new or newly commercialized design and technology.

None of the following is *covered equipment*:

- (1) Structure, foundation, cabinet, or compartment;
  - (2) Insulating or refractory material;
  - (3) Sewer piping, buried vessels or piping, or piping forming a part of a sprinkler or fire suppression system;
  - (4) Water piping other than boiler feed-water piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
  - (5) *Vehicle*, or any equipment mounted on a *vehicle*;
  - (6) Satellite, spacecraft or any equipment mounted on a satellite or spacecraft;
  - (7) Dragline, excavation or construction equipment; or
  - (8) Equipment manufactured by you for sale.
- c. "*Data*" means information or instructions stored in digital code capable of being processed by machinery.
  - d. "*Hazardous substance*" means any substance that is hazardous to health or that has been declared to be hazardous to health by a governmental agency.
  - e. "*Media*" means material on which data is recorded, such as magnetic tapes, hard disks, optical disks or floppy disks.
  - f. "*One accident*" means: If an initial *accident* causes other *accidents*, all will be considered *one accident*. All *accidents* that are the result of the same event will be considered *one accident*.
  - g. "*Perishable goods*" means personal property maintained under controlled conditions for its preservation, and sus-

ceptible to loss or damage if the controlled conditions change.

- h. "Vehicle" means, as respects this endorsement only, any machine or apparatus that is used for transportation or moves under its own power. *Vehicle* includes, but is not limited to, car, truck, bus, trailer, train, aircraft, watercraft, forklift, bulldozer, tractor or harvester.

However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power source will not be considered a *vehicle*.

- B. The following conditions are in addition to the Conditions in the Building and Personal Property Coverage Form, the Commercial Property Conditions and the Common Policy Conditions:

#### 1. Suspension

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

- a. Your last known address; or
- b. The address where the *covered equipment* is located.

Once suspended in this way, your insurance can be reinstated only by an endorse-

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

#### 2. Jurisdictional Inspections

If any property that is *covered equipment* under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.

#### 3. Environmental, Safety and Efficiency Improvements

If *covered equipment* requires replacement due to an *accident*, we will pay your additional cost to replace with equipment that is better for the environment, safer for people or more energy or water efficient than the equipment being replaced.

However, we will not pay to increase the size or capacity of the equipment and we will not pay more than 150% of what the cost would have been to replace with like kind and quality. This condition does not apply to the replacement of component parts or to any property to which Actual Cash Value applies. This condition does not increase any of the applicable limits.

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

CONDOMINIUM ASSOCIATION COVERAGE FORM

CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

- A.** The first paragraph of 1b under Covered Property is replaced by the following:

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

- B.** Paragraph (4) of the Debris Removal Additional Coverage is replaced by the following:

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

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

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

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

- C.** Item c(2) under Preservation of Property Additional Coverage is replaced by the following:

(2) Only if the loss or damage occurs within 90 days after the property is first moved.

- D.** The Fire Department Service Charge Additional Coverage is replaced by the following:

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$25,000 for your liability for fire department service charges:

1. Assumed by contract or agreement prior to loss; or

2. Required by local ordinance.

No deductible applies to this Additional Coverage.

- E.** The last paragraph of the Pollutant Clean Up and Removal Additional Coverage is replaced by the following:

The most we will pay for each location under this Additional Coverage for each described premises is \$25,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.

- F.** The last paragraph of the Electronic Data Additional Coverage is replaced by the following:

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

- G.** The following are added to Additional Coverages under Section A, Coverage:

**1. Extra Expense**

- a.** We will pay the actual and necessary Extra Expense you sustain due to direct physical loss of or damage to property at the premises described in the Declarations caused by or resulting from any 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.

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

- (1) The portion of the building which you rent, lease or occupy; and  
(2) Any area within the building or on the site at which the described premises are located, if that area

services, or is used to gain access to, the described premises.

- b. **Extra Expense** means necessary expenses you incur during the *period of restoration* to avoid or minimize the *suspension* of business and to continue *operations* as much as possible at the described premises, or at replacement premises or temporary locations. Extra Expense is the total of all expenses that exceed the normal operating expenses that would have been incurred during the *period of restoration* if no direct physical loss or damage had occurred, and all necessary expenses that reduce the Extra Expense otherwise incurred. We will deduct from the total of such expenses the salvage value that remains of any property bought for temporary use during the *period of restoration* once *operations* are resumed.
- c. **"Operations"** mean your business activities occurring at the described premises.
- d. **"Period of restoration"** means the period of time that:
  - (1) Begins immediately after the time 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:
    - (a) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
    - (b) The date when business is resumed at a new permanent location.

*Period of restoration* does not include any increased period required due to the enforcement of any ordinance or law that:

- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
- (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of *pollutants*, fungus, wet or dry rot or bacteria; or
- (3) The enforcement of any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling remediation of property due to contamination by *pollutants*

or due to the presence, growth, proliferation, spread or any activity of *fungus*, wet or dry rot or bacteria.

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

- e. **"Suspension"** means the slowdown or cessation of your business activities.
- f. We will pay for the expenses incurred to repair or replace any property, or to research, replace or restore the lost information on damaged valuable papers and records, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Additional Coverage. We will not pay for loss of business income or any other consequential loss.
- g. The most we will pay for loss in any one occurrence under this Additional Coverage is \$1,000. This limit is additional insurance.

## **2. Reward for Information Leading to Conviction**

We will pay up to \$25,000 to any individual or organization for information leading to a crime conviction in connection with loss or damage to covered property caused by or resulting from a Covered Cause of Loss. This amount is the most we will pay, regardless of the number of persons or organizations involved in providing information.

No deductible applies to this Additional Coverage.

## **3. Fire Extinguisher Systems Recharge Expense**

a. We will pay:

- (1) The cost of recharging or replacing, whichever is less, your fire extinguishers and fire extinguishing systems (including hydrostatic testing if needed) if they are discharged on or within 1,000 feet of the described premises; and
- (2) For loss or damage to Covered Property if such loss or damage is the result of an accidental discharge of chemicals from a fire extinguisher or a fire extinguishing system.

b. No coverage will apply if the fire extinguishing system is discharged during installation or testing.

c. (1) We will pay the actual cost of recharging or replacing your fire extinguishers and your fire extinguishing systems.

- (2) The most we will pay under this Additional Coverage for the loss or damage to Covered Property is \$25,000 in any one occurrence.

d. No deductible applies to this Additional Coverage.

#### 4. Lock Replacement

We will cover your costs to repair or replace door locks or tumblers of your described premises because of theft or loss of your door keys. The most we will pay under this Additional Coverage is \$5,000 in any one occurrence.

No deductible applies to this Additional Coverage.

#### 5. Forgery and Alteration

a. We will pay for loss resulting directly from forgery or alteration of, any check, draft, promissory note, bill of exchange or similar written promise of payment in money, that you or your agent has issued, or that was issued by someone who impersonates you or your agent.

b. If you are sued for refusing to pay the check, draft, promissory note, bill of exchange or similar written promise of payment in money, on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur in that defense.

c. The most we will pay for any loss, including legal expenses, under this Additional Coverage is \$25,000.

#### 6. Outdoor Signs

a. We will pay for direct physical loss of or damage to outdoor signs at the described premises:

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

b. The Covered Causes of Loss and Exclusions Sections in the applicable Causes of Loss Form do not apply to this coverage, except for the following Exclusions:

- (1) Paragraph 1c, Governmental Action;
- (2) Paragraph 1d, Nuclear Hazard; and
- (3) Paragraph 1f, War and Military Action.

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

- (1) Wear and tear;

(2) Hidden or latent defect;

(3) Rust;

(4) Corrosion; or

(5) Mechanical breakdown.

d. The most we will pay for loss or damage in any one occurrence is \$10,000.

e. The second paragraph under Limits of Insurance is deleted.

#### 7. Personal Computers, Electronic Data Processing Equipment

a. We will pay for loss or damage caused by or resulting from a covered cause of loss to the following types of equipment:

(1) Your personal computers, telephones, electronic data processing and word processing equipment including their component parts owned by you within 1,000 feet of the described premises; and

Similar property of others that is in your control.

(2) We will pay for personal computers, telephones, electronic data processing and word processing equipment including their component parts you own while in the course of transit or temporarily at a premises you do not own, lease or operate.

We will not cover property rented or leased to others.

We will not pay for loss or damage caused by or resulting from processing or work upon the property covered, error in machine programming or instructions to the machine. But, if loss or damage by fire or explosion results, we will pay for the resulting loss or damage.

Covered equipment is valued at:

(1) Replacement Cost if the Replacement Cost Optional Coverage applies to Your Business Personal Property; or

(2) The least of the following amounts if the Replacement Cost Optional Coverage does not apply to Your Business Personal Property:

(a) The actual cash value of the equipment after deduction for depreciation;

(b) The cost of reasonably restoring the equipment to its condition immediately before the loss or damage; or



- (c) The cost of replacing the equipment with substantially identical equipment.

**b. Breakdown Coverage**

We will pay for direct physical loss to covered equipment caused by or resulting from:

- (1) Mechanical breakdown of the covered equipment;
- (2) Error or omission in design or faulty construction in development, manufacture or installation of the covered equipment;
- (3) Short-circuit, blow-out or other electrical damage to electrical equipment, apparatus or devices including wiring caused by or resulting from power failure originating on your premises or within 1,000 feet of the building containing the covered property; or
- (4) Processing operations on the covered equipment or while the covered equipment is being worked on or serviced.

The deductible amount applying to Breakdown Coverage is \$250.

- c. The most we will pay under this coverage for types of equipment described in 7a(1) is \$25,000 at each described premises.

The most we will pay for loss or damage for property covered in 7a(2) is \$25,000.

- d. Business Income does not apply to this Coverage Extension.

**8. Ordinance or Law Coverage**

**a. Application of Coverage**

The coverage provided applies only if both (1) and (2) are satisfied.

- (1) The ordinance or law:
  - (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 loss.But coverage applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered.
- (2) (a) The building sustains direct

physical damage that is covered under this policy and such damage results in enforcement of the ordinance or law; or

- (b) The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and the building damage in its entirety results in enforcement of the ordinance or law.
- (c) But if the building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage even if the building has also sustained covered direct physical damage.

- b. We will not pay under Coverage A, Coverage B or Coverage C for:

- (1) Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by *pollutants* or due to the presence, growth, or proliferation, spread of any activity of *fungus*, wet or dry rot or bacteria; or
- (2) The 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 *pollutants*, *fungus*, wet or dry rot or bacteria.

**c. Coverage**

- (1) Coverage A - Coverage for Loss to the Undamaged Portion of the Building

With respect to the building that has sustained covered direct physical damage, we will pay under Coverage A for the loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building.

- (2) Coverage B - Demolition Cost Coverage

With respect to the building that has sustained covered direct physical damage, we will pay the cost

to demolish and clear the site of undamaged parts of the same building as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged property.

(3) Coverage C - Increased Cost of Construction Coverage

With respect to the building that has sustained covered direct physical damage, we will pay the increased cost to:

- (a) Repair or reconstruct damaged portions of that building; and/or
- (b) Reconstruct or remodel undamaged portions of the building whether or not demolition is required;

When the increased cost is a consequence of enforcement of the minimum requirement of the ordinance or law.

However:

- (a) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.
- (b) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.
- (c) When a building is damaged or destroyed and Coverage C applies to that building in accordance with (3) above, coverage for the increased cost of construction also applies to repair or reconstruction of the following, subject to the same conditions stated in (3).
  - (i) The cost of excavations, grading, backfilling and filling;
  - (ii) Foundation of the building;
  - (iii) Pilings; and
  - (iv) Underground pipes, flues and drains.

The items listed in (c)(i) through (c)(iv) above are deleted from Property Not Covered, but only with respect to the coverage described in this provision, (c)(3).

**d. Coverage Amounts**

(1) Ordinance or Law Coverage Amount

The most we will pay, for the total of all covered loss for Coverage A, Coverage B, and Coverage C combined is the lesser of \$50,000 or 33% of the building amount. This blanket coverage amount applies separately to each building described in the Declarations. This coverage amount does not include loss due to *Green* requirements.

(2) Green Ordinance or Law Coverage Amount

The most we will pay for Ordinance or Law due to *Green* requirements for the total of all covered loss for Coverage A, Coverage B, and Coverage C combined is \$30,000. This blanket coverage amount applies separately to each building described in the Declarations.

**e. Loss Payment**

Subject to the coverage amounts in Section d Coverage Amounts above, the following loss payment provisions apply:

(1) When there is a loss in value of an undamaged portion of a building to which Coverage A applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:

- (a) If the Replacement Cost Coverage Option applies and the property is being repaired or replaced, on the same or another premises, we will not pay more than the amount you would actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured.
- (b) If the Replacement Cost Coverage Option applies and the property is not repaired or replaced, or if the Replacement Cost Coverage Option does not apply, we will not pay more than the actual cash value of the building at the time of loss.

- (2) Under Coverage B, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.
- (3) With respect to Coverage C:
  - (a) We will not pay under Coverage C:
    - (i) Until the property is actually repaired or replaced, at the same or another premises; and
    - (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
  - (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage C is the increased cost of construction at the same premises.
  - (c) If the ordinance or law requires relocation to another premises, the most we will pay for under Coverage C is the increased cost of construction at the new premises.
- f. Under this coverage, we will not pay for loss due to any ordinance or law that:
  - (1) You were required to comply with before the loss, even if the building was undamaged; and
  - (2) You failed to comply with.
- g. The Coinsurance Additional Condition does not apply to this coverage.
- h. This coverage is excess over any coverage available to you under the Ordinance or Law Coverage endorsement, if applicable.
- i. The following definitions are added to Property Definitions:
  - (1) "*Fungus*" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.
  - (2) "*Green*" means enhanced energy efficiency or use of environmentally-preferable sustainable materials, products or methods in design, construction, manufacture or operation, as recognized by a *Green Standards-setter*.
- (3) "*Green Standards-setter*" means an organization or governmental agency which produces and maintains guidelines related to *Green* products and practices. *Green Standards-setters* include but are not limited to:
  - (a) The Leadership in Energy and Environmental Design (LEED) program of the U.S. Green Building Council;
  - (b) ENERGY STAR, a joint program of the U.S. Environmental Protection Agency and the U.S. Department of Energy; and
  - (c) Green Globes™, program of the Green Building Initiative.

## 9. Portable Tools

We will pay for direct physical loss of or damage to covered portable tools caused by or resulting from a Covered Cause of Loss. For the purposes of this Additional Coverage, a covered portable tool is one that is:

- a. Owned by you and used in your business;
- b. Rented or leased to you or on your behalf if in your care, custody or control and used in your business;
- c. Borrowed by you or on your behalf while in your care, custody or control and used in your business; and
- d. Owned by an employee of yours while being used in your business or in your care, custody or control.

We will determine the value of covered portable tools at the cost of replacement as of the time of loss or damage.

The most we will pay under this Additional Coverage is \$5,000, but not more than \$500 per tool.

The limitation for Business Personal Property located within 1,000 feet of the described premises in paragraph Ab of this endorsement does not apply to this Additional Coverage.

## 10. Fine Arts Coverage

We will pay for direct physical loss of or damage to fine arts which are not covered by insurance purchased specifically for the item caused by or resulting from any Covered Cause of Loss.

We do not pay for fine arts that are on display at fairgrounds or at a national or

international exposition.

We do not pay for loss or damage to fine arts caused by or that results from:

- a. A process to repair, retouch, restore, adjust, service or maintain the covered fine arts. If a fire or explosion results, we do not cover the loss caused by the fire or explosion.
- b. The gradual accumulation of dust, dirt or pollutants.
- c. Breakage of art glass windows, statuary, marble works of art, glassware, bric-a-brac, porcelains or similar fragile items unless it is caused by a *specified causes of loss*.

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

Fine arts includes paintings, etchings, pictures, tapestries, art glass windows, valuable rugs, statuary, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass, bric-a-brac, marble and bronze works of art and similar property of rarity, historical value or artistic merit.

#### 11. Cost to Prepare Inventory

We will pay up to \$5,000 for reasonable expenses, for the taking of inventory and appraisals, incurred by you at our request to assist us in the determination of the amount of a covered loss.

We do not pay for:

- a. Any expense incurred under the Property Loss Conditions, Appraisals; or
- b. Any public adjuster's fees.

#### 12. Security After Loss

We will pay up to \$10,000 for the cost of a security service approved by us, that is used to protect Covered Property at the described premises after a covered loss, if we determine it is necessary.

#### 13. Employee Dishonesty

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

course of employment) for:

- (a) Any employee; or
- (b) Any other person or organization.

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

- (1) Resulting from any dishonest or criminal act that you or any of your partners or members commit whether acting alone or in collusion with other persons.
- (2) Resulting from any dishonest act committed by any of your employees (except as provided in paragraph a), managers or directors:
  - (a) Whether acting alone or in collusion with other persons; or
  - (b) While performing services for you or otherwise.
- (3) The only proof of which as to its existence or amount is:
  - (a) Any inventory computation; or
  - (b) A profit and loss computation.

- c. The most we will pay for loss or damage in any one occurrence is \$10,000.

- d. All loss or damage:

- (1) Caused by one or more persons; or
- (2) Involving a single act or series of acts;  
is considered one occurrence.

- e. If any loss is covered:

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

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

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

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

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

of any dishonest act committed by that

employee before or after being hired by you.

- g.** We will pay only for covered loss or damage sustained during the policy period and discovered no later than one year from the end of the policy period.
- h.** If you (or any predecessor in interest) sustained loss or damage during the policy period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this coverage, provided:

  - (1) This coverage became effective at the time of cancellation or termination of the prior insurance; and
  - (2) The loss or damage would have been covered by this coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.
- i.** The insurance under paragraph h above is part of, not in addition to, the Limit of Insurance applying to this coverage and is limited to the lesser of the amount recoverable under:

  - (1) This coverage as of its effective date; or
  - (2) The prior insurance had it remained in effect.

**H.** The Coverage Extensions under Section A, Coverage, are replaced by the following:

**Coverage Extensions**

Except as otherwise provided, the following extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 1,000 feet of the described premises.

If a coinsurance percentage of 80% or more or, a Value Reporting period symbol, is shown in the Declarations, you may extend the insurance provided by this Coverage Form by the extensions listed below.

Each of these extensions is additional insurance. The Additional Condition, Coinsurance, does not apply to the extensions listed below:

**1. Newly Acquired or Constructed Property**

**a. Buildings**

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

- (1) Your new buildings or new additions, while being built on the described premises; and
- (2) Buildings you acquire at locations, other than the described premises,

intended for similar use as the building described in the Declarations or use as a warehouse.

The most we will pay for loss or damage under this extension is \$500,000 at each building.

**b. Your Business Personal Property**

- (1) If this policy covers your Business Personal Property, you may extend that insurance to apply to:

  - (a) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;
  - (b) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or
  - (c) Business personal property that you newly acquire, located at the described premises.

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

(2) This extension does not apply to:

- (a) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
- (b) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

**c. Period of Coverage**

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

- (1) This policy expires;
- (2) Thirty days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (3) You report values to us.

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

## 2. Personal Effects and Property of Others

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

- a. Your personal effects, meaning personal property owned by you, your officers, your partners or members, your managers or your employees. This extension does not apply to loss or damage by theft.
- b. Personal property in your care, custody or control belonging to other than you, your officers, your partners or your employees.

The most we will pay for loss or damage under this extension is \$15,000 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

## 3. Valuable Papers and Records (Other Than Electronic Data)

- a. You may extend the insurance that applies to your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered - Electronic Data.
- b. If the Causes of Loss - Special Form applies, coverage under this Extension is limited to the *specified causes of loss* as defined in that form, and Collapse as set forth in that form.
- c. If the Causes of Loss - Broad Form applies, coverage under this Extension includes Collapse as set forth in that form.
- d. Under this Extension, the most we will pay to replace or restore the lost information is \$100,000 at each described premises, unless a higher limit is shown in the Declarations. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.

## 4. Accounts Receivable

You may extend the insurance that applies to Your Business Personal Property to pay for loss or damage to your records of accounts receivable caused by any Covered Cause of Loss. Accounts receivable are amounts owed to you by those with whom you deal in operating your business. We will pay:

- a. The accounts receivable that you are unable to collect because of loss or damage caused by a Covered Cause of Loss;
- b. Interest charges on any loan used to offset the amounts you are unable to collect pending our payment of these amounts;
- c. Collection costs that result from a loss in excess of your normal collection costs; and
- d. The reasonable cost to reconstruct your accounts receivable records.

We will not pay for contraband, or property in the course of illegal transportation or trade.

The most we will pay under this extension is \$100,000 at each described premises.

## 5. Money and Securities

- a. We will pay for loss of *money* and *securities* used in your business while at a bank or savings institution, within your living quarters or the living quarters of your partners or any employee having use and custody of the property, at the described premises or in transit between any of these places, resulting directly from:
  - (1) Theft, meaning any act of stealing;
  - (2) Disappearance; or
  - (3) Destruction.
- b. "*Money*" means:
  - (1) Currency, coins and bank notes in current use and having a face value; and
  - (2) Travelers checks, register checks and money orders held for sale to the public.
- c. "*Securities*" means negotiable and non-negotiable instruments or contracts representing either *money* or other property and includes:
  - (1) Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and

- (2) Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include *money*.

- d. In addition to the Limitations and Exclusions applicable to property coverage, we will not pay for loss:

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

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

- (1) \$10,000 while in or on the described premises or within a bank or savings institution; or
- (2) \$5,000 while the property is anywhere else.

- f. All loss:

- (1) Caused by one or more persons; or
- (2) Involving a single act or series of related acts;

is considered one occurrence.

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

## 6. Property Off-Premises

- a. You may extend the insurance provided by this Coverage Form to apply to your Covered Property, while it is away from the described premises, if it is:

- (1) Temporarily at a location you do not own, lease or operate;
- (2) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
- (3) At any fair, trade show or exhibition.

- b. This extension does not apply to property in or on a vehicle.

- c. The most we will pay for loss or damage under this extension is \$25,000.

## 7. Outdoor Property

You may extend the insurance provided by this Coverage Form to pay for loss or damage to your outdoor fences, outdoor radio and television antennas (including satellite dishes), including their lead-in wiring, masts

or towers; trees, shrubs and plants (other than *stock* of trees, shrubs or plants), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

- a. Fire;
- b. Lightning;
- c. Explosion;
- d. Riot or Civil Commotion; or
- e. Aircraft.

The most we will pay for loss or damage under this extension is \$15,000, but not more than \$500 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

## 8. Non-Owned Detached Trailers

- a. You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:

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

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

- (1) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;
- (2) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.

- c. The most we will pay for loss or damage under this extension is \$5,000, unless a higher limit is shown in the Declarations.

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

## 9. Power Failure and Changes in Temperature or Humidity

You may extend the insurance that applies to Your Business Personal Property to pay for loss or damage to that property that results from an interruption of power or a change in temperature or humidity caused

by physical damage to equipment used for refrigerating, air conditioning, cooling, dehumidifying, heating, generating or converting power (including connections, supply or transmission lines and pipes), at the described premises. This extension applies only if loss or damage is caused by a Covered Cause of Loss.

The most we will pay for loss or damage under this extension is \$25,000.

#### **10. Property in Transit**

You may extend the insurance that applies to Your Business Personal Property to apply to your personal property in transit more than 1,000 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.

This extension applies only if loss or damage is caused by or results from one of the following causes of loss:

- a.** Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism;
- b.** Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object; or
- c.** Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.

Causes of Loss - Special Form Section F Additional Coverage Extensions is replaced under this Coverage Extension.

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

The most we will pay for loss or damage under this extension is \$25,000.

- I.** Paragraph E5 of the Building and Personal Property Coverage Form and the Condominium Association Coverage Form and paragraph E6 of the Condominium Commercial Unit-Owners Coverage Form are replaced by the following:

##### **Recovered Property**

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

- J.** The following is added to Additional Conditions under item 1, Coinsurance:

If the total amount of loss is under \$10,000, the coinsurance condition is waived.



All Coverage Parts included in this policy are subject to the following conditions.

**A. CANCELLATION**

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

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

a. Ten days before the effective date of cancellation if we cancel for nonpayment of premium; or

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

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

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

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

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

**B. CHANGES**

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

**C. EXAMINATION OF YOUR BOOKS AND RECORDS**

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

**D. INSPECTIONS AND SURVEYS**

1. We have the right to:

a. Make inspections and surveys at any time;

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

c. Recommend changes.

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

a. Are safe or healthful; or

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

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

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

**E. PREMIUMS**

The First Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and

2. Will be the payee for any return premiums we pay.

**F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY**

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

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

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART  
 COMMERCIAL CRIME COVERAGE PART  
 COMMERCIAL GENERAL LIABILITY COVERAGE PART  
 COMMERCIAL INLAND MARINE COVERAGE PART  
 COMMERCIAL PROPERTY COVERAGE PART  
 DIRECTORS' AND OFFICERS' LIABILITY COVERAGE PART  
 EMPLOYEE BENEFITS LIABILITY COVERAGE PART  
 EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
 ERRORS AND OMISSIONS COVERAGE PART  
 LIQUOR LIABILITY COVERAGE FORM  
 POLLUTION LIABILITY COVERAGE FORM  
 PRODUCT WITHDRAWAL COVERAGE PART  
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE FORM

A. Paragraphs 1 and 2 of the Cancellation Common Policy Condition are replaced by the following:

1. The First Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation. Cancellation will be effective on the later of the date requested by the First Named Insured or the date we receive the request.

**2. Policies In Effect**

**a. 60 Days Or Less**

If this policy has been in effect for 60 days or less, we may cancel this policy by mailing or delivering to the First Named Insured written notice of cancellation at least:

- (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium. If delivered via United States mail, the 10 day notification period begins to run 5 days following the date of postmark; or
- (2) 30 days before the effective date of cancellation if we cancel for any other reason.

**b. More Than 60 Days**

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 for one or more of the following reasons:

- (1) Nonpayment of premium;
- (2) Fraud or material misrepresentation made by you or with your knowledge in obtaining the policy, con-

tinuing the policy or in presenting a claim under the policy;

- (3) Acts or omissions on your part which increase any hazard insured against;
- (4) Change in the risk which materially increases the risk of loss after the policy has been issued or renewed including, but not limited to, an increase in exposure due to regulation, legislation or court decision;
- (5) Loss of or decrease in reinsurance which provided us with coverage for all or part of the risk insured;
- (6) A determination by the Director of Insurance that continuation of this policy would jeopardize our solvency or place us in violation of the insurance laws of Idaho or any other state; or
- (7) Violation or breach by the insured of any policy terms or conditions other than nonpayment of premium.

We will mail or deliver written notice of cancellation to the First Named Insured at least:

- (a) 10 days before the effective date of cancellation if we cancel for nonpayment of premium. If delivered via United States mail, the 10 day notification period begins to run 5 days following the date of postmark; or
- (b) 30 days before the effective date of cancellation if we cancel for any other reason stated in 2b above.

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

**NONRENEWAL**

1. If we elect not to renew this policy, we will mail or deliver to the First Named Insured a written notice of intention not to renew at least 45 days prior to the expiration or anniversary date of the policy.
2. We will mail or deliver our notice to the First Named Insured's last mailing address known to us.
3. If notice is not mailed or delivered at least 45 days before the expiration or anniversary date of this policy, this policy will remain in effect until 45 days after notice is mailed or delivered. Earned premium for the extended period of coverage will be calculated pro

rata at the rates applicable to the expiring policy.

4. We need not mail or deliver this notice if:
  - a. We have offered to renew this policy;
  - b. You have obtained replacement coverage; or
  - c. You have agreed in writing to obtain replacement coverage.
5. If notice is mailed, proof of mailing will be sufficient proof of notice.

**C. The following Condition is added:**

**PREMIUM OR COVERAGE CHANGES AT RENEWAL**

1. If we elect to renew this policy, we will mail or deliver written notice of any total premium increase greater than ten (10%) which is the result of a comparable increase in premium rates, change in deductible, reduction in limits or reduction in coverage to the First Named Insured, at the last mailing address known to us.
2. Any such notice will be mailed or delivered to the First Named Insured at least 30 days

before the expiration or anniversary date of the policy.

3. If notice is not mailed or delivered at least 30 days before the expiration or anniversary date of the policy, the premium, deductible, limits and coverage in effect prior to the changes will remain in effect until the earlier of the following:
  - a. 30 days after notice is given; or
  - b. The effective date of replacement coverage obtained by the First Named Insured.
4. If the First Named Insured accepts the renewal, the premium increase, if any, and other changes will be effective on and after the first day of the renewal term.
5. If the First Named Insured elects not to renew, any earned premium for the resulting extended period of coverage will be calculated pro rata at the lower of the new rates or rates applicable to the expiring policy.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

## EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES

IL-0935F(7-02)

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
STANDARD PROPERTY POLICY

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

- a. The failure, malfunction or inadequacy of:

- (1) Any of the following, whether belonging to any insured or to others:
      - (a) Computer hardware, including micro-processors;
      - (b) Computer application software;
      - (c) Computer operating systems and related software;
      - (d) Computer networks;
      - (e) Microprocessors (computer chips) not part of any computer system; or
      - (f) Any other computerized or electronic equipment or components; or
    - (2) Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in paragraph 1a(1) of this endorsement;

due to the inability to correctly recognize, process, distinguish, interpret or accept one

or more dates or times. An example is the inability of computer software to recognize the year 2000.

- b. Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in paragraph 1a of this endorsement.
2. If an excluded Cause of Loss as described in Paragraph 1 of this endorsement results:
  - a. In a Covered Cause of Loss under the Commercial Crime Coverage Part or the Standard Property Policy; or
  - b. Under the Commercial Property Coverage Part:
    - (1) In a *specified cause of loss* or in elevator collision resulting from mechanical breakdown under the Causes of Loss - Special Form; or
    - (2) In a Covered Cause of Loss under the Causes of Loss - Basic Form or the Causes of Loss - Broad Form;

we will pay only for the *loss* or damage caused by such *specified cause of loss*, elevator collision or Covered Cause of Loss.

3. We will not pay for repair, replacement or modification of any items in 1a(1) or 1a(2) of this endorsement to correct any deficiencies or change any features.

**CONDITIONAL EXCLUSION OF TERRORISM (RELATING TO DISPOSITION  
OF FEDERAL TERRORISM RISK INSURANCE ACT)**

IL-0995R(1-15)

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL OUTPUT PROGRAM - PROPERTY  
COVERAGE FORM

COMMERCIAL OUTPUT PROGRAM - EQUIPMENT  
BREAKDOWN COVERAGE FORM

COMMERCIAL OUTPUT PROGRAM - INCOME  
COVERAGE FORM

COMMERCIAL OUTPUT PROGRAM - EXTRA EXPENSE  
COVERAGE FORM

COMMERCIAL PROPERTY COVERAGE PART

**A. Application Of The Provisions Of This  
Endorsement**

1. The provisions of this endorsement will become applicable commencing on the date when any one or more of the following first occurs. But if your policy (meaning the policy period in which this endorsement applies) begins after such date, then the provisions of this endorsement become applicable on the date your policy begins.

- a. The federal Terrorism Risk Insurance Program ("Program"), established by the Terrorism Risk Insurance Act, has terminated with respect to the type of insurance provided under this Coverage Part; or

- b. A renewal, extension or replacement of the Program has become effective without a requirement to make terrorism coverage available to you and with revisions that:

- (1) Increase our statutory percentage deductible under the Program for terrorism losses. (That deductible determines the amount of all certified terrorism losses we must pay in a calendar year, before the federal government shares in subsequent payment of certified terrorism losses.); or

- (2) Decrease the federal government's statutory percentage share in potential terrorism losses above such deductible; or

- (3) Redefine terrorism or make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other types of events or occurrences under this

policy.

2. If the provisions of this endorsement become applicable, such provisions:

- a. Supersede any terrorism endorsement already endorsed to this policy that addresses *certified acts of terrorism* and/or *other acts of terrorism*, but only with respect to loss or damage from an incident(s) of terrorism (however defined) that occurs on or after the date when the provisions of this endorsement become applicable; and

- b. Remain applicable unless we notify you of changes in these provisions, in response to federal law.

3. If the provisions of this endorsement do NOT become applicable, any terrorism endorsement already endorsed to this policy, that addresses *certified acts of terrorism* and/or *other acts of terrorism*, will continue in effect unless we notify you of changes to that endorsement in response to federal law.

- B. The following definition is added and applies under this endorsement wherever the term terrorism is shown in italics.

"Terrorism" means activities against persons, organizations or property of any nature:

1. That involve the following or preparation for the following:

- a. Use or threat of force or violence; or
  - b. Commission or threat of a dangerous act; or
  - c. Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and

2. When one or both of the following applies:

- a. The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
  - b. It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

- C. The following exclusion is added:

**EXCLUSION OF TERRORISM**

We will not pay for loss or damage caused directly or indirectly by *terrorism*, including

action in hindering or defending against an actual or expected incident of *terrorism*. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. **But this exclusion applies only when one or more of the following are attributed to an incident of *terrorism*:**

1. The *terrorism* is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
2. Radioactive material is released, and it appears that one purpose of the *terrorism* was to release such material; or
3. The *terrorism* is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the *terrorism* was to release such materials; or
5. The total of insured damage to all types of property in the United States, its territories and possessions, Puerto Rico and Canada exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the *terrorism* and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions. Multiple incidents of *terrorism* which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or

common leadership will be deemed to be one incident, for the purpose of determining whether the threshold is exceeded. With respect to this item C5, the immediately preceding paragraph describes the threshold used to measure the magnitude of an incident of *terrorism* and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of *terrorism*, there is no coverage under this Coverage Part.

#### D. Exception Covering Certain Fire Losses

The following exception to the Exclusion Of Terrorism applies only if indicated and as indicated in the Schedule of this endorsement.

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

#### E. Application Of Other Exclusions

1. When the Exclusion Of Terrorism applies in accordance with the terms of C1 or C2, such exclusion applies without regard to the Nuclear Hazard Exclusion in this Coverage Part or Policy.
2. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss or damage which would otherwise be excluded under this Coverage Part, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

### SCHEDULE

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

State	Coverage Part or Coverage
Georgia	Commercial Property Coverage Part Commercial Output Program - Property Coverage Form
Illinois	Commercial Property Coverage Part Commercial Output Program - Property Coverage Form
Iowa	Commercial Property Coverage Part Commercial Output Program - Property Coverage Form

<b>State</b>	<b>Coverage Part or Coverage</b>
Maine	Commercial Property Coverage Part Commercial Inland Marine Coverage Part
Missouri	Commercial Property Coverage Part Commercial Inland Marine Coverage Part
Oregon	Commercial Property Coverage Part Commercial Inland Marine Coverage Part
Wisconsin	Commercial Property Coverage Part Commercial Inland Marine Coverage Part

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL OUTPUT PROGRAM - PROPERTY  
COVERAGE FORM  
COMMERCIAL OUTPUT PROGRAM - EQUIPMENT  
BREAKDOWN COVERAGE FORM  
COMMERCIAL OUTPUT PROGRAM - INCOME  
COVERAGE FORM  
COMMERCIAL OUTPUT PROGRAM - EXTRA EXPENSE  
COVERAGE FORM  
COMMERCIAL PROPERTY COVERAGE PART  
STANDARD PROPERTY POLICY

**A. Cap On Certified Terrorism Losses**

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

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or

infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States

2. or to influence the policy or affect the conduct of the United States Government by coercion.

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

**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 any Nuclear Hazard Exclusion, War And Military Action Exclusion or other similar exclusion.



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

**A. Disclosure Of Premium**

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

**B. Disclosure Of Federal Participation In Payment Of Terrorism Losses**

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals a percentage of that

portion of the amount of such insured losses that exceeds the applicable insurer retention. The federal share percentage is 80%. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

**C. Cap On Insurer Participation In Payment Of Terrorism Losses**

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

## PROTECTIVE SAFEGUARDS

IL-0415R(1-06)

This endorsement modifies insurance provided under the following:

BIS-PAK COVERAGE PART

COMMERCIAL PROPERTY COVERAGE PART

1. The following is added to the Commercial Property Conditions and the Bis-Pak Property General Conditions:

### Protective Safeguards

- a. As a condition of this insurance, you are required to maintain the protective devices or services listed in the Schedule.
- b. The protective safeguards to which this endorsement applies are identified by the following symbols:

"P-1" **Automatic Sprinkler System**, including related supervisory services.

Automatic Sprinkler System means:

- (1) Any automatic fire protective or extinguishing system, including connected:
  - (a) Sprinklers and discharge nozzles;
  - (b) Ducts, pipes, valves and fittings;
  - (c) Tanks, their component parts and supports; and
  - (d) Pumps and private fire protection mains.
- (2) When supplied from an automatic fire protective system:
  - (a) Nonautomatic fire protective systems; and
  - (b) Hydrants, standpipes and outlets.

"P-2" **Automatic Fire Alarm**, protecting the entire building, that is:

- (1) Connected to a central station; or

- (2) Reporting to a public or private fire alarm station.

"P-3" **Security Service**, with a recording system or watch clock, making hourly rounds covering the entire building, when the premises are not in actual operation.

"P-4" **Service Contract**, with a privately owned fire department providing fire protection service to the described premises.

"P-9," the protective system described in the Schedule.

2. The following is added to the Exclusions section of:

Causes of Loss - Basic Form

Causes of Loss - Broad Form

Causes of Loss - Special Form

Deluxe Bis-Pak Property Coverage Form

Mortgage Holder's Errors and Omissions Coverage Form

Standard Property Policy

We will not pay for loss or damage caused by or resulting from fire if, prior to the fire, you:

- a. Knew of any suspension or impairment in any protective safeguard listed in the Schedule and failed to notify us of that fact; or
- b. Failed to maintain any protective safeguard listed in the Schedule, and over which you had control, in complete working order.

If part of an Automatic Sprinkler System is shut off due to breakage, leakage, freezing conditions or opening of sprinkler heads, notification to us will not be necessary if you can restore full protection within 48 hours.

## SCHEDULE

Premises Number	Building Number	Protective Safeguards Symbols Applicable	Description of Any "P-9" if Applicable
001	001	P-1	
002	001	P-1	
002	002	P-1	

**CIVIL AUTHORITY CHANGE(S)****CP-1532F(6-07)**

This endorsement modifies insurance provided under the following:

BUSINESS INCOME AND EXTRA EXPENSE COVERAGE FORM

BUSINESS INCOME WITHOUT EXTRA EXPENSE COVERAGE FORM

EXTRA EXPENSE COVERAGE FORM

**A. Coverage Period**

Under the Additional Coverage - Civil Authority, the four-week coverage period is replaced by the number of days indicated in Part A of the Schedule, subject to all other provisions of that Additional Coverage. If there is no entry in Part A of the Schedule, the four-week coverage period continues to apply, subject to all other provisions of the Additional Coverage - Civil Authority.

**B. Radius**

The Additional Coverage - Civil Authority includes a requirement that the described premises are not more than one mile from the damaged property. Such one-mile radius is replaced by the number of miles indicated in Part B of the Schedule, subject to all other provisions of that Additional Coverage. If there is no entry in Part B of the Schedule, the one-mile radius continues to apply, subject to all other provisions of the Additional Coverage - Civil Authority.

- C.** The coverage provided under this endorsement does not increase the applicable Limit of Insurance.

**SCHEDULE**

<u>Premises Number</u>	<u>Building Number</u>	<u>Schedule Part A Coverage Period (Number Of Days)</u>	<u>Schedule Part B Radius (Number Of Miles)</u>
001	001		Unlimited
002	001		Unlimited
002	002		Unlimited



Acuity, A Mutual Insurance Company

## COMMERCIAL GENERAL LIABILITY COVERAGE PART

### Renewal Declarations

First Named Insured and Address:

CHRISTOPHE CONDOMINIUM  
ASSOCIATION INC  
PO BOX 1223  
KETCHUM ID 83340

Agency Name and Number:

AMERICAN INSURANCE AND INVESTMENTS  
8078-AY

Policy Number: Z80660

Policy Period: Effective Date: 08-29-21

Expiration Date: 08-29-22

In return for the payment of the premium and subject to  
all the terms of the policy, we agree to provide the  
insurance coverage as stated in the same.

12:01 A.M. standard time at  
your mailing address shown  
in the declarations

### COVERAGE FORMS AND ENDORSEMENTS APPLICABLE TO THIS COVERAGE PART

Form Number	Form Title	Premium
CG-0001R (12-11)	Commercial General Liability Coverage Form . . . . .	\$
CG-2147F (12-07)	Employment - Related Practices Exclusion . . . . .	
IL-0017F (11-98)	Common Policy Conditions . . . . .	
IL-0021F (03-14)	Nuclear Energy Liability Exclusion - Broad Form . . . . .	
CG-2167F (12-04)	Fungi or Bacteria Exclusion . . . . .	
CG-2004F (11-85)	Additional Insured - Condominium Unit Owners . . . . .	
CG-2292F (12-07)	Snow Plow Operations Coverage . . . . .	
CG-7300 (04-08)	Acuity Advantages - General Liability . . . . .	
CG-2187R (01-15)	Conditional Exclusion of Terrorism (Relating to Disposition of Federal Act)	
IL-0204F (03-14)	Idaho Changes - Cancellation and Nonrenewal . . . . .	
CG-7321 (01-15)	Cap on Losses from Certified Acts of Terrorism . . . . .	15.00
CG-7323 (01-15)	Exclusion of Punitive Damages Related to a Certified Act of Terrorism . . .	
IL-7082 (12-20)	Disclosure Pursuant to Terrorism Risk Insurance Act . . . . .	
CG-0068F (05-09)	Recording and Distribution of Material or Info in Violation of Law Exclusion . . . . .	
CG-2109F (06-15)	Exclusion - Unmanned Aircraft . . . . .	
CG-2106F (05-14)	Exclusion-Access of Confidential or Personal Info/Data with Limited BI . .	
IL-7012 (01-18)	Asbestos Exclusion . . . . .	
IL-7149 (07-20)	Cyber Suite Coverage . . . . .	391.00
IL-7151 (07-20)	Cyber Suite Schedule . . . . .	
<b>Advance Endorsement Premium . . . . .</b>		<b>\$ 406.00</b>

## PREMIUM SUMMARY

Advance Schedule Premium .....	\$ 1,542.00
Advance Endorsement Premium .....	406.00
<b>Total Advance Premium .....</b>	<b>\$ 1,948.00</b>

The Total Advance Premium shown above is based on the exposures you told us you would have when this coverage part began. We will audit this coverage part in accordance with Section IV - Conditions, item 5 Premium Audit at the close of the audit period.

## LIMITS OF INSURANCE

General Aggregate Limit (Other Than Products-Completed Operations) .....	\$ 2,000,000
Products-Completed Operations Aggregate Limit .....	2,000,000
Personal and Advertising Injury Limit (Any One Person or Organization) .....	1,000,000
Each Occurrence Limit .....	1,000,000
Damage to Premises Rented to You Limit (Any One Premises) .....	300,000
Medical Expense Limit (Any One Person) .....	10,000
Acuity Advantages - General Liability .....	See CG-7300

## SCHEDULE OF LIABILITY CLASSIFICATIONS

Unit No.	Classification Description	Class Code	Premium Basis <sup>1</sup>	Rates Premises	Products	Advance Premium
001	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	30 UN	30.867	Included	\$ 926.00
002	Swimming Pools-NOC - Products - completed operations for this classification are subject to the General Aggregate Limit	48925	1 UN	400.059	Included	400.00
003	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	7 UN	30.867	Included	216.00
<b>Advance Schedule Premium .....</b>						<b>\$ 1,542.00</b>

<sup>1</sup> UN = Units - Rates Apply Per Unit

## AUDIT PERIOD

Annual

**FIRST NAMED INSURED IS:**

ORGANIZATION OTHER THAN PARTNERSHIP, JOINT VENTURE OR LIMITED LIABILITY  
COMPANY

**ADDITIONAL NAMED INSUREDS**

WHO IS AN INSURED (Section II) includes the following Additional Named Insureds:

HARRIMAN PLACE

**LOCATION OF ALL PREMISES YOU OWN, RENT OR OCCUPY:**

351 2ND AVE S  
KETCHUM, ID 83340  
280 COTTONWOOD LN  
KETCHUM, ID 83340



# COMMERCIAL GENERAL LIABILITY COVERAGE FORM

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## COMMERCIAL GENERAL LIABILITY COVERAGE FORM

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

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we," "us" and "our" refer to the Company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II - Who Is an Insured.

Other words and phrases that appear in italics have special meaning. Refer to Section V - Definitions.

### SECTION I - COVERAGES

#### COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY

##### 1. Insuring Agreement

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

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

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments - Coverages A and B.

- b. This insurance applies to *bodily injury* and *property damage* only if:

- (1) The *bodily injury* or *property damage* is caused by an *occurrence* that takes place in the *coverage territory*;
- (2) The *bodily injury* or *property damage* occurs during the policy period; and
- (3) Prior to the policy period, no insured listed under paragraph 1 of Section II - Who Is An Insured and no *employee* authorized by you to give or receive notice of an *occurrence* or claim, knew that the *bodily injury* or *property damage* had occurred, in whole or in part. If such a listed insured or authorized em-

*ployee* knew, prior to the policy period, that the *bodily injury* or *property damage* occurred, then any continuation, change or resumption of such *bodily injury* or *property damage* during or after the policy period will be deemed to have been known prior to the policy period.

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

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

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

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

##### 2. Exclusions

This insurance does not apply to:

###### a. Expected or Intended Injury

*Bodily injury* or *property damage* expected or intended from the standpoint of the insured. This exclusion does not apply to

*bodily injury* resulting from the use of reasonable force to protect persons or property.

**b. Contractual Liability**

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

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

**c. Liquor Liability**

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

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

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

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

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

**e. Employer's Liability**

*Bodily Injury* to:

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

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

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

**f. Pollution**

- (1) *Bodily injury* or *property damage* arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of *pollutants*:
  - (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
    - (i) *Bodily injury* if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
    - (ii) *Bodily injury* or *property damage* for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
    - (iii) *Bodily injury* or *property damage* arising out of heat, smoke or fumes from a *hostile fire*;

- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
  - (i) Any insured; or
  - (ii) Any person or organization for whom you may be legally responsible; or
- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the *pollutants* are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
  - (i) *Bodily injury or property damage* arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of *mobile equipment* or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the *bodily injury or property damage* arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
  - (ii) *Bodily injury or property damage* sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with op-

erations being performed by you or on your behalf by a contractor or subcontractor; or

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

- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of *pollutants*.
- (2) Any loss, cost or expense arising out of any:
  - (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of *pollutants*; or
  - (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of *pollutants*.

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

#### **g. Aircraft, Auto or Watercraft**

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

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

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;

- (2) A watercraft you do not own that is:
  - (a) Less than 26 feet long; and
  - (b) Not being used to carry persons or property for a charge;
- (3) Parking an *auto* on, or on the ways next to, premises you own or rent, provided the *auto* is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any *insured contract* for the ownership, maintenance or use of aircraft or watercraft; or
- (5) *Bodily injury* or *property damage* arising out of:
  - (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of *mobile equipment* if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged; or
  - (b) The operation of any of the machinery or equipment listed in paragraph f(2) or f(3) of the definition of *mobile equipment*.

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

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

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

#### **i. War**

*Bodily injury* or *property damage*, however caused, arising, directly or indirectly, out of:

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

#### **j. Damage to Property**

*Property damage* to:

- (1) Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person, organiza-

tion or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;

- (2) Premises you sell, give away or abandon, if the *property damage* arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the *property damage* arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because *your work* was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to *property damage* (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III - Limits Of Insurance.

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

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

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

#### **k. Damage to Your Product**

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

#### **l. Damage to Your Work**

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

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

#### **m. Damage to Impaired Property or Property Not Physically Injured**

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

- (1) A defect, deficiency, inadequacy or

dangerous condition in *your product* or *your work*; or

- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

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

**n. Recall of Products, Work or Impaired Property**

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

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

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

**o. Personal and Advertising Injury**

*Bodily injury* arising out of *personal and advertising injury*.

**p. Lead**

*Bodily injury or property damage* arising out of the actual, alleged or threatened ingestion, inhalation, absorption, exposure or presence of lead in any form or from any source.

Coverage also does not apply to any loss, cost, expense, fine or penalty arising out of any:

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

**q. Electronic Data**

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

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

**r. Distribution of Material in Violation of Statutes**

*Bodily injury or property damage* arising directly or indirectly out of any action or omission that violates or is alleged to violate:

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

Exclusions c through n and p do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III - Limits of Insurance.

**COVERAGE B - PERSONAL AND ADVERTISING INJURY LIABILITY**

**1. Insuring Agreement**

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

- (1) The amount we will pay for damages is limited as described in Section III - Limits of Insurance; and
- (2) Our right and duty to defend ends 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 *personal and advertising injury* caused by an offense arising out of your business, but only if the offense was committed in the *coverage territory* during the policy period.

## 2. Exclusions

This insurance does not apply to:

### a. Knowing Violation of Rights of Another

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

### b. Material Published with Knowledge of Falsity

*Personal and advertising injury* arising out of oral or written 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 and advertising injury* arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.

### d. Criminal Acts

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

### e. Contractual Liability

*Personal and advertising injury* for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

### f. Breach of Contract

*Personal and advertising injury* arising out of a breach of contract, except an implied contract to use another's advertising idea in your *advertisement*.

### g. Quality or Performance of Goods - Failure to Conform to Statements

*Personal and advertising injury* arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your *advertisement*.

### h. Wrong Description of Prices

*Personal and advertising injury* arising out of the wrong description of the price of goods, products or services stated in your *advertisement*.

### i. Infringement of Copyright, Patent, Trademark or Trade Secret

*Personal and advertising injury* arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your *advertisement*.

However, this exclusion does not apply to infringement, in your *advertisement*, of copyright, trade dress or slogan.

### j. Insureds in Media and Internet Type Business

*Personal and advertising injury* committed by an insured whose business is:

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

However, this exclusion does not apply to paragraphs 14a, b and c of *personal and advertising injury* under the Definitions Section; or

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

### k. Electronic Chatrooms or Bulletin Boards

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

### l. Unauthorized Use of Another's Name or Product

*Personal and advertising injury* arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

### m. Pollution

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

### n. Pollution-Related

Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up,

remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of *pollutants*; or

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

**o. Lead**

*Personal and advertising injury* arising out of the actual, alleged or threatened ingestion, inhalation, absorption, exposure or presence of lead in any form or from any source.

Coverage also does not apply to any loss, cost, expense, fine or penalty arising out of any:

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

**p. War**

*Personal and advertising injury*, however caused, arising, directly or indirectly, out of:

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

**q. Distribution of Material in Violation of Statutes**

*Personal and advertising injury* arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or

- (3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

**COVERAGE C - MEDICAL PAYMENTS**

**1. Insuring Agreement**

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

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

provided that:

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

- b. We will make these payments regardless of fault. These payments will not exceed the applicable Limit of Insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

**2. Exclusions**

We will not pay expenses for *bodily injury*:

**a. Any insured.**

To any insured, except *volunteer workers*.

**b. Hired Person**

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

**c. Injury on Normally Occupied Premises**

To a person injured on that part of premises you own or rent that the person normally occupies.

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

To a person, whether or not an *employee* of any insured, if benefits for the *bodily injury* are payable or must be provided under a workers' compensation or disability

benefits law or a similar law.

**e. Athletics Activities**

To a person injured while practicing, instructing or participating in any physical exercises or games, sports or athletic contests.

**f. Products-Completed Operations Hazard**

Included within the *products-completed operations hazard*.

**g. Coverage A Exclusions**

Excluded under Coverage A.

**SUPPLEMENTARY PAYMENTS - COVERAGES A AND B**

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

These payments will not reduce the Limits of Insurance.

2. If we defend an insured against a *suit* and an indemnitee of the insured is also named as a party to the *suit*, we will defend that indemnitee if all of the following conditions are met:
  - a. The *suit* against the indemnitee seeks dam-

ages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an *insured contract*;

- b. This insurance applies to such liability assumed by the insured;
- c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same *insured contract*;
- d. The allegations in the *suit* and the information we know about the *occurrence* are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
- e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such *suit* and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- f. The indemnitee:
  - (1) Agrees in writing to:
    - (a) Cooperate with us in the investigation, settlement or defense of the *suit*;
    - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the *suit*;
    - (c) Notify any other insurer whose coverage is available to the indemnitee; and
    - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
  - (2) Provides us with written authorization to:
    - (a) Obtain records and other information related to the *suit*; and
    - (b) Conduct and control the defense of the indemnitee in such *suit*.

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of paragraph 2b(2) of Section I - Coverage A - Bodily Injury and Property Damage Liability, such payments will not be deemed to be damages for *bodily injury* and *property damage* and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the ap-



plicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement

described in paragraph f above, are no longer met.

## SECTION II - WHO IS AN INSURED

### 1. If you are designated in the Declarations as:

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners and their spouses are also insureds, but only with respect to the conduct of your business.
- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your *executive officers* and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
- e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

### 2. Each of the following is also an insured:

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

#### (1) *Bodily injury or personal and advertising injury:*

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-*employee* in the course of his or her employment or performing duties related to the conduct of your business, or to your other *volunteer workers* while performing duties related to the conduct of

your business.

- (b) To the spouse, child, parent, brother or sister of that co-*employee* or *volunteer worker* as a consequence of paragraph (a) above;
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in paragraphs (a) or (b) above; or
- (d) Arising out of his or her providing or failing to provide professional health care services.

#### (2) *Property damage* to property:

- (a) Owned, occupied or used by;
- (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;

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

- b. Any person (other than your *employee*) or *volunteer worker* or any organization while acting as your real estate manager.

- c. Any person or organization having proper temporary custody of your property if you die, but only:

- (1) With respect to liability arising out of the maintenance or use of that property; and
- (2) Until your legal representative has been appointed.

- d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;

- b. Coverage A does not apply to *bodily injury* or *property damage* that occurred before you acquired or formed the organization; and
- c. Coverage B does not apply to *personal and advertising injury* arising out of an offense

committed before you acquired or formed the organization.

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

### SECTION III - LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
  - a. Insureds;
  - b. Claims made or *suits* brought; or
  - c. Persons or organizations making claims or bringing *suits*.

2. The General Aggregate Limit is the most we will pay for:

- a. The sum of:
  - (1) Medical expenses under Coverage C; and
  - (2) Damages under Coverage A, except damages because of *bodily injury* or *property damage* included in the *products-completed operations hazard*.

With respect to the above items, the General Aggregate Limit applies separately to:

- (1) Each location owned by or rented to you. A location is a premises involving the same or connecting lots, or a premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad, and
- (2) Each of your projects away from a location owned by or rented to you; or

- b. Damages under Coverage B.

3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of *bodily injury* and *property damage* included in the *products-completed operations hazard*.

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

5. Subject to paragraph 2 or 3 above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:

- a. Damages under Coverage A; and
- b. Medical expenses under Coverage C; because of all *bodily injury* and *property damage* arising out of any one *occurrence*.

6. Subject to paragraph 5 above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of *property damage* to any one premises, while rented to you for a period of 7 or fewer consecutive days or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.

7. Subject to paragraph 5 above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of *bodily injury* sustained by any one person.

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

### SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS

#### 1. Bankruptcy

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

#### 2. Duties in the Event of Occurrence, Offense, Claim or Suit

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

- (1) How, when and where the *occurrence*

or offense took place;

- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the *occurrence* or offense.

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

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

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

**c. You and any other involved insured must:**

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

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

**3. Legal Action Against Us**

No person or organization has a right under this Coverage Part:

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

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

**4. Other Insurance**

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

**a. Primary Insurance**

This insurance is primary except when paragraph b below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in paragraph c below.

**b. Excess Insurance**

- (1) This insurance is excess over:
  - (a) Any of the other insurance, whether

primary, excess, contingent or on any other basis:

- (i) That is Fire, Extended Coverage, Builders' Risk, Installation Risk or similar coverage for *your work*;
- (ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
- (iii) That is insurance purchased by you to cover your liability as a tenant for *property damage* to premises rented to you or temporarily occupied by you with permission of the owner; or
- (iv) If the loss arises out of the maintenance or use of aircraft, autos or watercraft to the extent not subject to Exclusion g of Section I - Coverage A - Bodily Injury and Property Damage Liability.

- (b) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations for which you have been added as an additional insured by attachment of an endorsement.

- (2) When this insurance is excess, we will have no duty under Coverage A or B to defend the insured against any *suit* if any other insurer has a duty to defend the insured against that *suit*. If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.
- (3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:
  - (a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
  - (b) The total of all deductible and self-insured amounts under all of the other insurance.
- (4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

### c. Method of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable Limit of Insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable Limit of Insurance to the total applicable Limits of Insurance of all insurers.

## 5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period, we will compute the earned premium for that period and send notice to the First Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the First Named Insured.
- c. The First Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

## 6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

## 7. Separation of Insureds

Except with respect to the Limits of Insurance and any rights or duties specifically assigned in this Coverage Part to the First Named Insured, this insurance applies:

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

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

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

## 9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the First Named Insured shown in the Declarations, written notice of nonrenewal not less than 30 days before the expiration date.

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

## SECTION V - DEFINITIONS

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

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

2. "*Auto*" means:

- a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or

- b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

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

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

4. "*Coverage territory*" means:

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
- b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places not included in paragraph a above; or

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

- (1) Goods or products made or sold by you in the territory described in paragraph a above;
- (2) The activities of a person whose home is in the territory described in paragraph a above, but is away for a short time on your business; or
- (3) *Personal and advertising injury* offenses that take place through the Internet or similar electronic means of communication;

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

5. "*Employee*" includes a *leased worker*. *Employee* does not include a *temporary worker*.
6. "*Executive officer*" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
7. "*Hostile fire*" means one which becomes uncontrollable or breaks out from where it was intended to be.
8. "*Impaired property*" means tangible property, other than *your product* or *your work*, that cannot be used or is less useful because:
  - a. It incorporates *your product* or *your work* that is known or thought to be defective, deficient, inadequate or dangerous; or
  - b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of *your product* or *your work* or your fulfilling the terms of the contract or agreement.

9. "*Insured contract*" means:
  - a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an *insured contract*;
  - b. A sidetrack agreement;
  - c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
  - d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
  - e. An elevator maintenance agreement; or
  - f. That part of any other contract or agreement pertaining to your business (including

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

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

- (1) That indemnifies a railroad for *bodily injury* or *property damage* arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
  - (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
    - (a) Preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
    - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
  - (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.
10. "*Leased worker*" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. *Leased worker* does not include a *temporary worker*.
  11. "*Loading or unloading*" means the handling of property:
    - a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or *auto*;
    - b. While it is in or on an aircraft, watercraft or *auto*; or
    - c. While it is being moved from an aircraft, watercraft or *auto* to the place where it is finally delivered;but *loading or unloading* does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or *auto*.
  12. "*Mobile equipment*" means any of the following

types of land vehicles, including any attached machinery or equipment:

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

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

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

However, *mobile equipment* does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered *autos*.

13. "Occurrence" means an accident, including

continuous or repeated exposure to substantially the same general harmful conditions.

14. "Personal and advertising injury" means injury, including consequential *bodily injury*, arising out of one or more of the following offenses:
- a. False arrest, detention or imprisonment;
  - b. Malicious prosecution;
  - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
  - d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
  - e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
  - f. The use of another's advertising idea in your *advertisement*; or
  - g. Infringing upon another's copyright, trade dress or slogan in your *advertisement*.
15. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.
16. "Products-completed operations hazard:"
- a. Includes all *bodily injury* and *property damage* occurring away from premises you own or rent and arising out of *your product* or *your work* except:
    - (1) Products that are still in your physical possession; or
    - (2) Work that has not yet been completed or abandoned. However, *your work* will be deemed completed at the earliest of the following times:
      - (a) When all of the work called for in your contract has been completed.
      - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
      - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.
  - b. Does not include *bodily injury* or *property*

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

damage arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the *loading or unloading* of that vehicle by any insured;
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
- (3) Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Aggregate Limit.

**17. "Property damage" means:**

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

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

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

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

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

**19. "Temporary worker" means a person who is furnished to you to substitute for a permanent employee on leave or to meet seasonal or**

short-term workload conditions.

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

**21. "Your product:"**

**a. Means:**

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

**b. Includes:**

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

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

**22. "Your work:"**

**a. Means:**

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

**b. Includes:**

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

**RECORDING AND DISTRIBUTION OF MATERIAL OR INFORMATION IN VIOLATION OF LAW EXCLUSION**

**CG-0068F(5-09)**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

- A.** Exclusion r of paragraph 2 Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability is replaced by the following:

**2. Exclusions**

This insurance does not apply to:

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

*Bodily injury or property damage* arising directly or indirectly out of any action or omission that violates or is alleged to violate:

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

- B.** Exclusion q of paragraph 2 Exclusions of Section I - Coverage B - Personal And Advertising Injury Liability is replaced by the following:

**2. Exclusions**

This insurance does not apply to:

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

*Personal and advertising injury* arising directly or indirectly out of any action or omission that violates or is alleged to violate:

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



## **ADDITIONAL INSURED - CONDOMINIUM UNIT-OWNERS**

**CG-2004F(11-85)**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Section II - Who Is an Insured is amended to include as an insured each individual unit-owner of the in-

sured condominium, but only with respect to liability arising out of the ownership, maintenance or repair of that portion of the premises which is not reserved for that unit-owner's exclusive use or occupancy.

**EXCLUSION - ACCESS OR DISCLOSURE OF CONFIDENTIAL OR  
PERSONAL INFORMATION AND DATA-RELATED LIABILITY - WITH  
LIMITED BODILY INJURY EXCEPTION**

**CG-2106F(5-14)**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

- A.** Exclusion 2q of Section I - Coverage A - Bodily Injury And Property Damage Liability is replaced by the following:

**2. Exclusions**

This insurance does not apply to:

- q. Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability**

Damages arising out of:

- (1) Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2) The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in paragraph (1) or (2) above.

However, unless paragraph (1) above applies, this exclusion does not apply to

damages because of *bodily injury*.

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

- B.** The following is added to paragraph 2 Exclusions of Section I - Coverage B - Personal And Advertising Injury Liability:

**2. Exclusions**

This insurance does not apply to:

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

*Personal and advertising injury* arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

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

## EXCLUSION - UNMANNED AIRCRAFT

CG-2109F(6-15)

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. Exclusion 2g Aircraft, Auto Or Watercraft under Section I - Coverage A - Bodily Injury And Property Damage Liability is replaced by the following:

#### 2. Exclusions

This insurance does not apply to:

##### g. Aircraft, Auto Or Watercraft

###### (1) Unmanned Aircraft

*Bodily injury or property damage* arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an *unmanned aircraft*. Use includes operation and *loading or unloading*.

This paragraph g(1) applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the *occurrence* which caused the *bodily injury or property damage* involved the ownership, maintenance, use or entrustment to others of any aircraft that is an *unmanned aircraft*.

###### (2) Aircraft (Other Than Unmanned Aircraft), Auto Or Watercraft

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

This paragraph g(2) applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the *occurrence* which caused the *bodily injury or property damage* involved the ownership, maintenance, use or entrustment to others of any aircraft (other than *unmanned aircraft*), *auto* or watercraft that is owned or operated by or rented or loaned to any insured.

This paragraph g(2) does not apply to:

- (a) A watercraft while ashore on premises you own or rent;
- (b) A watercraft you do not own that is:
  - (i) Less than 26 feet long; and
  - (ii) Not being used to carry persons or property for a charge;
- (c) Parking an *auto* on, or on the ways next to, premises you own or rent, provided the *auto* is not owned by or rented or loaned to you or the insured;
- (d) Liability assumed under any *insured contract* for the ownership, maintenance or use of aircraft or watercraft; or
- (e) *Bodily injury or property damage* arising out of:
  - (i) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of *mobile equipment* if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged; or
  - (ii) The operation of any of the machinery or equipment listed in paragraph f(2) or f(3) of the definition of *mobile equipment*.

- B. The following exclusion is added to paragraph 2 Exclusions of Coverage B - Personal And Advertising Injury Liability:

#### 2. Exclusions

This insurance does not apply to:

##### Unmanned Aircraft

*Personal and advertising injury* arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an *unmanned aircraft*. Use includes operation and *loading or unloading*.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the offense which caused the *personal and advertising injury* involved the ownership, maintenance, use or entrust-

ment to others of any aircraft that is an *unmanned aircraft*.

This exclusion does not apply to:

- (1) The use of another's advertising idea in your *advertisement*; or
- (2) Infringing upon another's copyright, trade dress or slogan in your *advertisement*.

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

*"Unmanned aircraft"* means an aircraft that is not:

- (1) Designed;
- (2) Manufactured; or
- (3) Modified after manufacture;

to be controlled directly by a person from within or on the aircraft.

## EMPLOYMENT-RELATED PRACTICES EXCLUSION

CG-2147F(12-07)

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

1. The following exclusion is added to paragraph 2 Exclusions, of Section I - Coverage A - Bodily Injury and Property Damage Liability:

This insurance does not apply to:

*Bodily injury* to:

- a. A person arising out of any:
  - (1) Refusal to employ that person;
  - (2) Termination of that person's employment; or
  - (3) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- b. 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 (1), (2) or (3) above is directed.

This exclusion applies:

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

because of the injury.

2. The following exclusion is added to paragraph 2 Exclusions of Section I - Coverage B - Personal and Advertising Injury Liability:

This insurance does not apply to:

*Personal and advertising injury* to:

- a. A person arising out of any:
  - (1) Refusal to employ that person;
  - (2) Termination of that person's employment; or
  - (3) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- b. The spouse, child, parent, brother or sister of that person as a consequence of *personal and advertising injury* to that person at whom any of the employment-related practices described in paragraphs (1), (2) or (3) above is directed.

This exclusion applies:

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

## FUNGI OR BACTERIA EXCLUSION

CG-2167F(12-04)

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE FORM

1. The following exclusion is added to Paragraph 2, Exclusions of Section I - Coverage A - Bodily Injury and Property Damage Liability:

#### **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 bodily consumption.

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

#### **Fungi or Bacteria**

- a. *Personal and 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 expense 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.
3. 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.

**CONDITIONAL EXCLUSION OF TERRORISM (RELATING TO DISPOSITION  
OF FEDERAL TERRORISM RISK INSURANCE ACT)**

CG-2187R(1-15)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

**A. Applicability Of The Provisions Of This Endorsement**

1. The provisions of this endorsement will become applicable commencing on the date when any one or more of the following first occurs. But if your policy (meaning the policy period in which this endorsement applies) begins after such date, then the provisions of this endorsement become applicable on the date your policy begins.
  - a. The federal Terrorism Risk Insurance Program ("Program"), established by the Terrorism Risk Insurance Act, has terminated with respect to the type of insurance provided under this Coverage Part or Policy; or
  - b. A renewal, extension or replacement of the Program has become effective without a requirement to make terrorism coverage available to you and with revisions that:
    - (1) Increase our statutory percentage deductible under the Program for terrorism losses. (That deductible determines the amount of all certified terrorism losses we must pay in a calendar year, before the federal government shares in subsequent payment of certified terrorism losses.); or
    - (2) Decrease the federal government's statutory percentage share in potential terrorism losses above such deductible; or
    - (3) Redefine terrorism or make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other types of events or occurrences under this policy.
2. If the provisions of this endorsement become applicable, such provisions:
  - a. Supersede any terrorism endorse-

ment already endorsed to this policy that addresses *certified acts of terrorism and/or other acts of terrorism*, but only with respect to an incident(s) of terrorism (however defined) which results in injury or damage that occurs on or after the date when the provisions of this endorsement become applicable (for claims made policies, such an endorsement is superseded only with respect to an incident of terrorism (however defined) that results in a claim for injury or damage first being made on or after the date when the provisions of this endorsement become applicable); and

- b. Remain applicable unless we notify you of changes in these provisions, in response to federal law.
  3. If the provisions of this endorsement do NOT become applicable, any terrorism endorsement already endorsed to this policy, that addresses *certified acts of terrorism and/or other acts of terrorism*, will continue in effect unless we notify you of changes to that endorsement in response to federal law.
- B.** The following definitions are added and apply under this endorsement wherever the term terrorism, or the phrase any injury or damage, are shown in italics:
1. "*Terrorism*" means activities against persons, organizations or property of any nature:
    - a. That involve the following or preparation for the following:
      - (1) Use or threat of force or violence; or
      - (2) Commission or threat of a dangerous act; or
      - (3) Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
    - b. When one or both of the following applies:
      - (1) The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
      - (2) It appears that the intent is to intimidate or coerce a government, or to further political, ideological, reli-

gious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

2. "Any injury or damage" means any injury or damage covered under any Coverage Part or Policy to which this endorsement is applicable, and includes but is not limited to *bodily injury, property damage, personal and advertising injury, injury or environmental damage* as may be defined in any applicable Coverage Part or Policy.

C. The following exclusion is added:

**EXCLUSION OF TERRORISM**

We will not pay for *any injury or damage* caused directly or indirectly by *terrorism*, including action in hindering or defending against an actual or expected incident of *terrorism*. *Any injury or damage* is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such injury or damage. **But this exclusion applies only when one or more of the following are attributed to an incident of *terrorism*:**

1. The *terrorism* is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
2. Radioactive material is released, and it appears that one purpose of the *terrorism* was to release such material; or
3. The *terrorism* is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the *terrorism* was to release such materials; or
5. The total of insured damage to all types of property exceeds \$25,000,000. In determin-

ing whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the *terrorism* and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or

6. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
  - a. Physical injury that involves a substantial risk of death; or
  - b. Protracted and obvious physical disfigurement; or
  - c. Protracted loss of or impairment of the function of a bodily member or organ.

Multiple incidents of *terrorism* which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the thresholds in Paragraphs C5 or C6 are exceeded.

With respect to this Exclusion, Paragraphs C5 and C6 describe the threshold used to measure the magnitude of an incident of *terrorism* and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of *terrorism*, there is no coverage under this Coverage Part or Policy.

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



## SNOW PLOW OPERATIONS COVERAGE

CG-2292F(12-07)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Within the *products-completed operations hazard*,

Exclusion g under Section I - Coverage A - Bodily Injury And Property Damage Liability does not apply to any *auto* used for snow plow operations.

This endorsement modifies insurance provided under the following:

## COMMERCIAL GENERAL LIABILITY COVERAGE FORM

**1. Extended Non-Owned Watercraft**

Exclusion g Exception (2)(a) of Coverage A - Bodily Injury and Property Damage Liability is replaced by the following:

(a) Less than 51 feet long; and

**2. Increased Bail Bond Amount**

The limit shown in paragraph 1b of Supplementary Payments - Coverages A and B is increased to \$750.

**3. Increased Reasonable Expenses Incurred by the Insured**

The limit shown in paragraph 1d of Supplementary Payments - Coverages A and B is increased to \$300.

**4. Newly Acquired Organizations**

Item 3a of Section II - Who Is An Insured is replaced by the following:

- a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier;

**5. Knowledge of Claim or Suit**

The following is added to Paragraph 2, Duties in the Event of Occurrence, Offense, Claim or Suit of Section IV - Commercial General Liability Conditions:

Knowledge of an *occurrence*, claim or *suit* by your agent, servant or *employee* shall not in itself constitute knowledge of the Named Insured unless an officer of the Named Insured has received such notice from the agent, servant or *employee*.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE FORM  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY  
COVERAGE FORM  
POLLUTION LIABILITY COVERAGE FORM  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COV-  
ERAGE FORM  
RAILROAD PROTECTIVE LIABILITY COVERAGE FORM

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

*"Certified act of terrorism"* means an act that is certified by the Secretary of the Treasury, in

accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a *certified act of terrorism* include the following:

- 1.** The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
  - 2.** The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- B.** The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

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

**CG-7323(1-15)**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

LIQUOR LIABILITY COVERAGE FORM

OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM

POLLUTION LIABILITY COVERAGE FORM

PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE FORM

RAILROAD PROTECTIVE LIABILITY COVERAGE FORM

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

This insurance does not apply to:

**TERRORISM PUNITIVE DAMAGES**

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

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

*"Certified act of terrorism"* means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of

terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a *certified act of terrorism* include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
  2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- C.** The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

All Coverage Parts included in this policy are subject to the following conditions.

**A. CANCELLATION**

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

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

a. Ten days before the effective date of cancellation if we cancel for nonpayment of premium; or

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

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

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

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

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

**B. CHANGES**

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

**C. EXAMINATION OF YOUR BOOKS AND RECORDS**

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

**D. INSPECTIONS AND SURVEYS**

1. We have the right to:

a. Make inspections and surveys at any time;

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

c. Recommend changes.

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

a. Are safe or healthful; or

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

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

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

**E. PREMIUMS**

The First Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and

2. Will be the payee for any return premiums we pay.

**F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY**

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

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

## NUCLEAR ENERGY LIABILITY EXCLUSION - BROAD FORM

IL-0021F(3-14)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTO COVERAGE PART

COMMERCIAL GENERAL LIABILITY COVERAGE PART

DIRECTORS' AND OFFICERS' LIABILITY COVERAGE PART

EMPLOYEE BENEFITS LIABILITY COVERAGE PART

ERRORS AND OMISSIONS COVERAGE PART

FARM COVERAGE PART

LIQUOR LIABILITY COVERAGE FORM

OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM

POLLUTION LIABILITY COVERAGE FORM

PRODUCT WITHDRAWAL COVERAGE PART

PRODUCTS-COMPLETED OPERATIONS LIABILITY COVERAGE FORM

RAILROAD PROTECTIVE LIABILITY COVERAGE FORM

**1. The insurance does not apply:**

**a. Under any Liability Coverage to *bodily injury* or *property damage*:**

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

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

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

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

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

**c. Under any Liability Coverage, to *bodily injury* or *property damage* resulting from the *hazardous properties* of *nuclear material*, if:**

(1) The *nuclear material*:

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

(b) Has been discharged or dispersed therefrom.

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

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

**2. As used in this endorsement:**

**a. "Hazardous properties"** include radioactive, toxic or explosive properties.

**b. "Nuclear material"** means *source material*, *special nuclear material* or *byproduct material*.

**c. "Source material," "special nuclear material" and "byproduct material"** have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

**d. "Spent fuel"** means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a *nuclear reactor*.

**e. "Waste"** means any waste material:

(1) Containing *byproducts material* other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its *source material* content; and

(2) Resulting from the operation by any person or organization of any *nuclear facility* included under the first two paragraphs of the definition of *nuclear facility*.

**f. "Nuclear facility"** means:

(1) Any *nuclear reactor*;

(2) Any equipment or device designed or used for:

(a) Separating the isotopes of uranium or plutonium;

(b) Processing or utilizing *spent fuel*; or

- (c) Handling, processing or packaging waste.
- (3) Any equipment or device used for the processing, fabricating or alloying of *special nuclear material* if at any time the total amount of such material in the custody of the *insured* at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235.
- (4) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste;  
and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.
- g. "*Nuclear reactor*" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.
- h. "*Property damage*" includes all forms of radioactive contamination of property.

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART  
 COMMERCIAL CRIME COVERAGE PART  
 COMMERCIAL GENERAL LIABILITY COVERAGE PART  
 COMMERCIAL INLAND MARINE COVERAGE PART  
 COMMERCIAL PROPERTY COVERAGE PART  
 DIRECTORS' AND OFFICERS' LIABILITY COVERAGE PART  
 EMPLOYEE BENEFITS LIABILITY COVERAGE PART  
 EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
 ERRORS AND OMISSIONS COVERAGE PART  
 LIQUOR LIABILITY COVERAGE FORM  
 POLLUTION LIABILITY COVERAGE FORM  
 PRODUCT WITHDRAWAL COVERAGE PART  
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE FORM

A. Paragraphs 1 and 2 of the Cancellation Common Policy Condition are replaced by the following:

1. The First Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation. Cancellation will be effective on the later of the date requested by the First Named Insured or the date we receive the request.

**2. Policies In Effect**

**a. 60 Days Or Less**

If this policy has been in effect for 60 days or less, we may cancel this policy by mailing or delivering to the First Named Insured written notice of cancellation at least:

- (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium. If delivered via United States mail, the 10 day notification period begins to run 5 days following the date of postmark; or
- (2) 30 days before the effective date of cancellation if we cancel for any other reason.

**b. More Than 60 Days**

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 for one or more of the following reasons:

- (1) Nonpayment of premium;
- (2) Fraud or material misrepresentation made by you or with your knowledge in obtaining the policy, con-

tinuing the policy or in presenting a claim under the policy;

- (3) Acts or omissions on your part which increase any hazard insured against;
- (4) Change in the risk which materially increases the risk of loss after the policy has been issued or renewed including, but not limited to, an increase in exposure due to regulation, legislation or court decision;
- (5) Loss of or decrease in reinsurance which provided us with coverage for all or part of the risk insured;
- (6) A determination by the Director of Insurance that continuation of this policy would jeopardize our solvency or place us in violation of the insurance laws of Idaho or any other state; or
- (7) Violation or breach by the insured of any policy terms or conditions other than nonpayment of premium.

We will mail or deliver written notice of cancellation to the First Named Insured at least:

- (a) 10 days before the effective date of cancellation if we cancel for nonpayment of premium. If delivered via United States mail, the 10 day notification period begins to run 5 days following the date of postmark; or
- (b) 30 days before the effective date of cancellation if we cancel for any other reason stated in 2b above.

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

**NONRENEWAL**

1. If we elect not to renew this policy, we will mail or deliver to the First Named Insured a written notice of intention not to renew at least 45 days prior to the expiration or anniversary date of the policy.
2. We will mail or deliver our notice to the First Named Insured's last mailing address known to us.
3. If notice is not mailed or delivered at least 45 days before the expiration or anniversary date of this policy, this policy will remain in effect until 45 days after notice is mailed or delivered. Earned premium for the extended period of coverage will be calculated pro



rata at the rates applicable to the expiring policy.

4. We need not mail or deliver this notice if:
  - a. We have offered to renew this policy;
  - b. You have obtained replacement coverage; or
  - c. You have agreed in writing to obtain replacement coverage.
5. If notice is mailed, proof of mailing will be sufficient proof of notice.

**C. The following Condition is added:**

**PREMIUM OR COVERAGE CHANGES AT RENEWAL**

1. If we elect to renew this policy, we will mail or deliver written notice of any total premium increase greater than ten (10%) which is the result of a comparable increase in premium rates, change in deductible, reduction in limits or reduction in coverage to the First Named Insured, at the last mailing address known to us.
2. Any such notice will be mailed or delivered to the First Named Insured at least 30 days

before the expiration or anniversary date of the policy.

3. If notice is not mailed or delivered at least 30 days before the expiration or anniversary date of the policy, the premium, deductible, limits and coverage in effect prior to the changes will remain in effect until the earlier of the following:
  - a. 30 days after notice is given; or
  - b. The effective date of replacement coverage obtained by the First Named Insured.
4. If the First Named Insured accepts the renewal, the premium increase, if any, and other changes will be effective on and after the first day of the renewal term.
5. If the First Named Insured elects not to renew, any earned premium for the resulting extended period of coverage will be calculated pro rata at the lower of the new rates or rates applicable to the expiring policy.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

## ASBESTOS EXCLUSION

IL-7012(1-18)

This endorsement modifies insurance provided under the following:

BIS-PAK® BUSINESS LIABILITY AND MEDICAL  
EXPENSE COVERAGE FORM  
COMMERCIAL AUTO COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
DIRECTORS' AND OFFICERS' LIABILITY COVERAGE  
PART  
EMPLOYEE BENEFITS LIABILITY COVERAGE PART  
ERRORS AND OMISSIONS COVERAGE PART  
GARAGE COVERAGE FORM  
LIQUOR LIABILITY COVERAGE FORM  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY  
COVERAGE FORM  
POLLUTION LIABILITY COVERAGE FORM  
PRODUCT WITHDRAWAL COVERAGE PART

PRODUCTS-COMPLETED OPERATIONS LIABILITY  
COVERAGE FORM  
RAILROAD PROTECTIVE LIABILITY COVERAGE FORM  
RESIDENTIAL CARE FACILITY LIABILITY COVERAGE  
PART

The following exclusion is added:

### **Asbestos**

This insurance does not apply to any *bodily injury* or *property damage* arising out of activities related to, but not limited to, manufacture, mining, storage, distribution, installation, sale, use, exposure to, service, testing for, repair, containment or removal of asbestos, asbestos fibers, asbestos dust, or products containing asbestos.

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

**A. Disclosure Of Premium**

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

**B. Disclosure Of Federal Participation In Payment Of Terrorism Losses**

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals a percentage of that

portion of the amount of such insured losses that exceeds the applicable insurer retention. The federal share percentage is 80%. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

**C. Cap On Insurer Participation In Payment Of Terrorism Losses**

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Throughout this Coverage Endorsement (hereinafter referred to as "Cyber Coverage"), the words "you" and "your" refer to the Named Insured(s) shown in the Schedule of this Cyber Coverage and any other person(s) or organization(s) qualifying as a Named Insured under this Cyber Coverage. The words "we", "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in italics have special meaning. Refer to **DEFINITIONS**.

The terms and conditions of the Cancellation Clause of the Common Policy Conditions and any amendment to such terms incorporated by endorsement are hereby incorporated herein and shall apply to coverage as is afforded by this Cyber Coverage, unless specifically stated otherwise in an endorsement(s) attached hereto.

## A. COVERAGE

This section lists the coverages that apply if indicated in the Schedule of this Cyber Coverage.

### 1. Data Compromise Response Expenses

- a. Data Compromise Response Expenses applies only if all of the following conditions are met:

- (1) There has been a *personal data compromise*; and
- (2) Such *personal data compromise* took place in the *coverage territory*; and
- (3) Such *personal data compromise* is first discovered by you during the *policy period*; and
- (4) Such *personal data compromise* is reported to us as soon as practicable, but in no event more than 60 days after the date it is first discovered by you.

- b. If the conditions listed in a. above have been met, then we will provide coverage for the following expenses when they arise directly from such *personal data compromise* and are necessary and reasonable. Items (4) and (5) below apply only if there has been a notification of the *personal data compromise* to *affected individuals* as covered under item (3) below.

#### (1) Forensic IT Review

We will pay for a professional information technologies review if needed to determine, within the constraints of what is possible and reasonable, the nature and extent of the *personal data compromise* and the number and identities of the *affected individuals*.

This does not include costs to analyze, research or determine any of the following:

- (a) Vulnerabilities in systems, procedures or physical security;
- (b) Compliance with Payment Card Industry or other industry security standards; or
- (c) The nature or extent of *loss* or damage to data that is not *personally identifying information* or *personally sensitive information*.

If there is reasonable cause to suspect that a covered *personal data compromise* may have occurred, we will pay for costs covered under Forensic IT Review, even if it is eventually determined that there was no covered *personal data compromise*. However, once it is determined that there was no covered *personal data compromise*, we will not pay for any further costs.

#### (2) Legal Review

We will pay for a professional legal counsel review of the *personal data compromise* and how you should best respond to it.

If there is reasonable cause to suspect that a covered *personal data compromise* may have occurred, we will pay for costs covered under Legal Review, even if it is eventually determined that there was no covered *personal data compromise*. However, once it is determined that there was no covered *personal data compromise*, we will not pay for any further costs.

#### (3) Notification to Affected Individuals

We will pay your necessary and reasonable costs to provide notification of the *personal data compromise* to *affected individuals*.

#### (4) Services to Affected Individuals

We will pay your necessary and reasonable costs to provide the following services to *affected individuals* Services **(c)** and **(d)** below apply only to *affected individuals* from *personal data compromise* events involving *personally identifying information*.

**(a) Informational Materials**

A packet of loss prevention and customer support information.

**(b) Help Line**

A toll-free telephone line for *affected individuals* with questions about the *personal data compromise*. Where applicable, the line can also be used to request additional services as listed in **(c)** and **(d)** below.

**(c) Credit Report and Monitoring**

A credit report and an electronic service automatically monitoring for activities affecting an individual's credit records. This service is subject to the *affected individual* enrolling for this service with the designated service provider.

**(d) Identity Restoration Case Management**

As respects any *affected individual* who is or appears to be a victim of *identity theft* that may reasonably have arisen from the *personal data compromise*, the services of an identity restoration professional who will assist that affected individual through the process of correcting credit and other records and, within the constraints of what is possible and reasonable, restoring control over his or her personal identity.

**(5) Public Relations**

We will pay for a professional public relations firm review of, and response to, the potential impact of the *personal data compromise* on your business relationships.

This includes necessary and reasonable costs to implement public relations recommendations of such firm. This may include advertising and special promotions designed to retain your relationship with *affected individuals*. However, we will not pay for:

**(a)** Promotions provided to any of your directors or employees; or

**(b)** Promotion costs exceeding \$25 per *affected individual*.

**(6) Regulatory Fines and Penalties**

We will pay for any fine or penalty imposed by law, to the extent such fine or penalty is legally insurable under the law of the applicable jurisdiction.

**(7) PCI Fines and Penalties**

We will pay for any Payment Card Industry (PCI) fine or penalty imposed under a contract to which you are a party. PCI Fines and Penalties do not include any increased transaction costs.

**2. Computer Attack**

**a.** Computer Attack applies only if all of the following conditions are met:

**(1)** There has been a *computer attack*; and

**(2)** Such *computer attack* occurred in the *coverage territory*; and

**(3)** Such *computer attack* is first discovered by you during the *policy period*; and

**(4)** Such *computer attack* is reported to us as soon as practicable, but in no event more than 60 days after the date it is first discovered by you.

**b.** If the conditions listed in **a.** above have been met, then we will provide you the following coverages for loss directly arising from such *computer attack*.

**(1) Data Restoration**

We will pay your necessary and reasonable *data restoration costs*.

**(2) Data Re-creation**

We will pay your necessary and reasonable *data re-creation costs*.

**(3) System Restoration**

We will pay your necessary and reasonable *system restoration costs*.

**(4) Loss of Business**

We will pay your actual *business income and extra expense loss* incurred during the *period of restoration*.

**(5) Extended Income Recovery**

If you suffer a covered *business income and extra expense loss* resulting from a *computer attack* on a *computer system* owned or leased by you and operated under your control, we will pay your actual *extended income loss*.

**(6) Public Relations**

If you suffer a covered *business income and extra expense loss*, we will pay for the services of a professional public relations firm to assist you in communicating your response to the *computer attack* to the media, the public and your customers, clients or members.

**3. Cyber Extortion**

a. Cyber Extortion applies only if all of the following conditions are met:

- (1) There has been a *cyber extortion threat*; and
  - (2) Such *cyber extortion threat* is first made against you during the *policy period*; and
  - (3) Such *cyber extortion threat* is reported to us as soon as practicable, but in no event more than 60 days after the date it is first made against you.
- b. If the conditions listed in **a.** above have been met, then we will pay for your necessary and reasonable *cyber extortion expenses* arising directly from such *cyber extortion threat*. The payment of *cyber extortion expenses* must be approved in advance by us. We will not pay for *cyber extortion expenses* that have not been approved in advance by us. We will not unreasonably withhold our approval.
- c. You must make every reasonable effort not to divulge the existence of this Cyber Extortion coverage.

**4. Misdirected Payment Fraud**

a. Misdirected Payment Fraud applies only if all of the following conditions are met:

- (1) There has been a *wrongful transfer event* against you; and
  - (2) Such *wrongful transfer event* took place in the *coverage territory*; and
  - (3) Such *wrongful transfer event* is first discovered by you during the *policy period*; and
  - (4) Such *wrongful transfer event* is reported to us as soon as practicable, but in no event more than 60 days after the date it is first discovered by you; and
  - (5) Such *wrongful transfer event* is reported in writing by you to the police.
- b. If the conditions listed above in **a.** have been met, then we will pay your necessary and reasonable *wrongful transfer costs* arising directly from the *wrongful transfer event*.

**5. Computer Fraud**

a. Computer Fraud applies only if all of the following conditions are met:

- (1) There has been a *computer fraud event* against you; and
  - (2) Such *computer fraud event* took place in the *coverage territory*; and
  - (3) Such *computer fraud event* is first discovered by you during the *policy period*; and
  - (4) Such *computer fraud event* is reported to us within 60 days after the date it is first discovered by you; and
  - (5) Such *computer fraud event* is reported in writing by you to the police.
- b. If the conditions listed in **a.** above have been met, then we will pay your necessary and reasonable *computer fraud costs* arising directly from the *computer fraud event*.

**6. Data Compromise Liability**

a. Data Compromise Liability applies only if all of the following conditions are met:

- (1) During the *policy period* or any applicable Extended Reporting Period, you first receive notice of one of the following:
  - (a) A *claim*; or

- (b) A *regulatory proceeding*.
  - (2) Such *claim* or *regulatory proceeding* must arise from a *personal data compromise* that:
    - (a) Took place during the *coverage term*; and
    - (b) Took place in the *coverage territory*; and
    - (c) Was submitted to us and insured under Data Compromise Response Expenses.
  - (3) Such *claim* is reported to us as soon as practicable, but in no event more than 60 days after the date it is first received by you.
  - b. If the conditions listed in a. above have been met, then we will pay on your behalf any covered:
    - (1) Loss directly arising from the *claim*; or
    - (2) Defense costs directly arising from a *regulatory proceeding*.
  - c. All *claims* and *regulatory proceedings* arising from a single *personal data compromise* or interrelated *personal data compromises* will be deemed to have been made at the time that notice of the first of those *claims* or *regulatory proceedings* is received by you.
- 7. Network Security Liability**
- a. Network Security Liability applies only if all of the following conditions are met:
    - (1) During the *policy period* or any applicable Extended Reporting Period, you first receive notice of a *claim* which arises from a *network security liability incident* that:
      - (a) Took place during the *coverage term*; and
      - (b) Took place in the *coverage territory*; and
    - (2) Such *claim* is reported to us as soon as practicable, but in no event more than 60 days after the date it is first received by you.
  - b. If the conditions listed in a. above have been met, then we will pay on your behalf any covered *loss* directly arising from the *claim*.
  - c. All *claims* arising from a single *network security liability incident* or interrelated *network security liability incidents* will be deemed to have been made at the time that notice of the first of those *claims* is received by you.
- 8. Electronic Media Liability**
- a. Electronic Media Liability applies only if all of the following conditions are met:
    - (1) During the *policy period* or any applicable Extended Reporting Period, you first receive notice of a *claim* which arises from an *electronic media liability incident* that:
      - (a) Took place during the *coverage term*; and
      - (b) Took place in the *coverage territory*; and
    - (2) Such *claim* is reported to us as soon as practicable, but in no event more than 60 days after the date it is first received by you.
  - b. If the conditions listed in a. above have been met, then we will pay on your behalf any covered *loss* directly arising from the *claim*.
  - c. All *claims* arising from a single *electronic media liability incident* or interrelated *electronic media liability incidents* will be deemed to have been made at the time that notice of the first of those *claims* is received by you.
- 9. Identity Recovery**
- a. Identity Recovery applies only if all of the following conditions are met:
    - (1) There has been an *identity theft* involving the personal identity of an *identity recovery insured* under this Cyber Suite Coverage; and
    - (2) Such *identity theft* took place in the *coverage territory*; and
    - (3) Such *identity theft* is first discovered by the *identity recovery insured* during the *policy period*; and
    - (4) Such *identity theft* is reported to us within 60 days after it is first discovered by the *identity recovery insured*.
  - b. If the conditions listed in a. above have been met, then we will provide the following to the *identity*

*recovery insured.*

**(1) Case Management Service**

We will pay for the services of an *identity recovery case manager* as needed to respond to the *identity theft*, and

**(2) Expense Reimbursement**

We will pay for reimbursement of necessary and reasonable *identity recovery expenses* incurred as a direct result of the *identity theft*.

**B. EXCLUSIONS**

The following additional exclusions apply to this coverage:

We will not pay for costs or *loss* arising from the following:

1. Nuclear reaction or radiation or radioactive contamination, however caused.
2. War and military action including any of the following and any consequence of any of the following:
  - a. War, including undeclared or civil war;
  - b. Warlike action by 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
  - c. Insurrection, rebellion, revolution, usurped power, political violence or action taken by governmental authority in hindering or defending against any of these.
3. Failure or interruption of, or damage to, any electrical power supply network or telecommunications network not owned and operated by you including, but not limited to, the internet, internet service providers, Domain Name System (DNS) service providers, cable and wireless providers, internet exchange providers, search engine providers, internet protocol networks (and similar networks that may have different designations) and other providers of telecommunications or internet infrastructure.
4. Any attack on, incident involving, or loss to any computer or system of computers that is not a *computer system*.
5. Costs to research or correct any deficiency.
6. Any fines or penalties other than those explicitly covered under Data Compromise Response Expenses.
7. Any criminal investigations or proceedings.
8. Your intentional or willful complicity in a covered *loss* event.
9. Your reckless disregard for the security of your *computer system* or data, including confidential or sensitive information of others in your care, custody or control.
10. Any criminal, fraudulent or dishonest act, error or omission, or any intentional or knowing violation of the law by you.
11. Any *personal data compromise*, *computer attack*, *cyber extortion threat*, *wrongful transfer event*, *computer fraud event* or *wrongful act* occurring before the *coverage term*.
12. That part of any *claim* seeking any non-monetary relief. However, this exclusion does not apply to *defense costs* arising from an otherwise insured *wrongful act*.
13. The propagation or forwarding of malware, including viruses, worms, Trojans, spyware and keyloggers in connection with hardware or software created, produced or modified by you for sale, lease or license to third parties.
14. Any oral or written publication of material, if done by you or at your direction with knowledge of its falsity.
15. *Property damage* or *bodily injury* other than mental anguish or mental injury alleged in a *claim* covered under Electronic Media Liability.
16. The theft of a professional or business identity.
17. Any fraudulent, dishonest or criminal act by an *identity recovery insured* or any person aiding or abetting an *identity recovery insured*, or by any *authorized representative* of an *identity recovery insured*, whether acting alone or in collusion with others. However, this exclusion will not apply to the interests of an *identity recovery insured* who has no knowledge of or involvement in such fraud, dishonesty or criminal act.
18. An *identity theft* that is not reported in writing to the police.

**C. LIMITS OF INSURANCE**



## 1. Aggregate Limits

Except for post-judgment interest, the Cyber Suite Annual Aggregate Limit shown in the Cyber Suite Schedule is the most we will pay for all *loss* under all applicable coverage sections, except Identity Recovery, in any one *policy period* or any applicable Extended Reporting Period. The Cyber Suite Annual Aggregate Limit shown in the Cyber Suite Schedule applies regardless of the number of insured events first discovered or *claims* or *regulatory proceedings* first received during the *policy period* or any applicable Extended Reporting Period.

The Identity Recovery Coverage is subject to the Identity Recovery Limit as shown in the Cyber Suite Schedule.

## 2. Coverage Sublimits

### a. Data Compromise Sublimits

The most we will pay under Data Compromise Response Expenses for Forensic IT Review, Legal Review, Public Relations, Regulatory Fines and Penalties and PCI Fines and Penalties coverages for *loss* arising from any one *personal data compromise* is the applicable sublimit for each of those coverages shown in the Cyber Suite Schedule.

These sublimits are part of, and not in addition to, the Cyber Suite Annual Aggregate Limit shown in the Cyber Suite Schedule. Public Relations coverage is also subject to a limit per *affected individual* as described in **A.1.b.(5)**.

### b. Computer Attack Sublimits

The most we will pay under Computer Attack for Loss of Business and Extended Income Recovery coverages for *loss* arising from any one *computer attack* is the applicable Loss of Business sublimit shown in the Cyber Suite Schedule. The most we will pay under Computer Attack for Public Relations coverage for *loss* arising from any one *computer attack* is the applicable Public Relations sublimit shown in the Cyber Suite Schedule. These sublimits are part of, and not in addition to, the Cyber Suite Annual Aggregate Limit shown in the Cyber Suite Schedule.

### c. Cyber Extortion Sublimit

The most we will pay under Cyber Extortion coverage for *loss* arising from one *cyber extortion threat* is the applicable sublimit shown in the Cyber Suite Schedule. This sublimit is part of, and not in addition to, the Cyber Suite Annual Aggregate Limit shown in the Cyber Suite Schedule.

### d. Misdirected Payment Fraud Sublimit

The most we will pay under Misdirected Payment Fraud coverage for *loss* arising from one *wrongful transfer event* is the applicable sublimit shown in the Cyber Suite Schedule. This sublimit is part of, and not in addition to, the Cyber Suite Annual Aggregate Limit shown in the Cyber Suite Schedule.

### e. Computer Fraud Sublimit

The most we will pay under Computer Fraud coverage for *loss* arising from one *computer fraud event* is the applicable sublimit shown in the Cyber Suite Schedule. This sublimit is part of, and not in addition to, the Cyber Suite Annual Aggregate Limit shown in the Cyber Suite Schedule.

### f. Identity Recovery Sublimits

The following provisions are applicable only to the Identity Recovery Coverage.

- (1) Case Management Service is available as needed for any one *identity theft* for up to 12 consecutive months from the inception of the service. Expenses we incur to provide Case Management Services do not reduce the annual aggregate limit for Identity Recovery.
- (2) Costs covered under item d. (Legal Costs) of the definition of *identity recovery expenses* are part of, and not in addition to, the annual aggregate limit for Identity Recovery.
- (3) Costs covered under item e. (Lost Wages) and item f. (Child and Elder Care Expenses) of the definition of *identity recovery expenses* are jointly subject to the Lost Wages and Child and Elder Care sublimit shown in the Cyber Suite Schedule. This sublimit is part of, and not in addition to, the annual aggregate limit for Identity Recovery. Coverage is limited to wages lost and expenses incurred within 12 months after the first discovery of the *identity theft* by the *identity recovery insured*.
- (4) Costs covered under item g. (Mental Health Counseling) of the definition of *identity recovery expenses* is subject to the Mental Health Counseling sublimit shown in the Cyber Suite

Supplemental Declarations. This sublimit is part of, and not in addition to, the annual aggregate limit for Identity Recovery. Coverage is limited to counseling that takes place within 12 months after the first discovery of the *identity theft* by the *identity recovery insured*.

- (5) Costs covered under item h. (Miscellaneous Unnamed Costs) of the definition of *identity recovery expenses* is subject to the Miscellaneous Unnamed Costs sublimit shown in the Cyber Suite Schedule. This sublimit is part of, and not in addition to, the annual aggregate limit for Identity Recovery. Coverage is limited to costs incurred within 12 months after the first discovery of the *identity theft* by the *identity recovery insured*.

### 3. Application of Limits

- a. A *computer attack, cyber extortion threat, personal data compromise, wrongful transfer event, computer fraud event* or *identity theft* may be first discovered by you in one *policy period* but it may cause insured loss in one or more subsequent *policy periods*. If so, all insured loss arising from such *computer attack, cyber extortion threat, personal data compromise, wrongful transfer event, computer fraud event* or *identity theft* will be subject to the limit of insurance applicable to the *policy period* when the *computer attack, cyber extortion threat, personal data compromise, wrongful transfer event, computer fraud event* or *identity theft* was first discovered by you.
- b. You may first receive notice of a *claim* or *regulatory proceeding* in one *policy period* but it may cause insured loss in one or more subsequent *policy periods*. If so, all insured loss arising from such *claim* or *regulatory proceeding* will be subject to the limit of insurance applicable to the *policy period* when notice of the *claim* or *regulatory proceeding* was first received by you.
- c. The limit of insurance for the Extended Reporting Periods (if applicable) will be part of, and not in addition to, the limit of insurance for the immediately preceding *policy period*.
- d. Coverage for Services to Affected Individuals under Data Compromise Response Expenses is limited to costs to provide such services for a period of up to one year from the date of the notification to the *affected individuals*. Notwithstanding, coverage for Identity Restoration Case Management services initiated within such one year period may continue for a period of up to one year from the date such Identity Restoration Case Management services are initiated.

## D. DEDUCTIBLES

1. We will not pay for *loss* until the amount of the insured *loss* exceeds the deductible amount shown in the Cyber Suite Schedule. We will then pay the amount of *loss* in excess of the applicable deductible amount, subject to the applicable limits shown in the Cyber Suite Schedule. You will be responsible for the applicable deductible amount.
2. The deductible will apply to all:
  - a. Loss arising from the same insured event or interrelated insured events under Data Compromise Response Expenses, Computer Attack, Cyber Extortion, Misdirected Payment Fraud, or Computer Fraud.
  - b. Loss resulting from the same *wrongful act* or interrelated *wrongful acts* insured under Data Compromise Liability, Network Security Liability or Electronic Media Liability.
3. In the event that *loss* is insured under more than one coverage section, only the single highest deductible applies.
4. Insurance coverage under Identity Recovery is not subject to a deductible.

## E. ADDITIONAL CONDITIONS

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

### 1. Bankruptcy

The bankruptcy or insolvency of you or your estate, will not relieve you or us of any obligation under this Cyber Coverage.

### 2. Defense And Settlement

- a. We shall have the right and the duty to assume the defense of any applicable *claim* or *regulatory proceeding* against you. You shall give us such information and cooperation as we may reasonably require.
- b. You shall not admit liability for or settle any *claim* or *regulatory proceeding* or incur any defense costs without our prior written consent.

- c. At the time a *claim* or *regulatory proceeding* is first reported to us, you may request that we appoint a defense attorney of your choice. We will give full consideration to any such request.
- d. If you refuse to consent to any settlement recommended by us and acceptable to the claimant, we may then withdraw from your defense by tendering control of the defense to you. From that point forward, you shall, at your own expense, negotiate or defend such *claim* or *regulatory proceeding* independently of us. Our liability shall not exceed the amount for which the *claim* or suit could have been settled if such recommendation was consented to, plus *defense costs* incurred by us, and *defense costs* incurred by you with our written consent, prior to the date of such refusal.
- e. We will not be obligated to pay any *loss* or *defense costs*, or to defend or continue to defend any *claim* or *regulatory proceeding* after the applicable limit of insurance has been exhausted.
- f. We will pay all interest on that amount of any judgment within the applicable limit of insurance which accrues:
  - (1) After entry of judgment; and
  - (2) Before we pay, offer to pay or deposit in court that part of the judgment within the applicable limit of insurance or, in any case, before we pay or offer to pay the entire applicable limit of insurance.

These interest payments will be in addition to and not part of the applicable limit of insurance.

### 3. Due Diligence

You agree to use due diligence to prevent and mitigate *loss* insured under this Cyber Coverage. This includes, but is not limited to, complying with, and requiring your vendors to comply with, reasonable and industry-accepted protocols for:

- a. Providing and maintaining appropriate physical security for your premises, *computer system* and hard copy files;
- b. Providing and maintaining appropriate computer and Internet security;
- c. Maintaining and updating at appropriate intervals backups of computer data;
- d. Protecting transactions, such as processing credit card, debit card and check payments; and
- e. Appropriate disposal of files containing *personally identifying information*, *personally sensitive information* or *third party corporate data*, including shredding hard copy files and destroying physical media used to store electronic data.

### 4. Duties in the Event of a Claim, Regulatory Proceeding or Loss

- a. If, during the *policy period*, incidents or events occur which you reasonably believe may give rise to a *claim* or *regulatory proceeding* for which coverage may be provided hereunder, such belief being based upon either written notice from the potential claimant or the potential claimant's representative; or notice of a complaint filed with a federal, state or local agency; or upon an oral *claim*, allegation or threat, you shall give written notice to us as soon as practicable and either:
  - (1) Anytime during the *policy period*; or
  - (2) Anytime during the extended reporting periods (if applicable).
- b. If a *claim* or *regulatory proceeding* is brought against you, you must:
  - (1) Immediately record the specifics of the *claim* or *regulatory proceeding* and the date received;
  - (2) Provide us with written notice, as soon as practicable, but in no event more than 60 days after the date the *claim* or *regulatory proceeding* is first received by you;
  - (3) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the *claim* or *regulatory proceeding*;
  - (4) Authorize us to obtain records and other information;
  - (5) Cooperate with us in the investigation, settlement or defense of the *claim* or *regulatory proceeding*;
  - (6) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to you because of *loss* or *defense costs* to which this insurance may also apply; and
  - (7) Not take any action, or fail to take any required action, that prejudices your rights or our rights with respect to such *claim* or *regulatory proceeding*.
- c. In the event of a *personal data compromise*, *computer attack*, *cyber extortion threat*, *wrongful transfer*

event, computer fraud event or identity theft, insured under this Cyber Coverage, you and any involved identity recovery insured must see that the following are done:

- (1) Notify the police if a law may have been broken.
  - (2) Notify us as soon as practicable, but in no event more than 60 days after the *personal data compromise, computer attack, cyber extortion threat, wrongful transfer event, computer fraud event* or *identity theft*. Include a description of any property involved.
  - (3) As soon as possible, give us a description of how, when and where the *personal data compromise, computer attack, cyber extortion threat, wrongful transfer event, computer fraud event* or *identity theft* occurred.
  - (4) As often as may be reasonably required, permit us to:
    - (a) Inspect the property proving the *personal data compromise, computer attack, cyber extortion threat, wrongful transfer event, computer fraud event* or *identity theft*;
    - (b) Examine your books, records, electronic media and records and hardware;
    - (c) Take samples of damaged and undamaged property for inspection, testing and analysis; and
    - (d) Make copies from your books, records, electronic media and records and hardware.
  - (5) Send us signed, sworn proof of loss containing the information we request to investigate the *personal data compromise, computer attack, cyber extortion threat, wrongful transfer event, computer fraud event* or *identity theft*. You must do this within 60 days after our request. We will supply you with the necessary forms.
  - (6) Cooperate with us in the investigation or settlement of the *personal data compromise, computer attack, cyber extortion threat, wrongful transfer event, computer fraud event* or *identity theft*.
  - (7) If you intend to continue your business, you must resume all or part of your operations as quickly as possible.
  - (8) Make no statement that will assume any obligation or admit any liability, for any loss for which we may be liable, without our prior written consent.
  - (9) Promptly send us any legal papers or notices received concerning the loss.
- d. We may examine you under oath at such times as may be reasonably required, about any matter relating to this insurance or the *claim, regulatory proceeding* or *loss*, including your books and records. In the event of an examination, your answers must be signed.
- e. You may not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our prior written consent.

## 5. Extended Reporting Periods

- a. You will have the right to the Extended Reporting Periods described in this section, in the event of a *termination of coverage*.
- b. If a *termination of coverage* has occurred, you will have the right to the following:
  - (1) At no additional premium, an Automatic Extended Reporting Period of 30 days immediately following the effective date of the *termination of coverage* during which you may first receive notice of a *claim* or *regulatory proceeding* arising directly from a *wrongful act* occurring before the end of the *policy period* and which is otherwise insured by this Cyber Coverage; and
  - (2) Upon payment of the additional premium of 100% of the full annual premium associated with the relevant coverage, a Supplemental Extended Reporting Period of one year immediately following the effective date of the *termination of coverage* during which you may first receive notice of a *claim* or *regulatory proceeding* arising directly from a *wrongful act* occurring before the end of the *policy period* and which is otherwise insured by this Cyber Coverage.

To obtain the Supplemental Extended Reporting Period, you must request it in writing and pay the additional premium due, within 30 days after the effective date of *termination of coverage*. The additional premium for the Supplemental Extended Reporting Period will be fully earned at the inception of the Supplemental Extended Reporting Period. If we do not receive the written request as required, you may not exercise this right at a later date.

This insurance, provided during the Supplemental Extended Reporting Period, is excess over any other valid and collectible insurance that begins or continues in effect after the Supplemental Extended Reporting Period becomes effective, whether the other insurance applies on a primary,

excess, contingent, or any other basis.

## 6. Identity Recovery Help Line

For assistance, if Identity Recovery applies, the *identity recovery insured* should call the **Identity Recovery Help Line at 1-866-219-0691**.

The **Identity Recovery Help Line** can provide the *identity recovery insured* with:

- a. Information and advice for how to respond to a possible *identity theft*; and
- b. Instructions for how to submit a service request for Case Management Service and/or a claim form for Expense Reimbursement Coverage.

In some cases, we may provide Case Management services at our expense to an *identity recovery insured* prior to a determination that a covered *identity theft* has occurred. Our provision of such services is not an admission of liability under the Cyber Coverage. We reserve the right to deny further coverage or service if, after investigation, we determine that a covered *identity theft* has not occurred.

As respects Expense Reimbursement Coverage, the *identity recovery insured* must send to us, within 60 days after our request, receipts, bills or other records that support his or her *claim for identity recovery expenses*.

## 7. Legal Action Against Us

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

- a. There has been full compliance with all of the terms of this insurance; and
- b. The action is brought within two years after the date the *loss* or *identity theft* is first discovered by you, or the date on which you first receive notice of a *claim* or *regulatory proceeding*.

## 8. Legal Advice

We are not your legal advisor. Our determination of what is or is not insured under this Cyber Coverage does not represent advice or counsel from us about what you should or should not do.

## 9. Other Insurance

If there is other insurance that applies to the same *loss*, this Cyber Coverage shall apply only as excess insurance after all other applicable insurance has been exhausted.

## 10. Pre-Notification Consultation

You agree to consult with us prior to the issuance of notification to *affected individuals*. We assume no responsibility under Data Compromise Response Expenses for any services promised to *affected individuals* without our prior agreement. If possible, this pre-notification consultation will also include the designated service provider(s) as agreed to under the Service Providers condition below. You must provide the following at our pre-notification consultation with you:

- a. The exact list of *affected individuals* to be notified, including contact information.
- b. Information about the *personal data compromise* that may appropriately be communicated with *affected individuals*.
- c. The scope of services that you desire for the *affected individuals*. For example, coverage may be structured to provide fewer services in order to make those services available to more *affected individuals* without exceeding the available Data Compromise Response Expenses limit of insurance.

## 11. Service Providers

- a. We will only pay under this Cyber Coverage for services that are provided by service providers approved by us. You must obtain our prior approval for any service provider whose expenses you want covered under this Cyber Coverage. We will not unreasonably withhold such approval.
- b. Prior to the Pre-Notification Consultation described in the Pre-Notification Consultation Condition above, you must come to agreement with us regarding the service provider(s) to be used for the Notification to Affected Individuals and Services to Affected Individuals. We will suggest a service provider. If you prefer to use an alternate service provider, our coverage is subject to the following limitations:
  - (1) Such alternate service provider must be approved by us;
  - (2) Such alternate service provider must provide services that are reasonably equivalent or superior in both kind and quality to the services that would have been provided by the service provider we had

suggested; and

- (3) Our payment for services provided by any alternate service provider will not exceed the amount that we would have paid using the service provider we had suggested.

## 12. Services

The following conditions apply as respects any services provided to you or any *affected individual* or *identity recovery insured* by us, our designees or any service firm paid for in whole or in part under this Cyber Coverage:

- a. The effectiveness of such services depends on the cooperation and assistance of you, *affected individuals* and *identity recovery insureds*.
- b. All services may not be available or applicable to all individuals. For example, *affected individuals* and *identity recovery insureds* who are minors or foreign nationals may not have credit records that can be provided or monitored. Service in Canada will be different from service in the United States and Puerto Rico in accordance with local conditions.
- c. We do not warrant or guarantee that the services will end or eliminate all problems associated with the covered events.
- d. Except for the services of an *identity recovery case manager* under Identity Recovery, which we will provide directly, you will have a direct relationship with the professional service firms paid for in whole or in part under this Cyber Coverage. Those firms work for you.

## 13. Valuation

We will determine the value of *money* as follows:

Our payment for loss of *money* or loss payable in *money* will be, at your option, in the *money* of the country in which the *wrongful transfer event* or *computer fraud event* took place or in the United States of America dollar equivalent thereof determined at the rate of exchange published by the Wall Street Journal at the time of payment of such loss.

## F. DEFINITIONS

1. "*Affected Individual*" means any person whose *personally identifying information* or *personally sensitive information* is lost, stolen, accidentally released or accidentally published by a *personal data compromise* covered under this Cyber Coverage. This definition is subject to the following provisions:
  - a. *Affected individual* does not include any business or organization. Only an individual person may be an *affected individual*.
  - b. An *affected individual* may reside anywhere in the world.
2. "*Authorized Representative*" means a person or entity authorized by law or contract to act on behalf of an *identity recovery insured*.
3. "*Authorized Third Party User*" means a party who is not an employee or a director of you who is authorized by contract or other agreement to access the *computer system* for the receipt or delivery of services.
4. "*Bodily Injury*" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
5. "*Business Income and Extra Expense Loss*" means loss of Business Income and Extra Expense.
  - a. As used in this definition, Business Income means the sum of:
    - (1) Net income (net profit or loss before income taxes) that would have been earned or incurred; and
    - (2) Continuing normal and necessary operating expenses incurred, including employee and director payroll.
  - b. As used in this definition, Extra Expense means the additional cost you incur to operate your business over and above the cost that you normally would have incurred to operate your business during the same period had no *computer attack* occurred.
6. "*Claim*"
  - a. *Claim* means:
    - (1) A written demand for monetary damages or non-monetary relief, including injunctive relief;
    - (2) A civil proceeding commenced by the filing of a complaint;

- (3) An arbitration proceeding in which such damages are claimed and to which you must submit or do submit with our consent;
  - (4) Any other alternative dispute resolution proceeding in which such damages are claimed and to which you must submit or to which we agree you should submit to;
- arising from a *wrongful act* or a series of interrelated *wrongful acts* including any resulting appeal.
- b. *Claim* does not mean or include:
    - (1) Any demand or action brought by or on behalf of someone who is:
      - (a) Your director;
      - (b) Your owner or part-owner; or
      - (c) A holder of your securities;
 in their capacity as such, whether directly, derivatively, or by class action. *Claim* will include proceedings brought by such individuals in their capacity as *affected individuals*, but only to the extent that the damages claimed are the same as would apply to any other *affected individual*; or
    - (2) A *regulatory proceeding*.
  - c. *Claim* includes a demand or proceeding arising from a *wrongful act* that is a *personal data compromise* only when the *personal data compromise* giving rise to the proceeding was covered under Data Compromise Response Expenses section of this Cyber Coverage, and you submitted a *claim* to us and provided notifications and services to affected individuals in consultation with us pursuant to Data Compromise Response Expenses in connection with such *personal data compromise*.
7. “*Computer Attack*”
- a. “*Computer attack*” means one of the following involving the *computer system*:
    - (1) An *unauthorized access incident*;
    - (2) A *malware attack*; or
    - (3) A *denial of service attack* against a *computer system*.
  - b. A *computer attack* ends at the earlier of:
    - (1) The time that the active attacking behavior ceases, the time that you have regained control over the *computer system* or the time that all unauthorized creation, destruction or movement of data associated with the *computer attack* has ceased, whichever happens latest; or
    - (2) 30 days after your discovery of the *computer attack*.
8. “*Computer Fraud Costs*” means:
- a. The amount of *money* fraudulently obtained from you. *Computer fraud costs* include the direct financial loss only.
  - b. *Computer fraud costs* do not include any of the following:
    - (1) Other expenses that arise from the *computer fraud event*;
    - (2) Indirect loss, such as *bodily injury*, lost time, lost wages, *identity recovery expenses* or damaged reputation;
    - (3) Any interest, time value or potential investment gain on the amount of financial loss; or
    - (4) Any portion of such amount that has been or can reasonably be expected to be reimbursed by a third party, such as a financial institution.
9. “*Computer Fraud Event*” means:
- a. An *unauthorized access incident* that leads to the intentional, unauthorized and fraudulent entry of or change to data or instructions within a *computer system* owned or leased by you and operated under your control. Such fraudulent entry or change must be conducted by a person who is not an *employee*, *executive* or *independent contractor*. Such fraudulent entry or change must cause *money* to be sent or diverted. The fraudulent entry or change must result in direct financial loss to you.
  - b. *Computer fraud event* does not mean or include any occurrence:
    - (1) In which you are threatened or coerced to send money or divert a payment; or

- (2) Arising from a dispute or a disagreement over the completeness, authenticity or value of a product, a service or a financial instrument.
10. “Computer System” means a computer or other electronic hardware that:
- Is owned or leased by you and operated under your control; or
  - Is operated by a third-party service provider used for the purpose of providing hosted computer application services to you or for processing, maintaining, hosting or storing your electronic data, pursuant to a written contract with you for such services. However, such computer or other electronic hardware operated by such third party shall only be considered to be a *computer system* with respect to the specific services provided by such third party to you under such contract.
11. “Coverage Term” means the increment of time:
- Commencing on the earlier of the first inception date of this Cyber Coverage or the first inception date of any coverage substantially similar to that described in this Cyber Coverage and held immediately prior to this Cyber coverage; and
  - Ending upon the *termination of coverage*.
12. “Coverage Territory” means:
- With respect to Data Compromise Response Expenses, Computer Attack, Cyber Extortion, Misdirected Payment Fraud, Computer Fraud and Identity Recovery, *coverage territory* means anywhere in the world.
  - With respect to Data Compromise Liability, Network Security Liability and Electronic Media Liability, *coverage territory* means anywhere in the world, however *claims* must be brought within the United States (including its territories and possessions) or Puerto Rico.
13. “Cyber Extortion Expenses” means:
- The cost of a negotiator or investigator retained by you in connection with a *cyber extortion threat*; and
  - Any amount paid by you in response to a *cyber extortion threat* to the party that made the *cyber extortion threat* for the purposes of eliminating the *cyber extortion threat* when such expenses are necessary and reasonable and arise directly from a *cyber extortion threat*. The payment of *cyber extortion expenses* must be approved in advance by us. We will not pay for *cyber extortion expenses* that have not been approved in advance by us. We will not unreasonably withhold our approval.
14. “Cyber Extortion Threat” means:
- Cyber extortion threat* means a demand for money from you based on a credible threat, or series of related credible threats, to:
- (1) Launch a *denial of service attack* against the *computer system* for the purpose of denying *authorized third party users* access to your services provided through the *computer system* via the Internet;
  - (2) Gain access to a *computer system* and use that access to steal, release or publish *personally identifying information, personally sensitive information* or *third party corporate data*;
  - (3) Alter, damage or destroy electronic data or software while such electronic data or software is stored within a *computer system*;
  - (4) Launch a *computer attack* against a *computer system* in order to alter, damage or destroy electronic data or software while such electronic data or software is stored within a *computer system*; or
  - (5) Cause you to transfer, pay or deliver any funds or property using a *computer system* without your authorization.
- Cyber extortion threat* does not mean or include any threat made in connection with a legitimate commercial dispute.
15. “Data Re-creation Costs”
- Data re-creation costs* means the costs of an outside professional firm hired by you to research, re-create and replace data that has been lost or corrupted and for which there is no electronic source available or where the electronic source does not have the same or similar functionality to the data that has been lost or corrupted.
  - Data re-creation costs* does not mean or include costs to research, re-create or replace:



- (1) Software programs or operating systems that are not commercially available; or
  - (2) Data that is obsolete, unnecessary or useless to you.
16. *"Data Restoration Costs"*
- a. *Data restoration costs* means the costs of an outside professional firm hired by you to replace electronic data that has been lost or corrupted. In order to be considered *data restoration costs*, such replacement must be from one or more electronic sources with the same or similar functionality to the data that has been lost or corrupted.
  - b. *Data restoration costs* does not mean or include costs to research, re-create or replace:
    - (1) Software programs or operating systems that are not commercially available; or
    - (2) Data that is obsolete, unnecessary or useless to you.
17. *"Defense Costs"*
- a. *Defense costs* means reasonable and necessary expenses consented to by us resulting solely from the investigation, defense and appeal of any *claim* or *regulatory proceeding* against you. Such expenses may include premiums for any appeal bond, attachment bond or similar bond. However, we have no obligation to apply for or furnish such bond.
  - b. *Defense costs* does not mean or include the salaries or wages of your employees or directors, or your loss of earnings.
18. *"Denial of Service Attack"* means an intentional attack against a target computer or network of computers designed to overwhelm the capacity of the target computer or network in order to deny or impede authorized users from gaining access to the target computer or network through the Internet.
19. *"Electronic Media Incident"* means an allegation that the display of information in electronic form by you on a website resulted in:
- a. Infringement of another's copyright, title, slogan, trademark, trade name, trade dress, service mark or service name;
  - b. Defamation against a person or organization that is unintended; or
  - c. A violation of a person's right of privacy, including false light and public disclosure of private facts.
20. *"Employee"* means any natural person, other than an *executive*, who was, now is or will be:
- a. Employed on a full-time or part-time basis by you;
  - b. Furnished temporarily to you to substitute for a permanent *employee* on leave or to meet seasonal or short-term workload conditions;
  - c. Leased to you by a labor leasing firm under an agreement between you and the labor leasing firm to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in paragraph **b.**; or
  - d. Your volunteer worker, which includes unpaid interns.
21. *"Executive"* means any natural person who was, now is or will be:
- a. The owner of your sole proprietorship; or
  - b. A duly elected or appointed:
    - (1) Director;
    - (2) Officer;
    - (3) Managing Partner;
    - (4) General Partner;
    - (5) Member (if a limited liability company);
    - (6) Manager (if a limited liability company); or
    - (7) Trustee;of your business.

22. “*Extended Income Loss*” means your actual *business income and extra expense loss* incurred during the *extended recovery period*.
23. “*Extended Recovery Period*” means a fixed period of 180 days immediately following the end of the *period of restoration*.
24. “*Identity Recovery Case Manager*” means one or more individuals assigned by us to assist an *identity recovery insured* with communications we deem necessary for re-establishing the integrity of the personal identity of the *identity recovery insured*. This includes, with the permission and cooperation of the *identity recovery insured*, written and telephone communications with law enforcement authorities, governmental agencies, credit agencies and individual creditors and businesses.
25. “*Identity Recovery Expenses*” means the following when they are reasonable and necessary expenses that are incurred as a direct result of an *identity theft* suffered by an *identity recovery insured*:
- a. **Re-Filing Costs**  
Costs for re-filing applications for loans, grants or other credit instruments that are rejected solely as a result of an *identity theft*.
  - b. **Notarization, Telephone and Postage Costs**  
Costs for notarizing affidavits or other similar documents, long distance telephone calls and postage solely as a result of the *identity recovery insured*’s efforts to report an *identity theft* or amend or rectify records as to the *identity recovery insured*’s true name or identity as a result of an *identity theft*.
  - c. **Credit Reports**  
Costs for credit reports from established credit bureaus.
  - d. **Legal Costs**  
Fees and expenses for an attorney approved by us for the following:
    - (1) The defense of any civil suit brought against an *identity recovery insured*.
    - (2) The removal of any civil judgment wrongfully entered against an *identity recovery insured*.
    - (3) Legal assistance for an *identity recovery insured* at an audit or hearing by a governmental agency.
    - (4) Legal assistance in challenging the accuracy of the *identity recovery insured*’s consumer credit report.
    - (5) The defense of any criminal charges brought against an *identity recovery insured* arising from the actions of a third party using the personal identity of the *identity recovery insured*.
  - e. **Lost Wages**  
Actual lost wages of the *identity recovery insured* for time reasonably and necessarily taken away from work and away from the work premises. Time away from work includes partial or whole workdays. Actual lost wages may include payment for vacation days, discretionary days, floating holidays and paid personal days. Actual lost wages does not include sick days or any loss arising from time taken away from self-employment. Necessary time off does not include time off to do tasks that could reasonably have been done during non-working hours.
  - f. **Child and Elder Care Expenses**  
Actual costs for supervision of children or elderly or infirm relatives or dependents of the *identity recovery insured* during time reasonably and necessarily taken away from such supervision. Such care must be provided by a professional care provider who is not a relative of the *identity recovery insured*.
  - g. **Mental Health Counseling**  
Actual costs for counseling from a licensed mental health professional. Such care must be provided by a professional care provider who is not a relative of the *identity recovery insured*.
  - h. **Miscellaneous Unnamed Costs**  
Any other reasonable costs necessarily incurred by an *identity recovery insured* as a direct result of the *identity theft*.
    - (1) Such costs include:
      - (a) Costs by the *identity recovery insured* to recover control over his or her personal identity.
      - (b) Deductibles or service fees from financial institutions.

- (2) Such costs do not include:
- (a) Costs to avoid, prevent or detect *identity theft* or other loss.
  - (b) Money lost or stolen.
  - (c) Costs that are restricted or excluded elsewhere in this Cyber Coverage or policy.

26. “*Identity Recovery Insured*” means the following:

- a. When the entity insured under this Cyber Coverage is a sole proprietorship, the *identity recovery insured* is the individual person who is the sole proprietor of the insured identity.
- b. When the entity insured under this Cyber Coverage is a partnership, the *identity recovery insureds* are the current partners.
- c. When the entity insured under this Cyber Coverage is a corporation or other form of organization, other than those described in a. or b. above, the *identity recovery insureds* are all individuals having an ownership position of 20% or more of the insured entity. However, if, and only if, there is no one who has such an ownership position, then the *identity recovery insured* will be:
  - (1) The chief executive of the insured entity; or
  - (2) As respects a religious institution, the senior ministerial employee.

An *identity recovery insured* must always be an individual person. If the entity insured under this Cyber Coverage is a legal entity, that legal entity is not an *identity recovery insured*.

27. “*Identity Theft*”

- a. *Identity Theft* means the fraudulent use of *personally identifying information*. This includes fraudulently using such information to establish credit accounts, secure loans, enter into contracts or commit crimes.
- b. *Identity theft* does not mean or include the fraudulent use of a business name, d/b/a or any other method of identifying a business activity.

28. “*Independent Contractor*” means a natural person that provides goods or services to you under terms specified in a written contract, but only while acting on behalf of, at the direction of, and under the supervision of you.

29. “*Loss*”

- a. With respect to Data Compromise Response Expenses, *loss* means those expenses enumerated in Data Compromise Response Expenses, paragraph b.
- b. With respect to Computer Attack, *loss* means those expenses enumerated in Computer Attack, paragraph b.
- c. With respect to Cyber Extortion, *loss* means *cyber extortion expenses*.
- d. With respect to Misdirected Payment Fraud, *loss* means *wrongful transfer costs*.
- e. With respect to Computer Fraud, *loss* means *computer fraud costs*.
- f. With respect to Data Compromise Liability, Network Security Liability and Electronic Media Liability, *loss* means *defense costs* and *settlement costs*.
- g. With respect to Identity Recovery, *loss* means those expenses enumerated in Identity Recovery, paragraph b.

30. “*Malware Attack*”

- a. *Malware attack* means an attack that damages a *computer system* or data contained therein arising from malicious code, including viruses, worms, Trojans, spyware and keyloggers.
- b. *Malware attack* does not mean or include damage from shortcomings or mistakes in legitimate electronic code or damage from code installed on your *computer system* during the manufacturing process or normal maintenance.

31. “*Money*” means:

- a. *Money* means a medium of exchange in current use and authorized or adopted by a domestic or foreign government, including currency, coins, banknotes, bullion, travelers’ checks, registered checks and money orders held for sale to the public.
- b. *Money* does not mean or include any cryptocurrency, whether or not authorized or adopted by a domestic or foreign government. Cryptocurrency includes, but is not limited to, Bitcoin, Ethereum and

other forms of digital, virtual or electronic currency.

- 32. "Network Security Incident"** means a negligent security failure or weakness with respect to a *computer system* which allowed one or more of the following to happen:
- a. The unintended propagation or forwarding of malware, including viruses, worms, Trojans, spyware and keyloggers. Malware does not include shortcomings or mistakes in legitimate electronic code;
  - b. The unintended abetting of a *denial of service attack* against one or more other systems; or
  - c. The unintended loss, release or disclosure of *third party corporate data*.
- 33. "Period of Restoration"** means the period of time that begins 8 hours after the time that a *computer attack* is discovered by you and continues until the earliest of:
- a. The date that all data restoration, data re-creation and system restoration directly related to the *computer attack* has been completed;
  - b. The date on which such data restoration, data re-creation and system restoration could have been completed with the exercise of due diligence and dispatch; or
  - c. If no data restoration, data re-creation or system restoration is required, the end of the *computer attack*.
- 34. "Personal Data Compromise"** means the loss, theft, accidental release or accidental publication of *personally identifying information* or *personally sensitive information* as respects one or more *affected individuals*. If the loss, theft, accidental release or accidental publication involves *personally identifying information*, such loss, theft, accidental release or accidental publication must result in or have the reasonable possibility of resulting in the fraudulent use of such information. This definition is subject to the following provisions:
- a. At the time of the loss, theft, accidental release or accidental publication, the *personally identifying information* or *personally sensitive information* need not be at the insured premises but must be in the direct care, custody or control of:
    - (1) You; or
    - (2) A professional entity with which you have a direct relationship and to which you (or an *affected individual* at your direction) have turned over (directly or via a professional transmission or transportation provider) such information for storage, processing, transmission or transportation of such information.
  - b. *Personal data compromise* includes disposal or abandonment of *personally identifying information* or *personally sensitive information* without appropriate safeguards such as shredding or destruction, provided that the failure to use appropriate safeguards was accidental and not reckless or deliberate.
  - c. *Personal data compromise* includes situations where there is a reasonable cause to suspect that such *personally identifying information* or *personally sensitive information* has been lost, stolen, accidentally released or accidentally published, even if there is no firm proof.
  - d. All incidents of *personal data compromise* that are discovered at the same time or arise from the same cause will be considered one *personal data compromise*.
- 35. "Personally Identifying Information"**
- a. *Personally identifying information* means information, including health information, that could be used to commit fraud or other illegal activity involving the credit, access to health care or identity of an *affected individual* or *identity recovery insured*. This includes, but is not limited to, Social Security numbers or account numbers.
  - b. *Personally identifying information* does not mean or include information that is otherwise available to the public, such as names and addresses.
- 36. "Personally Sensitive Information"**
- a. *Personally sensitive information* means private information specific to an individual the release of which requires notification of *affected individuals* under any applicable law.
  - b. *Personally sensitive information* does not mean or include *personally identifying information*.
- 37. "Policy Period"** means the period commencing on the effective date shown in the Cyber Suite Schedule. The *policy period* ends on the expiration date or the cancellation date of this Cyber Coverage, whichever comes first.
- 38. "Property Damage"** means

- a. Physical injury to or destruction of tangible property including all resulting loss of use; or
  - b. Loss of use of tangible property that is not physically injured.
39. “*Regulatory Proceeding*” means an investigation, demand or proceeding alleging a violation of law or regulation arising from a *personal data compromise* brought by, or on behalf of, the Federal Trade Commission, Federal Communications Commission or other administrative or regulatory agency, or any federal, state, local or foreign governmental entity in such entity’s regulatory or official capacity.
40. “*Settlement Costs*”
- a. *Settlement costs* means the following, when they arise from a *claim*:
    - (1) Damages, judgments or settlements; and
    - (2) Attorney’s fees and other litigation costs added to that part of any judgment paid by us, when such fees and costs are awarded by law or court order; and
    - (3) Pre-judgment interest on that part of any judgment paid by us.
  - b. *Settlement costs* does not mean or include:
    - (1) Civil or criminal fines or penalties imposed by law, except for civil fines and penalties expressly covered under Data Compromise Response Expenses;
    - (2) Punitive and exemplary damages;
    - (3) The multiple portion of any multiplied damages;
    - (4) Taxes; or
    - (5) Matters which may be deemed uninsurable under the applicable law.
  - c. With respect to fines and penalties, the law of the jurisdiction most favorable to the insurability of those fines, or penalties will control for the purpose of resolving any dispute between us and you regarding whether the fines, or penalties specified in this definition above are insurable under this Cyber Coverage, provided that such jurisdiction:
    - (1) Is where those fines, or penalties were awarded or imposed;
    - (2) Is where any *wrongful act* took place for which such fines, or penalties were awarded or imposed;
    - (3) Is where you are incorporated or you have your principal place of business; or
    - (4) Is where we are incorporated or have our principal place of business.
41. “*System Restoration Costs*”
- a. *System restoration costs* means the costs of an outside professional firm hired by you to do any of the following in order to restore your *computer system* to its pre-*computer attack* level of functionality:
    - (1) Replace or reinstall computer software programs;
    - (2) Remove any malicious code; and
    - (3) Configure or correct the configuration of your *computer system*.
  - b. *System restoration costs* does not mean or include:
    - (1) Costs to increase the speed, capacity or utility of a *computer system* beyond what existed immediately prior to the *computer attack*;
    - (2) Labor costs of your employees or directors;
    - (3) Any costs in excess of the actual cash value of your *computer system*; or
    - (4) Costs to repair or replace hardware.
42. “*Termination of Coverage*” means:
- a. You or we cancel this coverage;
  - b. You or we refuse to renew this coverage; or
  - c. We renew this coverage on an other than claims-made basis or with a retroactive date later than the date of the first inception of this coverage or any coverage substantially similar to that described in this Cyber Coverage.
43. “*Third Party Corporate Data*”
- a. *Third party corporate data* means any trade secret, data, design, interpretation, forecast, formula,

method, practice, credit or debit card magnetic strip information, process, record, report or other item of information of a third party not an insured under this Cyber Coverage which is not available to the general public and is provided to you subject to a mutually executed written confidentiality agreement or which you are legally required to maintain in confidence.

- b.** *Third party corporate data* does not mean or include *personally identifying information* or *personally sensitive information*.

**44.** *“Unauthorized Access Incident”* means the gaining of access to a *computer system* by:

- a.** An unauthorized person or persons; or
- b.** An authorized person or persons for unauthorized purposes.

**45.** *“Wrongful Act”*

- a.** With respect to Data Compromise Liability, *wrongful act* means a *personal data compromise*.
- b.** With respect to Network Security Liability, *wrongful act* means a *network security incident*.
- c.** With respect to Electronic Media Liability, *wrongful act* means an *electronic media incident*.

**46.** *“Wrongful Transfer Costs”* means the amount of *money* fraudulently obtained from you. *Wrongful transfer costs* include the direct financial loss only. *Wrongful transfer costs* do not include any of the following:

- a.** Other expenses that arise from the *wrongful transfer event*;
- b.** Indirect loss, such as *bodily injury*, lost time, lost wages, *identity recovery expenses* or damaged reputation;
- c.** Any interest, time value or potential investment gain on the amount of financial loss; or
- d.** Any portion of such amount that has been or can reasonably be expected to be reimbursed by a third party, such as a financial institution.

**47.** *“Wrongful Transfer Event”*

- a.** *Wrongful transfer event* means an intentional and criminal deception of you or a financial institution with which you have an account. The deception must be perpetrated by a person who is not an *employee*, *executive* or *independent contractor* using email, facsimile or telephone communications to induce you or the financial institution to send or divert *money*. The deception must result in direct financial loss to you.
- b.** *Wrongful transfer event* does not mean or include any occurrence:
  - (1)** In which you are threatened or coerced to send money or divert a payment; or
  - (2)** Arising from a dispute or disagreement over the completeness, authenticity or value of a product, a service or a financial instrument.

ALL OTHER PROVISIONS OF THIS POLICY APPLY.

# CYBER SUITE SCHEDULE

IL-7151(7-20)

Policy Number: Z80660

Named Insured: CHRISTOPHE CONDOMINIUM ASSOCIATION INC

Cyber Coverage Effective

Date: 2021-08-29

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## CYBER SUITE

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<b>Annual Aggregate Limit:</b>	\$100,000
<b>Deductible Per Occurrence:</b>	\$1,000

<b>DATA COMPROMISE RESPONSE EXPENSES</b>	<b>Included</b>
<b>Sublimits Per Occurrence</b>	
Forensic IT Review:	\$50,000
Legal Review:	\$50,000
Public Relations:	\$5,000
Regulatory Fines and Penalties:	\$50,000
PCI Fines and Penalties:	\$50,000

<b>COMPUTER ATTACK</b>	<b>Included</b>
<b>Sublimits Per Occurrence</b>	
Loss of Business:	\$50,000
Public Relations:	\$5,000

<b>CYBER EXTORTION</b>	Included
<b>Sublimit Per Occurrence:</b>	\$10,000

<b>MISDIRECTED PAYMENT FRAUD</b>	Included
<b>Sublimit Per Occurrence:</b>	\$10,000

<b>COMPUTER FRAUD</b>	Included
<b>Sublimit Per Occurrence:</b>	\$10,000

<b>DATA COMPROMISE LIABILITY</b>	<b>Included</b>
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<b>NETWORK SECURITY LIABILITY</b>	<b>Included</b>
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<b>ELECTRONIC MEDIA LIABILITY</b>	<b>Included</b>
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## IDENTITY RECOVERY COVERAGE

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<b>Annual Aggregate Limit Per <i>Identity Recovery</i></b>	<b>\$25,000</b>
<b><i>Insured:</i></b>	
<b>Deductible Per Occurrence:</b>	<b>None</b>

<b>Sublimits Per Occurrence</b>	
Lost Wages and Child and Elder Care Expenses:	\$5,000
Mental Health Counseling:	\$1,000
Miscellaneous Unnamed Costs:	\$1,000



## COMMERCIAL AUTO COVERAGE PART

### Business Auto Renewal Declarations

#### Item One

First Named Insured and Address:

CHRISTOPHE CONDOMINIUM  
ASSOCIATION INC  
PO BOX 1223  
KETCHUM ID 83340

Agency Name and Number:

AMERICAN INSURANCE AND INVESTMENTS  
8078-AY

Policy Number: Z80660

Policy Period: Effective Date: 08-29-21

Expiration Date: 08-29-22

In return for the payment of the premium and subject to all the terms of the policy, we agree to provide the insurance coverage as stated in the policy.

12:01 A.M. standard time at your mailing address shown in the declarations

#### Item Two: SCHEDULE OF COVERAGES AND COVERED AUTOS

Each of these coverages apply only to those *autos* shown as covered *autos* by the entry of one or more of the symbols from the Covered Autos section of the Business Auto Coverage Form next to the name of the coverage.

Coverages	Covered Auto Symbols	Limit of Insurance	Premium
Liability	8, 9	\$1,000,000 each <i>accident</i>	\$268.00

**Estimated Schedule Premium**

**\$268.00**

#### PREMIUM SUMMARY

Estimated Schedule Premium

\$268.00

Estimated Endorsement Premium

\$0.00

**Estimated Advance Premium**

**\$268.00**

#### COVERAGE FORMS AND ENDORSEMENTS APPLICABLE TO THIS COVERAGE PART

Form Number	Form Title	Premium
CA-0001F(8-19)	Business Auto Coverage Form	
CA-0118F(11-13)	Idaho Changes	
CA-2345F(11-16)	Public or Livery Passenger Conveyance and On-Demand Delivery Services Exclusion	
CA-2384F(10-13)	Exclusion of Terrorism	
IL-0017F(11-98)	Common Policy Conditions	
IL-0021F(3-14)	Nuclear Energy Liability Exclusion - Broad Form	
IL-0204F(3-14)	Idaho Changes - Cancellation and Nonrenewal	
IL-7012(3-14)	Asbestos Exclusion	

**Estimated Endorsement Premium**



**Item Four: HIRED AUTO COVERAGE**

<b>Unit 0001</b>	<b>Non Trucking Hired Auto</b>	<b>Class: 500000</b>
	<b>Estimated Cost of Hire<sup>2</sup>: \$0</b>	<b>State: ID Zip: 83340</b>
<b>Coverage</b>	<b>Limits/Deductible</b>	<b>Premium</b>
Liability	\$1,000,000 each <i>accident</i>	\$146.00
<b>Total Premium</b>		<b>\$146.00</b>

**Item Five: NONOWNED AUTO COVERAGE**

<b>Unit 0002</b>	<b>Rating Basis: Number of Employees</b>	<b>Number: 0</b>	<b>Class: 600000</b>
			<b>State: ID Zip: 83340</b>
<b>Coverage</b>	<b>Limits/Deductible</b>	<b>Premium</b>	
Liability	\$1,000,000 each <i>accident</i>	\$122.00	
<b>Total Premium</b>		<b>\$122.00</b>	

<sup>2</sup> Cost of hire means the total amount you incur for the hire of *autos* you do not own (not including *autos* you borrow or rent from your partners or *employees* or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.

**ADDITIONAL NAMED INSURED**

WHO IS AN INSURED includes the following Additional Named Insureds:

HARRIMAN PLACE

**FIRST NAMED INSURED IS:**

ORGANIZATION OTHER THAN PARTNERSHIP, JOINT VENTURE OR LIMITED LIABILITY COMPANY

# BUSINESS AUTO COVERAGE FORM

## Index of Policy Provisions

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## BUSINESS AUTO COVERAGE FORM

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

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

Other words and phrases that appear in italics have special meaning. Refer to Section V - Definitions.

### SECTION I - COVERED AUTOS

Item Two of the Declarations shows the *autos* that are covered *autos* for each of your coverages. The following numerical symbols describe the *autos* that may be covered *autos*. The symbols entered next to a coverage on the Declarations designate the only *autos* that are covered *autos*.

#### A. DESCRIPTION OF COVERED AUTO DESIGNATION SYMBOLS

##### SYMBOL DESCRIPTION

1 = ANY AUTO.

2 = OWNED AUTOS ONLY. Only those *autos* you own (and for Liability Coverage any *trailers* you do not own while attached to power units you own). This includes those *autos* you acquire ownership of after the policy begins.

3 = OWNED PRIVATE PASSENGER AUTOS ONLY. Only the private passenger *autos* you own. This includes those private passenger *autos* you acquire ownership of after the policy begins.

4 = OWNED AUTOS OTHER THAN PRIVATE PASSENGER AUTOS ONLY. Only those *autos* you own that are not of the private passenger type (and for Liability Coverage any *trailers* you do not own while attached to power units you own). This includes those *autos* not of the private passenger type you acquire ownership of after the policy begins.

5 = OWNED AUTOS SUBJECT TO NO-FAULT. Only those *autos* you own that are required to have no-fault benefits in the state where they are licensed or principally garaged. This includes those *autos* you acquire ownership of after the policy begins provided they are required to have no-fault benefits in the state where they are licensed or principally garaged.

6 = OWNED AUTOS SUBJECT TO A COMPULSORY UNINSURED MOTORISTS LAW. Only those *autos* you own that because of the law in the state where they are licensed or principally garaged, are required to have and cannot reject Uninsured Motorists Coverage. This includes those *autos* you acquire ownership of after the policy begins provided they are subject to the same state uninsured motorists requirement.

7 = SPECIFICALLY DESCRIBED AUTOS. Only those *autos* described in Item Three of the Declarations for which a premium charge is shown (and for Liability Coverage any *trailers* you do not own while attached to any power unit described in Item Three).

8 = HIRED AUTOS ONLY. Only those *autos* you lease, hire, rent or borrow. This does not include any *auto* you lease, hire, rent or borrow from any of your *employees* or partners or members of their households.

9 = NONOWNED AUTOS ONLY. Only those *autos* you do not own, lease, hire, rent or borrow that are used in connection with your business. This includes *autos* owned by your *employees*, partners (if you are a partnership), members (if you are a limited liability company) or members of their households but only while used in your business or your personal affairs.

**19 =** MOBILE EQUIPMENT SUBJECT TO COMPULSORY OR FINANCIAL RESPONSIBILITY OR OTHER MOTOR VEHICLE INSURANCE LAW ONLY. Only those *autos* that are land vehicles and that would qualify under the definition of *mobile equipment* under this policy if they were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where they are licensed or principally garaged.

#### **B. OWNED AUTOS YOU ACQUIRE AFTER THE POLICY BEGINS**

1. If symbols 1, 2, 3, 4, 5, 6 or 19 are entered next to a coverage in Item Two of the Declarations, then you have coverage for *autos* that you acquire of the type described for the remainder of the policy period.
2. But, if symbol 7 is entered next to a coverage in Item Two of the Declarations, an *auto* you acquire will be a covered *auto* for that coverage only if:
  - a. We already cover all *autos* that you own for that coverage or it replaces an *auto* you previously owned that had that coverage; and

- b. You tell us within 30 days after you acquire it that you want us to cover it for that coverage.

#### **C. CERTAIN TRAILERS, MOBILE EQUIPMENT AND TEMPORARY SUBSTITUTE AUTOS**

If Liability Coverage is provided by this coverage form, the following types of vehicles are also covered *autos* for Liability Coverage:

1. *Trailers* with a load capacity of 2,000 pounds or less designed primarily for travel on public roads.
2. *Mobile equipment* while being carried or towed by a covered *auto*.
3. Any *auto* you do not own while used with the permission of its owner as a temporary substitute for a covered *auto* you own that is out of service because of its:
  - a. Breakdown;
  - b. Repair;
  - c. Servicing;
  - d. Loss; or
  - e. Destruction.

## **SECTION II - LIABILITY COVERAGE**

#### **A. COVERAGE**

We will pay all sums an *insured* legally must pay as damages because of *bodily injury* or *property damage* to which this insurance applies, caused by an *accident* and resulting from the ownership, maintenance or use of a covered *auto*.

We will also pay all sums an *insured* legally must pay as a *covered pollution cost or expense* to which this insurance applies, caused by an *accident* and resulting from the ownership, maintenance or use of covered *autos*. However, we will only pay for the *covered pollution cost or expense* if there is either *bodily injury* or *property damage* to which this insurance applies that is caused by the same *accident*.

We have the right and duty to defend any *insured* against a *suit* asking for such damages or a *covered pollution cost or expense*. However, we have no duty to defend any *insured* against a *suit* seeking damages for *bodily injury* or *property damage* or a *covered pollution cost or expense* to which this insurance does not apply. We may investigate and settle any claim or *suit* as we consider appropriate. Our duty to defend or settle ends when the Liability Coverage Limit of Insurance has been exhausted by payment of judgments or settlements.

#### **1. Who Is an Insured**

The following are *insureds*:

- a. You for any covered *auto*.
- b. Anyone else while using with your permission a covered *auto* you own, hire or borrow except:
  - (1) The owner or anyone else from whom you hire or borrow a covered *auto*. This exception does not apply if the covered *auto* is a *trailer* connected to a covered *auto* you own.
  - (2) Your *employee* if the covered *auto* is owned by that *employee* or a member of his or her household.
  - (3) Someone using a covered *auto* while he or she is working in a business of selling, servicing, repairing, parking or storing *autos* unless that business is yours.
  - (4) Anyone other than your *employees*, partners (if you are a partnership), members (if you are a limited liability company) or a lessee or borrower or any of their *employees*, while moving property to or from a covered *auto*.

(5) A partner (if you are a partnership) or a member (if you are a limited liability company) for a covered *auto* owned by him or her or a member of his or her household.

c. Anyone liable for the conduct of an *insured* described above but only to the extent of that liability.

## 2. Coverage Extensions

### a. Supplementary Payments

We will pay for the *insured*:

- (1) All expenses we incur.
- (2) Up to \$2,000 for cost of bail bonds (including bonds for related traffic law violations) required because of an *accident* we cover. We do not have to furnish these bonds.
- (3) The cost of bonds to release attachments in any *suit* against the *insured* we defend, but only for bond amounts within our Limit of Insurance.
- (4) All reasonable expenses incurred by the *insured* at our request, including actual loss of earnings up to \$250 a day because of time off from work.
- (5) All court costs taxed against the *insured* in any *suit* against the *insured* we defend. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the *insured*.
- (6) All interest on the full amount of any judgment that accrues after entry of the judgment in any *suit* against the *insured* we defend; but our duty to pay interest ends when we have paid, offered to pay or deposited in court the part of the judgment that is within our Limit of Insurance.

These payments will not reduce the Limit of Insurance.

### b. Out of State Coverage Extensions

While a covered *auto* is away from the state where it is licensed we will:

- (1) Increase the Limit of Insurance for Liability Coverage to meet the limit or limits specified by a compulsory or financial responsibility law in the jurisdiction where the covered *auto* is being used. This extension does not apply to the limit or limits specified by any law governing motor carriers of passengers or property.

(2) Provide the minimum amounts and types of other coverages, such as no-fault, required of out of state vehicles by the jurisdiction where the covered *auto* is being used.

We will not pay anyone more than once for the same elements of *loss* because of these extensions.

## B. EXCLUSIONS

This insurance does not apply to any of the following:

### 1. Expected or Intended Injury

*Bodily injury* or *property damage* expected or intended from the standpoint of the *insured*.

### 2. Contractual

Liability assumed under any contract or agreement. But this exclusion does not apply to liability for damages:

- a. Assumed in a contract or agreement that is an *insured contract*, provided the *bodily injury* or *property damage* occurs subsequent to the execution of the contract or agreement; or
- b. That the *insured* would have in the absence of the contract or agreement.

### 3. Workers' Compensation

Any obligation for which the *insured* or the *insured's* insurer may be held liable under any workers' compensation law, disability benefits law or unemployment compensation law or any similar law.

### 4. Employee Indemnification and Employer's Liability

*Bodily injury* to:

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

This exclusion applies:

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

But this exclusion does not apply to *bodily injury* to domestic *employees* not entitled to workers' compensation benefits or to liability assumed by the *insured* under an *insured contract*. For the purposes of the coverage form, a domestic *employee* is a person engaged in household or domestic work performed principally in connection with a residence premises.

#### 5. Fellow Employee

*Bodily injury* to:

- a. Any fellow *employee* of the *insured* arising out of and in the course of the fellow *employee's* employment or while performing duties related to the conduct of your business; or
- b. The spouse, child, parent, brother or sister of that fellow *employee* as a consequence of paragraph a above.

#### 6. Care, Custody or Control

*Property damage* to or covered *pollution cost* or *expense* involving property owned or transported by the *insured* or in the *insured's* care, custody or control. But this exclusion does not apply to liability assumed under a sidetrack agreement.

#### 7. Handling of Property

*Bodily injury* or *property damage* resulting from the handling of property:

- a. Before it is moved from the place where it is accepted by the *insured* for movement into or onto the covered *auto*; or
- b. After it is moved from the covered *auto* to the place where it is finally delivered by the *insured*.

#### 8. Movement of Property by Mechanical Device

*Bodily injury* or *property damage* resulting from the movement of property by a mechanical device (other than a hand truck) unless the device is attached to the covered *auto*.

#### 9. Operations

*Bodily injury* or *property damage* arising out of the operation of:

- a. Any equipment listed in paragraphs 6b and 6c of the definition of *mobile equipment*; or

- b. Machinery or equipment that is on, attached to, or part of, a land vehicle that would qualify under the definition of *mobile equipment* if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

#### 10. Completed Operations

*Bodily injury* or *property damage* arising out of your work after that work has been completed or abandoned.

In this exclusion, your work means:

- a. Work or operations performed by you or on your behalf; and
- b. Materials, parts or equipment furnished in connection with such work or operations.

Your work includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in paragraphs a or b above.

Your work will be deemed completed at the earliest of the following times:

- a. When all of the work called for in your contract has been completed;
- b. When all of the work to be done at the site has been completed if your contract calls for work at more than one site; or
- c. When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

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

#### 11. Pollution

*Bodily injury* or *property damage* arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of *pollutants*:

- a. That are, or that are contained in any property that is:
  - (1) Being transported or towed by, handled, or handled for movement into, onto or from, the covered *auto*;
  - (2) Otherwise in the course of transit by or on behalf of the *insured*; or
  - (3) Being stored, disposed of, treated or processed in or upon the covered *auto*.

- b. Before the *pollutants* or any property in which the *pollutants* are contained are moved from the place where they are accepted by the *insured* for movement into or onto the covered *auto*; or
- c. After the *pollutants* or any property in which the *pollutants* are contained are moved from the covered *auto* to the place where they are finally delivered, disposed of or abandoned by the *insured*.

Paragraph a above does not apply to fuels, lubricants, fluids, exhaust gases or other similar *pollutants* that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered *auto* or its parts, if:

- (1) The *pollutants* escape, seep, migrate, or are discharged, dispersed or released directly from an *auto* part designed by its manufacturer to hold, store, receive or dispose of such *pollutants*; and
- (2) The *bodily injury, property damage or covered pollution cost or expense* does not arise out of the operation of any equipment listed in paragraphs 6b and 6c of the definition of *mobile equipment*.

Paragraphs b and c above of this exclusion do not apply to *accidents* that occur away from premises owned by or rented to an *insured* with respect to *pollutants* not in or upon a covered *auto* if:

- (1) The *pollutants* or any property in which the *pollutants* are contained are upset, overturned or damaged as a result of the maintenance or use of a covered *auto*; and
- (2) The discharge, dispersal, seepage, migration, release or escape of the *pollutants* is caused directly by such upset, overturn or damage.

## 12. War

*Bodily injury or property damage* arising directly or indirectly out of:

- a. War, including undeclared or civil war;
- b. 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
- c. Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

## 13. Racing

Covered *autos* while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply while that covered *auto* is being prepared for such a contest or activity.

## C. LIMIT OF INSURANCE

Regardless of the number of covered *autos*, *insureds*, premiums paid, claims made or vehicles involved in the *accident*, the most we will pay for the total of all damages and *covered pollution cost or expense* combined resulting from any one *accident* is the Limit of Insurance for Liability Coverage shown in the Declarations.

All *bodily injury, property damage and covered pollution cost or expense* resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one *accident*.

No one will be entitled to receive duplicate payments for the same elements of *loss* under this coverage form and any Medical Payments Coverage endorsement, Uninsured Motorists Coverage endorsement or Underinsured Motorists Coverage endorsement attached to this Coverage Part.

## SECTION III - PHYSICAL DAMAGE COVERAGE

### A. COVERAGE

- 1. We will pay for *loss* to a covered *auto* or its equipment under:
  - a. **Comprehensive Coverage**  
From any cause except:
    - (1) The covered *auto's* collision with another object; or
    - (2) The covered *auto's* overturn.

### b. Specified Causes of Loss Coverage

Caused by:

- (1) Fire, lightning or explosion;
- (2) Theft;
- (3) Windstorm, hail or earthquake;
- (4) Flood;
- (5) Mischief or vandalism; or

- (6) The sinking, burning, collision or derailment of any conveyance transporting the covered *auto*.

**c. Collision Coverage**

Caused by:

- (1) The covered *auto*'s collision with another object; or
- (2) The covered *auto*'s overturn.

**2. Towing**

We will pay up to the limit shown in the Declarations for towing and labor costs incurred each time a covered *auto* of the private passenger type is disabled. However, the labor must be performed at the place of disablement.

**3. Glass Breakage - Hitting a Bird or Animal - Falling Objects or Missiles**

If you carry Comprehensive Coverage for the damaged covered *auto*, we will pay for the following under Comprehensive Coverage:

- a. Glass breakage;
- b. Loss caused by hitting a bird or animal; and
- c. Loss caused by falling objects or missiles.

However, you have the option of having glass breakage caused by a covered *auto*'s collision or overturn considered a *loss* under Collision Coverage.

**4. Coverage Extensions**

**a. Transportation Expenses**

We will also pay up to \$20 per day to a maximum of \$600 for temporary transportation expense incurred by you because of the total theft of a covered *auto* of the private passenger type. We will pay only for those covered *autos* for which you carry either Comprehensive or Specified Causes of Loss Coverage. We will pay for temporary transportation expenses incurred during the period beginning 48 hours after the theft and ending, regardless of the policy's expiration, when the covered *auto* is returned to use or we pay for its *loss*.

**b. Loss of Use Expenses**

For Hired Auto Physical Damage, we will pay expenses for which an *insured* becomes legally responsible to pay for loss of use of a vehicle rented or hired without a driver under a written rental contract or agreement. We will pay for loss of use expenses if caused by:

- (1) Other than collision only if the Declarations indicate that Comprehensive Coverage is provided for any covered *auto*;
- (2) Specified Causes of Loss only if the Declarations indicate that Specified Causes of Loss Coverage is provided for any covered *auto*; or
- (3) Collision only if the Declarations indicate that Collision Coverage is provided for any covered *auto*.

However, the most we will pay for any expenses for loss of use is \$20 per day, to a maximum of \$600.

**B. EXCLUSIONS**

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

**a. Nuclear Hazard**

- (1) The explosion of any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination, however caused.

**b. War or 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.
2. We will not pay for *loss* to any covered *auto* while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. We will also not pay for *loss* to any covered *auto* while that covered *auto* is being prepared for such a contest or activity.



3. We will not pay for *loss* due and confined to:
- a. Wear and tear, freezing, mechanical or electrical breakdown.

- b. Blowouts, punctures or other road damage to tires.

This exclusion does not apply to such *loss* resulting from the total theft of a covered *auto*.

4. We will not pay for *loss* to any of the following:
- a. Tapes, records, discs or other similar audio, visual or data electronic devices designed for use with audio, visual or data electronic equipment.
  - b. Any device designed or used to detect speed-measuring equipment, such as radar or laser detectors, and any jamming apparatus intended to elude or disrupt speed-measuring equipment.
  - c. Any electronic equipment, without regard to whether this equipment is permanently installed, that reproduces, receives or transmits audio, visual or data signals.
  - d. Any accessories used with the electronic equipment described in paragraph c above.
5. Exclusions 4c and 4d do not apply to equipment designed to be operated solely by use of the power from the *auto's* electrical system that, at the time of *loss*, is:
- a. Permanently installed in or upon the covered *auto*;
  - b. Removable from a housing unit which is permanently installed in or upon the covered *auto*;
  - c. An integral part of the same unit housing any electronic equipment described in paragraphs a and b above; or
  - d. Necessary for the normal operation of the covered *auto* or the monitoring of the covered *auto's* operating system.

6. We will not pay for *loss* to a covered *auto* due to *diminution in value*.

### C. LIMIT OF INSURANCE

1. The most we will pay for *loss* to any one covered *auto* is the lesser of:
- a. The actual cash value of the damaged or stolen property as of the time of the *loss*; or
  - b. The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality.
2. The most we will pay for all electronic equipment that reproduces, receives or transmits audio, visual or data signals in any one *loss* is \$1,000, if, at the time of *loss*, such electronic equipment is:
- a. Permanently installed in or upon the covered *auto* in a housing, opening or other location that is not normally used by the *auto* manufacturer for the installation of such equipment;
  - b. Removable from a permanently installed housing unit as described in paragraph 2a above; or
  - c. An integral part of such equipment as described in paragraphs 2a and 2b above.
3. An adjustment for depreciation and physical condition will be made in determining actual cash value in the event of a total *loss*.
4. If a repair or replacement results in better than like kind or quality, we will not pay for the amount of the betterment.

### D. DEDUCTIBLE

For each covered *auto*, our obligation to pay for, repair, return or replace damaged or stolen property will be reduced by the applicable deductible shown in the Declarations. Any Comprehensive Coverage deductible shown in the Declarations does not apply to *loss* caused by fire or lightning.

## SECTION IV - BUSINESS AUTO CONDITIONS

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

### A. LOSS CONDITIONS

#### 1. Appraisal for Physical Damage Loss

If you and we disagree on the amount of *loss*, either may demand an appraisal of the *loss*. In this event, each party will select a competent appraiser. The two appraisers will select a competent and impartial umpire. The appraisers will state separately the actual cash value and amount of *loss*. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and

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

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

## **2. Duties in the Event of Accident, Claim, Suit or Loss**

We have no duty to provide coverage under this policy unless there has been full compliance with the following duties:

- a. In the event of *accident*, claim, *suit* or *loss*, you must give us or our authorized representative prompt notice of the *accident* or *loss*. Include:
  - (1) How, when and where the *accident* or *loss* occurred;
  - (2) The *insured's* name and address; and
  - (3) To the extent possible, the names and addresses of any injured persons and witnesses.
- b. Additionally, you and any other involved *insured* must:
  - (1) Assume no obligation, make no payment or incur no expense without our consent, except at the *insured's* own cost.
  - (2) Immediately send us copies of any request, demand, order, notice, summons or legal paper received concerning the claim or *suit*.
  - (3) Cooperate with us in the investigation or settlement of the claim or defense against the *suit*.
  - (4) Authorize us to obtain medical records or other pertinent information.
  - (5) Submit to examination, at our expense, by physicians of our choice, as often as we reasonably require.
- c. If there is *loss* to a covered *auto* or its equipment, you must also do the following:
  - (1) Promptly notify the police if the covered *auto* or any of its equipment is stolen.
  - (2) Take all reasonable steps to protect the covered *auto* from further damage. Also keep a record of your expenses for consideration in the settlement of the claim.
  - (3) Permit us to inspect the covered *auto* and records proving the *loss* before its repair or disposition.
  - (4) Agree to examinations under oath at our request and give us a signed statement of your answers.

## **3. Legal Action Against Us**

No one may bring a legal action against us under this coverage form until:

- a. There has been full compliance with all the terms of this coverage form; and
- b. Under Liability coverage, we agree in writing that the *insured* has an obligation to pay or until the amount of that obligation has finally been determined by judgment after trial. No one has the right under this policy to bring us into an action to determine the *insured's* liability.

## **4. Loss Payment - Physical Damage Coverages**

At our option, we may:

- a. Pay for, repair or replace damaged or stolen property;
- b. Return the stolen property at our expense. We will pay for any damage that results to the *auto* from the theft; or
- c. Take all or any part of the damaged or stolen property at an agreed or appraised value.

If we pay for the *loss*, our payment will include the applicable sales tax for the damaged or stolen property.

## **5. 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. That person or organization must do everything necessary to secure our rights and must do nothing after *accident* or *loss* to impair them.

## **B. GENERAL CONDITIONS**

### **1. Bankruptcy**

Bankruptcy or insolvency of the *insured* or the *insured's* estate will not relieve us of any obligations under this coverage form.

### **2. Concealment, Misrepresentation or Fraud**

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

- a. This coverage form;
- b. The covered *auto*;
- c. Your interest in the covered *auto*; or
- d. A claim under this coverage form.

### 3. Liberalization

If we revise this coverage form to provide more coverage without additional premium charge, your policy will automatically provide the additional coverage as of the day the revision is effective in your state.

### 4. No Benefit to Bailee - Physical Damage Coverages

We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this coverage form.

### 5. Other Insurance

- a. For any covered *auto* you own, this coverage form provides primary insurance. For any covered *auto* you do not own, the insurance provided by this coverage form is excess over any other collectible insurance. However, while a covered *auto* which is a *trailer* is connected to another vehicle, the Liability Coverage this coverage form provides for the *trailer* is:
  - (1) Excess while it is connected to a motor vehicle you do not own; or
  - (2) Primary while it is connected to a covered *auto* you own.
- b. For Hired Auto Physical Damage Coverage, any covered *auto* you lease, hire, rent or borrow is deemed to be a covered *auto* you own. However, any *auto* that is leased, hired, rented or borrowed with a driver is not a covered *auto*.
- c. Regardless of the provisions of paragraph a above, this coverage form's Liability Coverage is primary for any liability assumed under an *insured contract*.
- d. When this coverage form and any other coverage form or policy covers on the same basis, either excess or primary, we will pay only our share. Our share is the proportion that the Limit of Insurance of our coverage form bears to the total of the limits of all the coverage forms and policies covering on the same basis.

### 6. Premium Audit

- a. The estimated premium for this coverage form is based on the exposures you told us you would have when this policy began. We will compute the final premium due when we determine your actual exposures. The estimated total premium will be credited against the final premium due and the First Named Insured will be billed for the balance, if any. The due date for the final premium or retrospective premium is the date shown as the due date on the bill. If the estimated total premium exceeds the final premium due, the First Named Insured will get a refund.
- b. If this policy is issued for more than one year, the premium for this coverage form will be computed annually based on our rates or premiums in effect at the beginning of each year of the policy.

### 7. Policy Period, Coverage Territory

- a. Under this coverage form, we cover *accidents* and *losses* occurring:
  - (1) During the policy period shown in the Declarations; and
  - (2) Within the coverage territory.
- b. The coverage territory is:
  - (1) The United States of America;
  - (2) The territories and possessions of the United States of America;
  - (3) Puerto Rico;
  - (4) Canada; and
  - (5) Anywhere in the world if a covered *auto* of the private passenger type is leased, hired, rented or borrowed without a driver for a period of 30 days or less,  
provided that the *insured's* responsibility to pay damages is determined in a *suit* on the merits, in the United States of America, the territories and possessions of the United States of America, Puerto Rico, or Canada or in a settlement we agree to.
- c. We also cover *loss* to, or *accidents* involving, a covered *auto* while being transported between any of these places.

## 8. Two or More Coverage Forms or Policies Issued by Us

If this coverage form and any other coverage form or policy issued to you by us or any company affiliated with us applies to the same *accident*, the aggregate maximum Limit of Insurance under all the coverage forms or policies shall not exceed the highest applicable Limit of Insurance under any one coverage form or policy. This condition does not apply to any coverage form or policy issued by us or an affiliated company specifically to apply as excess insurance over this coverage form.

## SECTION V - DEFINITIONS

A. "*Accident*" includes continuous or repeated exposure to the same conditions resulting in *bodily injury* or *property damage*.

B. "*Auto*" means:

1. A land motor vehicle, *trailer* or semitrailer designed for travel on public roads; or
2. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

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

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

D. "*Covered pollution cost or expense*" means any cost or expense arising out of:

1. Any request, demand, order or statutory or regulatory requirement that any *insured* or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of *pollutants*; or
2. Any claim or *suit* by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to or assessing the effects of *pollutants*.

*Covered pollution cost or expense* does not include any cost or expense arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of *pollutants*:

- a. That are, or that are contained in any property that is:
  - (1) Being transported or towed by, handled, or handled for movement into, onto or from the covered *auto*;

- (2) Otherwise in the course of transit by or on behalf of the *insured*; or

- (3) Being stored, disposed of, treated or processed in or upon the covered *auto*;

- b. Before the *pollutants* or any property in which the *pollutants* are contained are moved from the place where they are accepted by the *insured* for movement into or onto the covered *auto*; or

- c. After the *pollutants* or any property in which the *pollutants* are contained are moved from the covered *auto* to the place where they finally are delivered, disposed of or abandoned by the *insured*.

Paragraph a above does not apply to fuels, lubricants, fluids, exhaust gases or other similar *pollutants* that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered *auto* or its parts, if:

- (1) The *pollutants* escape, seep, migrate, or are discharged, dispersed or released directly from an *auto* part designed by its manufacturer to hold, store, receive or dispose of such *pollutants*; and

- (2) The *bodily injury*, *property damage* or *covered pollution cost or expense* does not arise out of the operation of any equipment listed in paragraphs 6b or 6c of the definition of *mobile equipment*.

Paragraphs b and c above do not apply to *accidents* that occur away from premises owned by or rented to an *insured* with respect to *pollutants* not in or upon a covered *auto* if:

- (1) The *pollutants* or any property in which the *pollutants* are contained are upset, overturned or damaged as a result of the maintenance or use of a covered *auto*; and

- (2) The discharge, dispersal, seepage, migration, release or escape of the *pollutants* is caused directly by such upset, overturn or damage.

- E. "*Diminution in value*" means the actual or perceived loss in market value or resale value which results from a direct or accidental *loss*.
- F. "*Employee*" includes a *leased worker*. *Employee* does not include a *temporary worker*.
- G. "*Insured*" means any person or organization qualifying as an *insured* in the Who Is an Insured provision of the applicable coverage. Except with respect to the Limit of Insurance, the coverage afforded applies separately to each *insured* who is seeking coverage or against whom a claim or *suit* is brought.
- H. "*Insured contract*" means:
  - 1. A lease of premises;
  - 2. A sidetrack agreement;
  - 3. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
  - 4. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
  - 5. 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 to pay for *bodily injury* or *property damage* 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; or
  - 6. That part of any contract or agreement entered into, as part of your business, pertaining to the rental or lease, by you or any of your *employees*, of any *auto*. However, such contract or agreement shall not be considered an *insured contract* to the extent that it obligates you or any of your *employees* to pay for *property damage* to any *auto* rented or leased by you or any of your *employees*.

An *insured contract* does not include that part of any contract or agreement:

  - 1. That indemnifies a railroad for *bodily injury* or *property damage* arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
  - 2. That 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
- 3. 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.
- I. "*Leased worker*" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm to perform duties related to the conduct of your business. *Leased worker* does not include a *temporary worker*.
- J. "*Loss*" means direct and accidental loss or damage.
- K. "*Mobile equipment*" means any of the following types of land vehicles, including any attached machinery or equipment:
  - 1. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
  - 2. Vehicles maintained for use solely on or next to premises you own or rent;
  - 3. Vehicles that travel on crawler-treads;
  - 4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
    - a. Power cranes, shovels, loaders, diggers or drills; or
    - b. Road construction or resurfacing equipment such as graders, scrapers or rollers;
  - 5. Vehicles not described in paragraph 1, 2, 3 or 4 above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
    - a. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well-servicing equipment; or
    - b. Cherry pickers and similar devices used to raise or lower workers; or
  - 6. Vehicles not described in paragraph 1, 2, 3 or 4 above maintained primarily for purposes other than the transportation of persons or cargo. However, self-propelled vehicles with the following types of permanently attached equipment are not *mobile equipment* but will be considered *autos*:
    - a. Equipment designed primarily for:
      - (1) Snow removal;
      - (2) Road maintenance, but not construction or resurfacing; or
      - (3) Street cleaning.

- b. Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- c. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting or well-servicing equipment.

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

- L. "*Pollutants*" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- M. "*Property damage*" means damage to or loss of use of tangible property.

N. "*Suit*" means a civil proceeding in which:

1. Damages because of *bodily injury* or *property damage*; or
2. A *covered pollution cost or expense*; to which this insurance applies are alleged.

Suit includes:

1. An arbitration proceeding in which such damages or *covered pollution costs or expenses* are claimed and to which the *insured* must submit or does submit with our consent; or
2. Any other alternative dispute resolution proceeding in which such damages or *covered pollution costs or expenses* are claimed and to which the *insured* submits with our consent.

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

P. "*Trailer*" includes semitrailer.

For a covered *auto* licensed or principally garaged in, or *garage operations* conducted in, Idaho, this endorsement modifies insurance provided under the following.

BUSINESS AUTO COVERAGE PART  
GARAGE COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM

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

#### A. Changes in Physical Damage Condition

When this Physical Damage Coverage applies to a *loaned vehicle* that you do not own, the following applies with respect to such *loaned vehicle*:

1. The Limits Of Insurance Provision in paragraph C1 of the Business Auto Coverage Form and the Garage Coverage Form and paragraphs C1 and C2 of the Motor Carrier Coverage Form is replaced by the following:
  - a. The most we will pay for:
    - (1) Loss to a covered *loaned vehicle* is the lesser of:
      - (a) The reasonable cost of repairing the *loaned vehicle* with other property of like kind and quality; or
      - (b) The owner's actual cost to replace the *loaned vehicle* with other property of like kind and quality.
2. The Limits Of Insurance Provision in paragraph C2 of the Business Auto and Garage Coverage Form and in paragraph C3 of the Motor Carrier Coverage Form does not apply to a *loaned vehicle*.

#### B. Changes In Conditions

The Other Insurance Condition in the Business Auto and Garage Coverage Forms and the Other Insurance - Primary And Excess Insurance Provisions in the Truckers Endorsement and Motor Carrier Coverage Form are revised by the addition of the following:

1. When this coverage form and any other coverage form or policy providing liability and/or physical damage insurance apply with respect to an *accident* or *loss* involving a *loaned vehicle* and:
  - a. One provides coverage to a licensed seller or dealer that owns the *loaned vehicle*; and
  - b. The other provides coverage to the operator of the *loaned vehicle*; and
  - c. At the time of such *accident* or *loss*, the operator's liability and/or physical damage insurance as described in paragraph b is primary and the licensed seller or dealer's liability and/or physical damage insurance described in paragraph a is excess over any insurance available to that operator.

#### C. Additional Definitions

As used in this endorsement:

"*Loaned vehicle*" means a motor vehicle which is provided for temporary use without charge to the operator by a licensed seller or dealer for the purpose of demonstrating the vehicle to the operator as a prospective purchaser, or as a convenience to the operator during the repairing or servicing of a motor vehicle for the operator, regardless of whether such repair or service is performed by the owner of the loaned vehicles or by some other person or business.

## PUBLIC OR LIVERY PASSENGER CONVEYANCE AND ON-DEMAND DELIVERY SERVICES EXCLUSION

CA-2345F(11-16)

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

GARAGE COVERAGE FORM

MOTOR CARRIER COVERAGE FORM

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

### A. Changes In Liability Coverage

The following exclusion is added:

#### Public Or Livery Passenger Conveyance And On-demand Delivery Services

This insurance does not apply to any covered *auto* while being used:

1. As a public or livery conveyance for passengers. This includes, but is not limited to, any period of time a covered *auto* is being used by an *insured* who is logged into a *transportation network platform* as a driver, whether or not a passenger is *occupying* the covered *auto*; or
2. By an *insured* who is logged into a *transportation network platform* or *delivery network platform* as a driver to provide *delivery services*, whether or not the goods, items or products to be delivered are in the covered *auto*.

### B. Changes In Physical Damage Coverage

The following exclusion is added:

We will not pay for *loss* to any covered *autos* while being used:

1. As a public or livery conveyance for passengers. This includes, but is not limited to, any period of time a covered *auto* is being used by an *insured* who is logged into a *transportation network platform* as a driver, whether or not a passenger is *occupying* the covered *auto*; or
2. By an *insured* who is logged into a *transportation network platform* or *delivery network platform* as a driver to provide *delivery services*, whether or not the goods, items or products to be delivered are in the covered *auto*.

### C. Changes In Auto Medical Payments

If Auto Medical Payments Coverage is attached, then the following exclusion is added:

#### Public Or Livery Passenger Conveyance and On-demand Delivery Services

This insurance does not apply to:

*Bodily injury* sustained by an *insured* *occupying* a covered *auto* while it is being used:

1. As a public or livery conveyance for passengers. This includes, but is not limited to, any period of time a covered *auto* is being used by an *insured* who is logged into a *transportation network platform* as a driver, whether or not a passenger is *occupying* the covered *auto*; or
2. By an *insured* who is logged into a *transportation network platform* or *delivery network platform* as a driver to provide *delivery services*, whether or not the goods, items or products to be delivered are in the covered *auto*.

### D. Changes In Uninsured And/Or Underinsured Motorists Coverage

1. If Uninsured and/or Underinsured Motorists Coverage is attached, and:
  - a. Contains, in whole or in part, a public or livery exclusion, then the following exclusion in Paragraph 2 does not apply.
  - b. Does not contain a public or livery exclusion, then the following exclusion in Paragraph 2 is added.

#### 2. Public Or Livery Passenger Conveyance And On-demand Delivery Services

This insurance does not apply to any covered *auto* while being used:

- a. As a public or livery conveyance for passengers. This includes, but is not limited to, any period of time a covered *auto* is being used by an *insured* who is logged into a *transportation network platform* as a driver, whether or not a passenger is *occupying* the covered *auto*; or
- b. By an *insured* who is logged into a *transportation network platform* or *delivery network platform* as a driver to provide *delivery services*, whether or not the goods, items or products to be delivered are in the covered *auto*.

### E. Changes In Personal Injury Protection Coverage

1. If Personal Injury Protection, no-fault or other similar coverage is attached, and:
  - a. Contains, in whole or in part, a public or livery exclusion, then the following exclusion in Paragraph 2 does not apply.
  - b. Does not contain a public or livery exclusion, then the following exclusion in Paragraph 2 is added.
2. **Public Or Livery Passenger Conveyance And On-demand Delivery Services**



This insurance does not apply to any covered *auto* while being used:

- a. As a public or livery conveyance for passengers. This includes, but is not limited to, any period of time a covered *auto* is being used by an *insured* who is logged into a *transportation network platform* as a driver, whether or not a passenger is *occupying* the covered *auto*; or
- b. By an *insured* who is logged into a *transportation network platform* or *delivery network platform* as a driver to provide *delivery services*, whether or not the goods, items or products to be delivered are in the covered *auto*.

#### F. Additional Definitions

As used in this endorsement:

1. "*Delivery network platform*" means an on-

line-enabled application or digital network, used to connect customers:

- a. With drivers; or
  - b. With local vendors using drivers; for the purpose of providing prearranged *delivery services* for compensation. A *delivery network platform* does not include a *transportation network platform*.
2. "*Delivery services*" includes courier services.
  3. "*Occupying*" means in, upon, getting in, on, out or off.
  4. "*Transportation network platform*" means an online-enabled application or digital network used to connect passengers with drivers using vehicles for the purpose of providing prearranged transportation services for compensation.

## EXCLUSION OF TERRORISM

CA-2384F(10-13)

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM  
BUSINESS AUTO COVERAGE FORM  
GARAGE COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM

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

A. The following definitions are added and apply under this endorsement wherever the term terrorism, or the phrase any injury, damage, loss or expense, is shown in italics:

1. "*Terrorism*" means activities against persons, organizations or property of any nature:

a. That involve the following or preparation for the following:

- (1) Use or threat of force or violence; or
- (2) Commission or threat of a dangerous act; or
- (3) Commission or threat of an act that interferes with or disrupts an electronic, communication, information or mechanical system; and

b. When one or both of the following apply:

- (1) The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
- (2) It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

2. "*Any injury, damage, loss or expense*" means any injury, damage, loss or expense covered under any Coverage Form or Policy to which this endorsement is applicable, and includes but is not limited to *bodily injury, property damage, personal injury, personal and advertising injury, loss, loss of use, rental reimbursement after loss or covered pollution cost or expense*, as may be defined under this Coverage Form, Policy or any applicable endorsement.

B. Except with respect to Physical Damage Coverage, Trailer Interchange Coverage, Garagekeepers Coverage or Garagekeepers Coverage - Customers' Sound Receiving Equipment, the

following exclusion is added:

### Exclusion Of Terrorism

We will not pay for *any injury, damage, loss or expense* caused directly or indirectly by *terrorism*, including action in hindering or defending against an actual or expected incident of *terrorism*. *Any injury, damage, loss or expense* is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such injury, damage, loss or expense. **But this exclusion applies only when one or more of the following are attributed to an incident of *terrorism*:**

1. The *terrorism* is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
2. Radioactive material is released, and it appears that one purpose of the *terrorism* was to release such material; or
3. The *terrorism* is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the *terrorism* was to release such materials; or
5. The total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the *terrorism* and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or
6. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
  - a. Physical injury that involves a substantial risk of death; or
  - b. Protracted and obvious physical disfigurement; or
  - c. Protracted loss of or impairment of the function of a bodily member or organ.

Multiple incidents of *terrorism* which occur within a 72-hour period and appear to be carried

out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the thresholds in Paragraphs B5 and B6 are exceeded.

With respect to this exclusion, Paragraphs B5 and B6 describe the thresholds used to measure the magnitude of an incident of *terrorism* and the circumstances in which the threshold will apply, for the purpose of determining whether this exclusion will apply to that incident. When the exclusion applies to an incident of *terrorism*, there is no coverage under this Coverage Form, Policy or any applicable endorsement.

- C. With respect to Physical Damage Coverage, Trailer Interchange Coverage, Garagekeepers Coverage or Garagekeepers Coverage - Customers' Sound Receiving Equipment, the following exclusion is added:

#### **Exclusion Of Terrorism**

We will not pay for any *loss*, loss of use or rental reimbursement after *loss* caused directly or indirectly by *terrorism*, including action in hindering or defending against an actual or expected incident of *terrorism*. **But this exclusion applies only when one or more of the following are attributed to an incident of *terrorism*:**

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

sonous biological or chemical materials; or

4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the *terrorism* was to release such materials; or
5. The total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the *terrorism* and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions.

Multiple incidents of *terrorism* which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the threshold in Paragraph C5 is exceeded.

With respect to this exclusion, Paragraph C5 describes the threshold used to measure the magnitude of an incident of *terrorism* and the circumstances in which the threshold will apply, for the purpose of determining whether this exclusion will apply to that incident. When the exclusion applies to an incident of *terrorism*, there is no coverage under this Coverage Form, Policy or any applicable endorsement.

- D. In the event of any incident of *terrorism* that is not subject to the exclusion in Paragraph B or C, coverage does not apply to *any injury, damage, loss or expense* that is otherwise excluded under this Coverage Form, Policy or any applicable endorsement.

All Coverage Parts included in this policy are subject to the following conditions.

**A. CANCELLATION**

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

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

a. Ten days before the effective date of cancellation if we cancel for nonpayment of premium; or

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

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

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

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

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

**B. CHANGES**

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

**C. EXAMINATION OF YOUR BOOKS AND RECORDS**

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

**D. INSPECTIONS AND SURVEYS**

1. We have the right to:

a. Make inspections and surveys at any time;

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

c. Recommend changes.

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

a. Are safe or healthful; or

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

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

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

**E. PREMIUMS**

The First Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and

2. Will be the payee for any return premiums we pay.

**F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY**

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

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

## NUCLEAR ENERGY LIABILITY EXCLUSION - BROAD FORM

IL-0021F(3-14)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTO COVERAGE PART

COMMERCIAL GENERAL LIABILITY COVERAGE PART

DIRECTORS' AND OFFICERS' LIABILITY COVERAGE PART

EMPLOYEE BENEFITS LIABILITY COVERAGE PART

ERRORS AND OMISSIONS COVERAGE PART

FARM COVERAGE PART

LIQUOR LIABILITY COVERAGE FORM

OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM

POLLUTION LIABILITY COVERAGE FORM

PRODUCT WITHDRAWAL COVERAGE PART

PRODUCTS-COMPLETED OPERATIONS LIABILITY COVERAGE FORM

RAILROAD PROTECTIVE LIABILITY COVERAGE FORM

**1. The insurance does not apply:**

**a. Under any Liability Coverage to *bodily injury* or *property damage*:**

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

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

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

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

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

**c. Under any Liability Coverage, to *bodily injury* or *property damage* resulting from the *hazardous properties* of *nuclear material*, if:**

(1) The *nuclear material*:

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

(b) Has been discharged or dispersed therefrom.

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

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

**2. As used in this endorsement:**

**a. "Hazardous properties"** include radioactive, toxic or explosive properties.

**b. "Nuclear material"** means *source material*, *special nuclear material* or *byproduct material*.

**c. "Source material," "special nuclear material" and "byproduct material"** have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

**d. "Spent fuel"** means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a *nuclear reactor*.

**e. "Waste"** means any waste material:

(1) Containing *byproducts material* other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its *source material* content; and

(2) Resulting from the operation by any person or organization of any *nuclear facility* included under the first two paragraphs of the definition of *nuclear facility*.

**f. "Nuclear facility"** means:

(1) Any *nuclear reactor*;

(2) Any equipment or device designed or used for:

(a) Separating the isotopes of uranium or plutonium;

(b) Processing or utilizing *spent fuel*; or

- (c) Handling, processing or packaging waste.
- (3) Any equipment or device used for the processing, fabricating or alloying of *special nuclear material* if at any time the total amount of such material in the custody of the *insured* at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235.
- (4) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste;  
and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.
- g. "*Nuclear reactor*" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.
- h. "*Property damage*" includes all forms of radioactive contamination of property.

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART  
 COMMERCIAL CRIME COVERAGE PART  
 COMMERCIAL GENERAL LIABILITY COVERAGE PART  
 COMMERCIAL INLAND MARINE COVERAGE PART  
 COMMERCIAL PROPERTY COVERAGE PART  
 DIRECTORS' AND OFFICERS' LIABILITY COVERAGE PART  
 EMPLOYEE BENEFITS LIABILITY COVERAGE PART  
 EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
 ERRORS AND OMISSIONS COVERAGE PART  
 LIQUOR LIABILITY COVERAGE FORM  
 POLLUTION LIABILITY COVERAGE FORM  
 PRODUCT WITHDRAWAL COVERAGE PART  
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE FORM

A. Paragraphs 1 and 2 of the Cancellation Common Policy Condition are replaced by the following:

1. The First Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation. Cancellation will be effective on the later of the date requested by the First Named Insured or the date we receive the request.

**2. Policies In Effect**

**a. 60 Days Or Less**

If this policy has been in effect for 60 days or less, we may cancel this policy by mailing or delivering to the First Named Insured written notice of cancellation at least:

- (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium. If delivered via United States mail, the 10 day notification period begins to run 5 days following the date of postmark; or
- (2) 30 days before the effective date of cancellation if we cancel for any other reason.

**b. More Than 60 Days**

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 for one or more of the following reasons:

- (1) Nonpayment of premium;
- (2) Fraud or material misrepresentation made by you or with your knowledge in obtaining the policy, con-

tinuing the policy or in presenting a claim under the policy;

- (3) Acts or omissions on your part which increase any hazard insured against;
- (4) Change in the risk which materially increases the risk of loss after the policy has been issued or renewed including, but not limited to, an increase in exposure due to regulation, legislation or court decision;
- (5) Loss of or decrease in reinsurance which provided us with coverage for all or part of the risk insured;
- (6) A determination by the Director of Insurance that continuation of this policy would jeopardize our solvency or place us in violation of the insurance laws of Idaho or any other state; or
- (7) Violation or breach by the insured of any policy terms or conditions other than nonpayment of premium.

We will mail or deliver written notice of cancellation to the First Named Insured at least:

- (a) 10 days before the effective date of cancellation if we cancel for nonpayment of premium. If delivered via United States mail, the 10 day notification period begins to run 5 days following the date of postmark; or
- (b) 30 days before the effective date of cancellation if we cancel for any other reason stated in 2b above.

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

**NONRENEWAL**

1. If we elect not to renew this policy, we will mail or deliver to the First Named Insured a written notice of intention not to renew at least 45 days prior to the expiration or anniversary date of the policy.
2. We will mail or deliver our notice to the First Named Insured's last mailing address known to us.
3. If notice is not mailed or delivered at least 45 days before the expiration or anniversary date of this policy, this policy will remain in effect until 45 days after notice is mailed or delivered. Earned premium for the extended period of coverage will be calculated pro

rata at the rates applicable to the expiring policy.

4. We need not mail or deliver this notice if:
  - a. We have offered to renew this policy;
  - b. You have obtained replacement coverage; or
  - c. You have agreed in writing to obtain replacement coverage.
5. If notice is mailed, proof of mailing will be sufficient proof of notice.

**C. The following Condition is added:**

**PREMIUM OR COVERAGE CHANGES AT RENEWAL**

1. If we elect to renew this policy, we will mail or deliver written notice of any total premium increase greater than ten (10%) which is the result of a comparable increase in premium rates, change in deductible, reduction in limits or reduction in coverage to the First Named Insured, at the last mailing address known to us.
2. Any such notice will be mailed or delivered to the First Named Insured at least 30 days

before the expiration or anniversary date of the policy.

3. If notice is not mailed or delivered at least 30 days before the expiration or anniversary date of the policy, the premium, deductible, limits and coverage in effect prior to the changes will remain in effect until the earlier of the following:
  - a. 30 days after notice is given; or
  - b. The effective date of replacement coverage obtained by the First Named Insured.
4. If the First Named Insured accepts the renewal, the premium increase, if any, and other changes will be effective on and after the first day of the renewal term.
5. If the First Named Insured elects not to renew, any earned premium for the resulting extended period of coverage will be calculated pro rata at the lower of the new rates or rates applicable to the expiring policy.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.



## ASBESTOS EXCLUSION

IL-7012(3-14)

This endorsement modifies insurance provided under the following:

BIS-PAK® BUSINESS LIABILITY AND MEDICAL EXPENSE  
COVERAGE FORM

COMMERCIAL AUTO COVERAGE PART

COMMERCIAL GENERAL LIABILITY COVERAGE PART

DIRECTORS' AND OFFICERS' LIABILITY COVERAGE  
PART

EMPLOYEE BENEFITS LIABILITY COVERAGE PART

ERRORS AND OMISSIONS COVERAGE PART

GARAGE COVERAGE FORM

LIQUOR LIABILITY COVERAGE FORM

OWNERS AND CONTRACTORS PROTECTIVE LIABILITY  
COVERAGE FORM

POLLUTION LIABILITY COVERAGE FORM

PRODUCT WITHDRAWAL COVERAGE PART

PRODUCTS-COMPLETED OPERATIONS LIABILITY COV-  
ERAGE FORM

RAILROAD PROTECTIVE LIABILITY COVERAGE FORM

The following exclusion is added:

### **Asbestos**

This insurance does not apply to any *bodily injury* or *property damage* arising out of activities related to, but not limited to, manufacture, mining, storage, distribution, installation, sale, use, exposure to, service, testing for, repair, containment or removal of asbestos, asbestos fibers, asbestos dust, or products containing asbestos.



Acuity, A Mutual Insurance Company

## COMMERCIAL CRIME COVERAGE PART

### Renewal Declarations

First Named Insured and Address:

CHRISTOPHE CONDOMINIUM  
ASSOCIATION INC  
PO BOX 1223  
KETCHUM ID 83340

Agency Name and Number:

AMERICAN INSURANCE AND INVESTMENTS  
8078-AY

Policy Number: Z80660

Policy Period: Effective Date: 08-29-21

Expiration Date: 08-29-22

In return for the payment of the premium and subject to  
all the terms of the policy, we agree to provide the  
insurance coverage as stated in the same.

12:01 A.M. standard time at  
your mailing address shown  
in the declarations

### COVERAGE FORMS AND ENDORSEMENTS APPLICABLE TO THIS COVERAGE PART

Form Number	Form Title	Premium
CR-0001F (10-90)	Employee Dishonesty Coverage Form A - Blanket .....	\$
CR-1000F (04-97)	Crime General Provisions .....	
IL-0017F (11-98)	Common Policy Conditions .....	
IL-0030F (09-14)	Exclusion of Terrorism .....	
IL-0204F (03-14)	Idaho Changes - Cancellation and Nonrenewal .....	
CR-0003F (01-86)	Forgery or Alteration Coverage Form B .....	
Advance Endorsement Premium .....		\$

### PREMIUM SUMMARY

Advance Premium .....	\$	430.00
Advance Endorsement Premium .....		
<b>Total Advance Premium .....</b>	<b>\$</b>	<b>430.00</b>

### ADDITIONAL NAMED INSUREDS

WHO IS AN INSURED includes the following Additional Named Insureds:

HARRIMAN PLACE

Page 2  
 Policy Number: Z80660  
 Effective Date: 08-29-21

**COVERAGES, LIMITS OF INSURANCE AND DEDUCTIBLE**

<b>Premises Number</b>	<b>Building Number</b>	<b>Coverage Description</b>	<b>Limit of Insurance</b>	<b>Deductible Amount</b>
All	All	Employee Dishonesty Coverage Form A - Blanket .	\$ 75,000	\$ 1,000
All	All	Forgery or Alteration Coverage Form B . . . . .	75,000	1,000

## EMPLOYEE DISHONESTY COVERAGE FORM A - BLANKET

### A. COVERAGE

We will pay for loss of, and loss from damage to, Covered Property resulting directly from the Covered Cause of Loss.

#### 1. Covered Property

*Money, securities and property other than money and securities.*

#### 2. Covered Cause of Loss

*Employee dishonesty.*

#### 3. Coverage Extension

##### Employees Temporarily Outside Coverage Territory

We will pay for loss caused by any *employee* while temporarily outside the territory specified in the Territory General Condition for a period not more than 90 days.

### B. LIMIT OF INSURANCE

The most we will pay for loss in any one *occurrence* is the applicable Limit of Insurance shown in the Declarations.

### C. DEDUCTIBLE

1. We will not pay for loss in any one *occurrence* unless the amount of loss exceeds the Deductible Amount shown in the Declarations. We will then pay the amount of loss in excess of the Deductible Amount, up to the Limit of Insurance.

#### 2. You must:

a. Give us notice as soon as possible of any loss of the type insured under this Coverage Form even though it falls entirely within the Deductible Amount.

b. Upon our request, give us a statement describing the loss.

### D. ADDITIONAL EXCLUSIONS, CONDITION AND DEFINITIONS

In addition to the provisions in the Crime General Provisions, this Coverage Form is subject to the following:

#### 1. Additional Exclusions

We will not pay for loss as specified below:

##### a. Employee Cancelled Under Prior Insurance

Loss caused by any *employee* of yours, or pre-

decessor in interest of yours, for whom similar prior insurance has been cancelled and not reinstated since the last such cancellation.

##### b. Inventory Shortages

Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

- (1) An inventory computation; or
- (2) A profit and loss computation.

#### 2. Additional Condition

##### Cancellation as to Any Employee

This insurance is cancelled as to any *employee*:

##### a. Immediately upon discovery by:

- (1) You; or
- (2) Any of your partners, officers or directors not in collusion with the *employee*;

of any dishonest act committed by that *employee* whether before or after becoming employed by you.

b. On the date specified in a notice mailed to you. That date will be at least 30 days after the date of mailing. The mailing of notice to you at the last known address will be sufficient proof of notice. Delivery of notice is the same as mailing.

#### 3. Additional Definitions

a. "*Employee dishonesty*" in paragraph A2 means only dishonest acts committed by an *employee*, whether identified or not, acting alone or in collusion with other persons, except you or a partner, with the manifest intent to:

- (1) Cause you to sustain loss; and also
- (2) Obtain financial benefit (other than employee benefits earned in the normal course of employment, including: salaries, commissions, fees, bonuses, promotions, awards, profit sharing or pensions) for:

- (a) The *employee*; or
- (b) Any person or organization intended by the *employee* to receive that benefit.

b. "*Occurrence*" means all loss caused by, or involving, one or more *employees*, whether the result of a single act or series of acts.

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## FORGERY OR ALTERATION COVERAGE FORM B

### A. COVERAGE

We will pay for loss involving Covered Instruments resulting directly from the Covered Causes of Loss.

#### 1. Covered Instruments

Checks, drafts, promissory notes or similar written promises, orders or directions to pay a sum certain in money that are:

- a. Made or drawn by or drawn upon you;
- b. Made or drawn by one acting as your agent;

or that are purported to have been so made or drawn.

#### 2. Covered Causes of Loss

Forgery or alteration of, on or in any Covered Instrument.

#### 3. Coverage Extension

##### Legal Expenses.

If you are sued for refusing to pay any Covered Instrument 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 under this extension is in addition to the Limit of Insurance applicable to this insurance.

### B. LIMIT OF INSURANCE

The most we will pay for loss in any one *occurrence* is the applicable Limit of Insurance shown in the Declarations.

### C. DEDUCTIBLE

We will not pay for loss in any one *occurrence* unless the amount of loss exceeds the Deductible Amount shown in the Declarations. We will then pay the amount of loss in excess of the Deductible Amount, up to the Limit of Insurance. This provision does not apply to legal expenses paid under the Coverage Extension.

### D. ADDITIONAL EXCLUSION, CONDITIONS AND DEFINITION

In addition to the provisions in the Crime General

Provisions, this Coverage Form is also subject to the following:

#### 1. Additional Exclusion

##### Acts of Employees, Directors or Trustees.

We will not pay for loss resulting from any dishonest or criminal act committed by any of your *employees*, directors or trustees:

- a. Whether acting alone or in collusion with other persons; or
- b. Whether while performing services for you or otherwise.

#### 2. Additional Conditions

##### a. Facsimile Signatures

We will treat mechanically reproduced facsimile signatures the same as handwritten signatures.

##### b. General Amendment

As respects this Coverage Form, the words Covered Property in the Crime General Provisions mean Covered Instruments.

##### c. Proof of Loss

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

##### d. Territory

We will cover loss you sustain anywhere in the world.

The Territory General Condition does not apply to this Coverage Form.

#### 3. Additional Definition

"*Occurrence*" means all loss caused by any person or in which that person is involved, whether the loss involves one or more instruments.

Intentionally left blank

## CRIME GENERAL PROVISIONS

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is or 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.

Words and phrases in italics are defined in the policy.

Unless stated otherwise in any Crime Coverage Form, Declarations or endorsement, the following General Exclusions, General Conditions and General Definitions apply to all Crime Coverage Forms forming part of this policy.

### A. GENERAL EXCLUSIONS

We will not pay for loss as specified below:

#### 1. Acts Committed by You or Your Partners

Loss resulting from any dishonest or criminal act committed by you or any of your partners whether acting alone or in collusion with other persons.

#### 2. Governmental Action

Loss resulting from seizure or destruction of property by order of governmental authority.

#### 3. Indirect Loss

Loss that is an indirect result of any act or *occurrence* covered by this insurance including, but not limited to, loss resulting from:

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

#### 4. Legal Expenses

Expenses related to any legal action.

#### 5. Nuclear

Loss resulting from nuclear reaction, nuclear radiation or radioactive contamination, or any related act or incident.

#### 6. War and Similar Actions

Loss resulting from war, whether or not declared, warlike action, insurrection, rebellion or revolution, or any related act or incident.

### B. GENERAL CONDITIONS

#### 1. Concealment, Misrepresentation or Fraud

This insurance is void in any case of fraud by you as it relates to this insurance at any time. It is also void if you or any other insured, at any time, intentionally conceal

or misrepresent a material fact concerning:

- a. This insurance;
- b. The Covered Property;
- c. Your interest in the Covered Property; or
- d. A claim under this insurance.

#### 2. Consolidation - Merger

If through consolidation or merger with, or purchase or acquisition of assets or liabilities of, some other entity:

- a. Any additional persons become *employees*; or
- b. You acquire the use and control of any additional *premises*;

any insurance afforded for *employees* or *premises* also applies to those additional *employees* and *premises* for a period of 60 days after the effective date of such consolidation, merger, or purchase or acquisition of assets or liabilities.

You must give us written notice within this 60 day period and obtain our written consent to extend this insurance to such additional *employees* and *premises*. Upon obtaining our written consent, you must pay us an additional premium.

If you fail to notify us in writing within this 60 day period, then this insurance shall automatically terminate as to such additional *employees* or *premises*.

#### 3. Coverage Extensions

Unless stated otherwise in the Coverage Form, our liability under any Coverage Extension is part of, not in addition to, the Limit of Insurance applying to the Coverage or Coverage Section.

#### 4. Duties in the Event of Loss

After you discover a loss or a situation that may result in loss of, or loss from damage to, Covered Property, you must:

- a. Notify us as soon as possible.
- b. Submit to examination under oath at our request and give us a signed statement of your answers.
- c. Give us a detailed, sworn proof of loss within 120 days.
- d. Cooperate with us in the investigation and settlement of any claim.

#### 5. Discovery Period for Loss Extended Period to Discover Loss

We will pay only for covered loss discovered no later than one year from the end of the policy period.

#### 6. Joint Insured

a. If more than one insured is named in the Declarations, the First Named Insured will act for itself and for every other Insured for all purposes of this insurance. If the First Named Insured ceases to be covered, then the next named Insured will become the First Named Insured.



**b.** If any insured or partner or officer of that insured has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every Insured.

**c.** An *employee* of any insured is considered to be an *employee* of every insured.

**d.** If this insurance or any of its coverages is cancelled or terminated as to any Insured, loss sustained by that insured is covered only if discovered no later than one year from the date of that cancellation or termination.

**e.** We will not pay more for loss sustained by more than one insured than the amount we would pay if all the loss had been sustained by one Insured.

## **7. Legal Action Against Us**

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

**a.** Unless you have complied with all the terms of this insurance;

**b.** Until 90 days after you have filed proof of loss with us; and

**c.** Unless brought within two years from the date you discover the loss.

## **8. Liberalization**

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

## **9. Loss Covered Under More Than One Coverage of This Insurance**

If two or more coverages of this insurance apply to the same loss, we will pay the lesser of:

**a.** The actual amount of loss; or

**b.** The sum of the limits of insurance applicable to those coverages.

## **10. Loss Sustained During Prior Insurance**

**a.** If you or any predecessor in interest, sustained loss during the period of any prior insurance that you or the predecessor in interest could have recovered under that insurance except that the time within which to discover loss had expired, we will pay for it under this insurance, provided:

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

(2) 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.

**b.** The insurance under this Condition is part of, not in addition to, the Limits of Insurance applying to this insurance and is limited to the lesser of the amount recoverable under:

(1) This insurance as of its effective date; or

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

## **11. Loss Covered Under This Insurance and Prior Insurance Issued by Us or Any Affiliate**

If any loss is covered:

**a.** Partly by this insurance; and

**b.** Partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest;

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

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.

## **12. Other Insurance**

This insurance does not apply to loss recoverable or recovered under other insurance or indemnity. However, if the limit of the other insurance or indemnity is insufficient to cover the entire amount of the loss, this insurance will apply to that part of the loss, other than that falling within any Deductible Amount, not recoverable or recovered under the other insurance or indemnity. However, this insurance will not apply to the amount of loss that is more than the applicable Limit of Insurance shown in the Declarations.

## **13. Ownership of Property; Interests Covered**

The property covered under this insurance is limited to property:

**a.** That you own or hold; or

**b.** For which you are legally liable.

However, this insurance is for your benefit only. It provides no rights or benefits to any other person or organization.

## **14. Policy Period**

**a.** The Policy Period is shown in the Declarations.

**b.** Subject to the Loss Sustained During Prior Insurance condition, we will pay only for loss that you sustain through acts committed or events occurring during the Policy Period.

## **15. Records**

You must keep records of all Covered Property so we can verify the amount of any loss.

## **16. Recoveries**

**a.** Any recoveries, less the cost of obtaining them, made after settlement of loss covered by this insurance will be distributed as follows:

(1) To you, until you are reimbursed for any loss that you sustain that exceeds the Limit of Insurance and the Deductible Amount, if any;

(2) Then to us, until we are reimbursed for the settlement made; and

(3) Then to you, until you are reimbursed for that part of the loss equal to the Deductible Amount, if any.

**b. Recoveries do not include any recovery:**

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

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

**17. Territory**

This insurance covers only acts committed or events occurring within the United States of America, U.S. Virgin Islands, Puerto Rico, Canal Zone or Canada.

**18. Transfer of Your Rights of Recovery Against Others to Us**

You must transfer to us all your rights of recovery against any person or organization for any loss you sustained and for which we have paid or settled. You must also do everything necessary to secure those rights and do nothing after loss to impair them.

**19. Valuation - Settlement**

**a. Subject to the applicable Limit of Insurance provision we will pay for:**

(1) Loss of *money* but only up to and including its face value. We may, at our option, pay for loss of *money* issued by any country other than the United States of America:

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

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

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

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

(b) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the *securities*. However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:

(i) Value of the *securities* at the close of business on the day the loss was discovered; or

(ii) Limit of Insurance.

(3) Loss of, or loss from damage to, *property other than money and securities* or loss from damage to the *premises* for not more than the:

(a) Actual cash value of the property on the day the loss was discovered;

(b) Cost of repairing the property or *premises*; or

(c) Cost of replacing the property with property of like kind and quality.

We may, at our option, pay the actual cash value of the property or repair or replace it.

If we cannot agree with you upon the actual cash value or the cost of repair or replacement, the value or cost will be determined by arbitration.

**b. We may, at our option, pay for loss of, or loss from damage to, property other than *money*:**

(1) In the *money* of the country in which the loss occurred; or

(2) In the United States of America dollar equivalent of the *money* of the country in which the loss occurred determined by the rate of exchange on the day the loss was discovered.

**c. Any property that we pay for or replace becomes our property.**

**C. GENERAL DEFINITIONS**

**1. "Employee" means:**

**a. Any natural person:**

(1) While in your service (and for 30 days after termination of service);

(2) Whom you compensate directly by salary, wages or commissions; and

(3) Whom you have the right to direct and control while performing services for you; or

**b. 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*.**

But *employee* does not mean any:

(1) Agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or

(2) Director or trustee except while performing acts coming within the scope of the usual duties of an employee.

**2. "Money" means:**

**a. Currency, coins and bank notes in current use and having a face value; and**

**b. Travelers checks, register checks and money orders held for sale to the public.**

**3. "Property other than money and securities" means any tangible property other than *money* and *securities* that has intrinsic value but does not include any property listed in any Crime Coverage Form as Property Not Covered.**

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

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

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

All Coverage Parts included in this policy are subject to the following conditions.

**A. CANCELLATION**

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

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

a. Ten days before the effective date of cancellation if we cancel for nonpayment of premium; or

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

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

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

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

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

**B. CHANGES**

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

**C. EXAMINATION OF YOUR BOOKS AND RECORDS**

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

**D. INSPECTIONS AND SURVEYS**

1. We have the right to:

a. Make inspections and surveys at any time;

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

c. Recommend changes.

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

a. Are safe or healthful; or

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

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

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

**E. PREMIUMS**

The First Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and

2. Will be the payee for any return premiums we pay.

**F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY**

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

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

## EXCLUSION OF TERRORISM

IL-0030F(9-14)

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART

- A. The following definition is added and applies under this endorsement wherever the term *terrorism* is shown in italics.

"*Terrorism*" means activities against persons, organizations or property of any nature:

1. That involve the following or preparation for the following:
  - a. Use or threat of force or violence; or
  - b. Commission or threat of a dangerous act; or
  - c. Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
2. When one or both of the following applies:
  - a. The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
  - b. It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

- B. The following exclusion is added:

### EXCLUSION OF TERRORISM

We will not pay for loss or damage caused directly or indirectly by *terrorism*, including action in hindering or defending against an actual or expected incident of *terrorism*. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. **But this exclusion applies only when one or more of the following are attributed to an incident of *terrorism*:**

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

4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the *terrorism* was to release such materials; or
5. The total of insured damage to all types of property in the United States, its territories and possessions, Puerto Rico and Canada exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the *terrorism* and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions. Multiple incidents of *terrorism* which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the threshold is exceeded.

With respect to this item B5, the immediately preceding paragraph describes the threshold used to measure the magnitude of an incident of *terrorism* and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of *terrorism*, there is no coverage under this Coverage Part.

### C. Exception Covering Certain Fire Losses

The following exception to the Exclusion Of Terrorism applies only if indicated and as indicated in the Schedule of this endorsement.

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

### D. Application Of Other Exclusions

1. When the Exclusion Of Terrorism applies in accordance with the terms of B1 or B2, such exclusion applies without regard to the Nuclear Hazard Exclusion in this Coverage Part or Policy.

2. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss or damage

which would otherwise be excluded under this Coverage Part, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

#### **SCHEDULE**

**The Exception Covering Certain Fire Losses (Paragraph D) applies to property located in the following states, if covered under the indicated Coverage Part:**

<b>State</b>	<b>Coverage Part</b>
Georgia	Commercial Property Coverage Part Commercial Output Program - Property Coverage Form
Illinois	Commercial Property Coverage Part Commercial Output Program - Property Coverage Form
Iowa	Commercial Property Coverage Part Commercial Output Program - Property Coverage Form
Maine	Commercial Property Coverage Part Commercial Inland Marine Coverage Part
Missouri	Commercial Property Coverage Part Commercial Inland Marine Coverage Part
Oregon	Commercial Property Coverage Part Commercial Inland Marine Coverage Part
Wisconsin	Commercial Property Coverage Part Commercial Inland Marine Coverage Part

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART  
 COMMERCIAL CRIME COVERAGE PART  
 COMMERCIAL GENERAL LIABILITY COVERAGE PART  
 COMMERCIAL INLAND MARINE COVERAGE PART  
 COMMERCIAL PROPERTY COVERAGE PART  
 DIRECTORS' AND OFFICERS' LIABILITY COVERAGE PART  
 EMPLOYEE BENEFITS LIABILITY COVERAGE PART  
 EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
 ERRORS AND OMISSIONS COVERAGE PART  
 LIQUOR LIABILITY COVERAGE FORM  
 POLLUTION LIABILITY COVERAGE FORM  
 PRODUCT WITHDRAWAL COVERAGE PART  
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE FORM

A. Paragraphs 1 and 2 of the Cancellation Common Policy Condition are replaced by the following:

1. The First Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation. Cancellation will be effective on the later of the date requested by the First Named Insured or the date we receive the request.

**2. Policies In Effect**

**a. 60 Days Or Less**

If this policy has been in effect for 60 days or less, we may cancel this policy by mailing or delivering to the First Named Insured written notice of cancellation at least:

- (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium. If delivered via United States mail, the 10 day notification period begins to run 5 days following the date of postmark; or
- (2) 30 days before the effective date of cancellation if we cancel for any other reason.

**b. More Than 60 Days**

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 for one or more of the following reasons:

- (1) Nonpayment of premium;
- (2) Fraud or material misrepresentation made by you or with your knowledge in obtaining the policy, con-

tinuing the policy or in presenting a claim under the policy;

- (3) Acts or omissions on your part which increase any hazard insured against;
- (4) Change in the risk which materially increases the risk of loss after the policy has been issued or renewed including, but not limited to, an increase in exposure due to regulation, legislation or court decision;
- (5) Loss of or decrease in reinsurance which provided us with coverage for all or part of the risk insured;
- (6) A determination by the Director of Insurance that continuation of this policy would jeopardize our solvency or place us in violation of the insurance laws of Idaho or any other state; or
- (7) Violation or breach by the insured of any policy terms or conditions other than nonpayment of premium.

We will mail or deliver written notice of cancellation to the First Named Insured at least:

- (a) 10 days before the effective date of cancellation if we cancel for nonpayment of premium. If delivered via United States mail, the 10 day notification period begins to run 5 days following the date of postmark; or
- (b) 30 days before the effective date of cancellation if we cancel for any other reason stated in 2b above.

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

**NONRENEWAL**

1. If we elect not to renew this policy, we will mail or deliver to the First Named Insured a written notice of intention not to renew at least 45 days prior to the expiration or anniversary date of the policy.
2. We will mail or deliver our notice to the First Named Insured's last mailing address known to us.
3. If notice is not mailed or delivered at least 45 days before the expiration or anniversary date of this policy, this policy will remain in effect until 45 days after notice is mailed or delivered. Earned premium for the extended period of coverage will be calculated pro

rata at the rates applicable to the expiring policy.

4. We need not mail or deliver this notice if:
  - a. We have offered to renew this policy;
  - b. You have obtained replacement coverage; or
  - c. You have agreed in writing to obtain replacement coverage.
5. If notice is mailed, proof of mailing will be sufficient proof of notice.

**C. The following Condition is added:**

**PREMIUM OR COVERAGE CHANGES AT RENEWAL**

1. If we elect to renew this policy, we will mail or deliver written notice of any total premium increase greater than ten (10%) which is the result of a comparable increase in premium rates, change in deductible, reduction in limits or reduction in coverage to the First Named Insured, at the last mailing address known to us.
2. Any such notice will be mailed or delivered to the First Named Insured at least 30 days

before the expiration or anniversary date of the policy.

3. If notice is not mailed or delivered at least 30 days before the expiration or anniversary date of the policy, the premium, deductible, limits and coverage in effect prior to the changes will remain in effect until the earlier of the following:
  - a. 30 days after notice is given; or
  - b. The effective date of replacement coverage obtained by the First Named Insured.
4. If the First Named Insured accepts the renewal, the premium increase, if any, and other changes will be effective on and after the first day of the renewal term.
5. If the First Named Insured elects not to renew, any earned premium for the resulting extended period of coverage will be calculated pro rata at the lower of the new rates or rates applicable to the expiring policy.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.





## COMMERCIAL EXCESS LIABILITY COVERAGE PART

### Renewal Declarations

First Named Insured and Address:

CHRISTOPHE CONDOMINIUM  
ASSOCIATION INC  
PO BOX 1223  
KETCHUM ID 83340

Agency Name and Number:

AMERICAN INSURANCE AND INVESTMENTS  
8078-AY

Policy Number: Z80660

Policy Period: Effective Date: 08-29-21

Expiration Date: 08-29-22

In return for the payment of the premium and subject to all the terms of the policy, we agree to provide the insurance coverage as stated in the same.

12:01 A.M. standard time at your mailing address shown in the declarations

### COVERAGE FORMS AND ENDORSEMENTS APPLICABLE TO THIS COVERAGE PART

Form Number	Form Title	Premium
CU-7008(11-05)	Asbestos Exclusion	
CU-7010(3-03)	Nuclear Energy Liability Exclusion Endorsement	
CU-7037(5-05)	Commercial Excess Liability Coverage Form	
CU-7050(3-03)	Employment-Related Practices Liability Exclusion	
CU-7054(3-03)	Fungi or Bacteria Exclusion	
CU-7067(3-03)	War Liability Exclusion	
CU-7072(1-15)	Conditional Exclusion of Terrorism (Relating to Disposition of Fed. Act)	
CU-7084(1-08)	Idaho Changes - Cancellation and Nonrenewal	
CU-7085(1-15)	Cap on Losses from Certified Acts of Terrorism	\$3.00
CU-7087(1-15)	Exclusion of Punitive Damages Related to a Certified Act of Terrorism	
CU-7127(11-16)	Public or Livery Passenger Conveyance and On-Demand Deliver Services Exclusion	
CU-7140(10-20)	Cyber Suite Exclusion	
IL-7082(12-20)	Disclosure Pursuant to Terrorism Risk Insurance Act	
<b>Advance Endorsement Premium</b>		<b>\$3.00</b>

### PREMIUM SUMMARY

Advance Premium	\$1,100.00
Advance Endorsement Premium	\$3.00
<b>Total Advance</b>	<b>\$1,103.00</b>

### ADDITIONAL NAMED INSURED

WHO IS AN INSURED includes the following Additional Named Insureds:

**ADDITIONAL NAMED INSURED**

HARRIMAN PLACE

**LIMITS OF INSURANCE**

General Aggregate	\$4,000,000
Products-Completed Operations Aggregate	\$4,000,000
Each Occurrence	\$4,000,000

**PREMIUM COMPUTATION**

Not Subject to Audit	
Estimated Advance Premium	\$1,100.00

**SCHEDULE OF UNDERLYING INSURANCE - GENERAL LIABILITY**

Policy Number: CG-Z80660

Name of Insurer: ACUITY, A Mutual Insurance Company

Policy Period: 08-29-21 To 08-29-22

Occurrence Coverage

**Limits or Amounts of Insurance**

General Aggregate Limit (Other Than Products-Completed Operations)	\$2,000,000
Products-Completed Operations Aggregate Limit	\$2,000,000
Personal and Advertising Injury Limit (Any One Person or Organization)	\$1,000,000
Each Occurrence Limit	\$1,000,000

**SCHEDULE OF UNDERLYING INSURANCE - AUTOMOBILE LIABILITY**

Policy Number: CA-Z80660

Name of Insurer: ACUITY, A Mutual Insurance Company

Policy Period: 08-29-21 To 08-29-22

**Limits or Amounts of Insurance**

Bodily Injury and Property Damage Combined Single Limit (Each Accident)	\$1,000,000
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# COMMERCIAL EXCESS LIABILITY COVERAGE FORM

## Index of Policy Provisions

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## COMMERCIAL EXCESS LIABILITY COVERAGE FORM

This policy contains both a Products-Completed Operations Aggregate Limit and a General Aggregate Limit of Insurance. These are described in Section II - Limit of Insurance.

Other provisions in this policy restrict coverage. Read the entire policy and any *underlying insurance* carefully to determine rights, duties and what is covered and not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a

Named Insured under any *underlying insurance*. The words "we," "us" and "our" refer to the Company providing this insurance.

The words "this insurance" mean the liability insurance provided under this policy.

The word "insured" means any person or organization qualifying as such under any *underlying insurance*.

Other words and phrases that appear in italics have special meaning. Refer to Section IV - Definitions of this policy.

### SECTION I - COVERAGES

#### 1. Insuring Agreement

- a. We will pay those sums, in excess of the amount payable under the terms of any *underlying insurance*, that the insured becomes legally obligated to pay as damages because of *injury* or damage to which this insurance applies, provided that the *underlying insurance* also applies, or would apply but for the exhaustion of its applicable Limits of Insurance.

We will also pay those sums that the insured becomes legally obligated to pay as damages because of *injury* or damage to which the insurance provided under the Coverage Extension applies as set forth in paragraph 4 below.

- b. We have the right to participate in the investigation or settlement of claims or the defense of the insured against suits seeking damages because of *injury* or damage to which this insurance may apply. We have a duty to investigate or settle such claims or to defend the insured against such suits when the applicable Limit of Insurance of the *underlying insurance* has been used up by payment of judgments, settlements and any cost or expense subject to such limit.

We will have the right and duty to participate in the investigation and settlement of claims or the defense of the insured against suits seeking damages because of *injury* or damage to which the insurance provided under the Coverage Extension may apply.

This right or duty to defend is limited as set forth in paragraph 3 below.

However, we will have no duty to defend the insured against any suit seeking damages for *injury* or damage to which this insurance does not apply.

- c. The amount we will pay for damages is limited as described in Section II - Limit of Insurance.
- d. This insurance is subject to the same terms,

conditions, agreements, exclusions and definitions as the *underlying insurance*, except:

- (1) We have no obligation under this insurance with respect to any claim or suit that is settled without our consent; and
- (2) With respect to any provisions to the contrary contained in this insurance.

#### 2. Exclusions

The exclusions that apply to the *underlying insurance* apply to this insurance. Also, this insurance does not apply to damages because of:

- a. *Injury* or damage to premises rented to you or temporarily occupied by you with permission of the owner.
- b. Any duty to pay expenses under any medical payments coverage.
- c. Any duty to reimburse an insurer as provided by the terms of the Endorsement For Motor Carrier Policies of Insurance For Public Liability Under Sections 29 and 30 of the Motor Carrier Act of 1980 or under the terms of any similar endorsement required by Federal or state statute.
- d. Any duty payable only because of the attachment of the Endorsement For Motor Carrier Policies of Insurance For Public Liability or any similar endorsement required by Federal or state statute.
- e. Any duty imposed by law under any automobile no-fault, uninsured motorist, underinsured motorist, workers' compensation, disability benefits or unemployment compensation law or any similar law.
- f. Any duty imposed by law under the following:
  - (1) Section 130, Civil Liability, of Title I (Truth in Lending Act) of the Consumer Credit Protection Act (Public Law

90-321; 82 Stat. 146 et. seq.);

- (2) Title IV (Odometer Requirements) of the Motor Vehicle Information and Cost Savings Act (Public Law 92-513; 86 Stat. 961); or
  - (3) Employee's Retirement Income Security Act (E.R.I.S.A.) of 1974 as now or hereafter amended.
- g.** *Injury* or damage to personal property in the care, custody or control of the insured.
- This exclusion does not apply to liability assumed under a sidetrack agreement.
- h.** *Injury* or damage sustained by an employee, former employee, prospective employee or their beneficiaries or legal representatives and caused by any negligent act, error or omission of the insured, or any other person for whose acts the insured is legally liable, in the administration of any employee benefit program. Administration includes giving counsel to employees, interpreting, handling of employee records, and effecting enrollment, termination or cancellation of employees.
- i.** Any obligation to pay any claim or claims made against you or any of your officers, directors or trustees, individually or collectively, by reason of a wrongful act in their respective capacities as officers, directors or trustees.

As used in this exclusion, "wrongful act" means any actual or alleged error, misstatement or misleading statement, act or omission, or neglect or breach of duty made or committed by your directors, officers or trustees.

- j.** Any obligation arising out of an act, error or omission of an insured:
- (1) While performing the duties of an insurance agent in your garage operations; or
  - (2) In your garage operations as a result of title paper preparation.

As used in this exclusion:

- (1) "Insurance agent" means a person or organization who is duly licensed as an insurance agent by the regulatory authority of the state in which the insured's principal place of business is located.
- (2) "Garage operations" means the ownership, maintenance or use of locations for garage business and that portion of the roads or other accesses that adjoin these locations. Garage operations includes the ownership, maintenance or use of the autos indicated in Section I of the Garage Coverage Form as covered autos.

Garage operations also includes all operations necessary or incidental to a garage business.

- (3) "Title paper preparation" means the preparation of official title papers for registering an auto sold by you. This includes the designation of a lienholder who holds a financial interest in the auto.
  - (4) "Auto" means a land motor vehicle, trailer or semitrailer.
- k.** Any obligation imposed due to the application of any statute permitting a customer to return an auto sold by an insured, if the auto fails to perform satisfactorily.

As used in this exclusion, "auto" means a land motor vehicle, trailer or semitrailer.

- l.** *Injury* or damage your customer becomes legally obligated to pay which arise out of the use of your covered auto. This exclusion applies only if your business is shown in the Declarations of the *underlying insurance* as an auto dealership.

However, if your customer becomes legally obligated to pay for *injury* or damage which arise out of their use of your covered auto and if there is:

- (1) No other valid and collectible insurance (whether primary, excess or contingent) available to your customer, we will pay up to the compulsory or financial responsibility law limits where the covered auto is principally garaged.
- (2) Other valid and collectible insurance (whether primary, excess or contingent) available to the customer but it is less than the compulsory or financial responsibility law limits where the covered auto is principally garaged, we will pay only for the amount by which the compulsory or financial responsibility law limits exceed the limits of the other insurance.

### **3. Investigation or Settlement of Claims or Defense of Insured Against Suits**

- a.** When we have the duty to defend, we will pay for all *defense expense* once our duty to defend begins. We may investigate any claim or suit.

If we exercise our right to defend when there is no duty, we will pay only that *defense expense* we incur.

If we provide a defense, we may investigate any claim or suit at our discretion. We may settle such claim or suit within the Limit of Insurance available at the time of the settlement.

- b.** Our right or duty to defend ends when we

have used up the Limits of Insurance available in the payment of any judgments or settlements as provided under Section II - Limit of Insurance. This applies both to claims and suits pending at the time and those filed thereafter.

- c. When we control the investigation or settlement of a claim or the defense of the insured against a suit, we will pay for the *defense expense*. If by mutual agreement or court order the insured assumes control before the applicable Limit of Insurance available is used up, we will reimburse the insured for reasonable *defense expense*.
- d. As soon as the Limit of Insurance available is used up, you will then arrange to assume control of the investigation or settlement of all such claims or the defense of you or any other insured against such suits when our right or duty to investigate, settle or defend them ends.
- e. We will assist the insured in the transfer of control of the investigation or settlement of claims or the defense of the insured against suits under c or d above. Until such transfer is completed, we will take on behalf of any insured those steps that we think proper:
  - (1) To avoid a default in any claim or suit; or
  - (2) To the continued investigation or

settlement of a claim or defense of the insured against a suit.

You agree that if we take such steps:

- (1) We do not waive or give up any of our rights under this insurance; and
  - (2) You will reimburse us for any *defense expense* that arises out of such steps if the applicable Limit of Insurance available has been used up.
- f. Any payment for *defense expense* will not reduce the Limits of Insurance.

#### 4. Coverage Extension

- a. The terms of this policy are extended as follows:

If *underlying insurance* provides coverage for the use of watercraft you do not own, in addition to watercraft ashore on premises you own or rent, the coverage provided by this policy is extended to cover any watercraft you do not own that is:

- (1) Less than 75 feet long; and
- (2) Not being used to carry persons or property for a charge;

even if these nonowned watercraft are not insured in the *underlying insurance*.

- b. We will only pay for damages up to the limits of insurance.

## SECTION II - LIMIT OF INSURANCE

- 1. The Limits of Insurance shown in the Declarations and the rules below define the most we will pay under the terms of this insurance regardless of the number of:
  - a. Insureds;
  - b. Claims made or suits brought;
  - c. Persons or organizations making claims or bringing suits.
- 2. The General Aggregate Limit is the most we will pay for all damages under Section I - Coverages, other than damages arising out of:
  - a. The *products-completed operations hazard*; or
  - b. The ownership, operation, maintenance, use, loading or unloading, or entrustment to others, of an auto.

The General Aggregate Limit applies separately to:

- a. Each location owned by or rented to you. A location is a premises involving the same or connecting lots, or a premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad; and

- b. Each of your projects away from a location owned by or rented to you.

Each payment we make for such damages reduces by the amount of the payment, the General Aggregate Limit. This reduced limit will then be the Limit of Insurance available for further damages of these kinds.

- 3. The Products-Completed Operations Aggregate Limit is the most we will pay under Section I - Coverages because of damages arising out of the *products-completed operations hazard*. Each payment we make for such damages reduces, by the amount of the payment, the Products-Completed Operations Aggregate Limit. This reduced limit will then be the Limit of Insurance available for further damages of these kinds.
- 4. Subject to 2 and 3 above, or with respect to *injury* or damage arising out of the ownership, operation, maintenance, use, loading or unloading, or entrustment to others of an auto, the Each Occurrence Limit is the most we will pay for the sum of damages under Section I - Coverages because of all *injury* and damage arising out of any one *occurrence*.
- 5. The limits of this policy apply separately to

each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an

additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limit of Insurance.

### SECTION III - CONDITIONS

We have no duty to provide coverage under this policy unless you and any other involved insured have fully complied with the Conditions contained in this policy and those contained in any *underlying insurance*.

If any of the following conditions are contrary to Conditions contained in the *underlying insurance*, the provisions contained in this policy apply.

#### 1. Appeals

In the event the *underlying insurer* elects not to appeal a judgment in excess of the limits of the *underlying insurance*, we may elect to make such appeal. If we so elect, we shall be liable, in addition to the applicable Limit of Insurance for all *defense expenses* we incur.

#### 2. Bankruptcy of Underlying Insurer

In the event of bankruptcy or insolvency of any *underlying insurer*, this policy shall not replace such *underlying insurance*. This policy applies as if the *underlying insurance* was valid and collectible.

#### 3. Duties in the Event of Occurrence, Claim or Suit

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

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

b. If a claim or suit is received by any insured you must:

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

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

c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or a suit;
- (2) Authorize us to obtain records and other information;

(3) Cooperate with us in the investigation or settlement of the claim or the defense of the insured against the suit;

(4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of *injury* or damage to which this insurance may also apply; and

(5) Notify us immediately of any judgment or settlement of any claim or suit brought against any insured.

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

#### 4. Maintenance of Underlying Insurance

a. You agree to maintain the *underlying insurance* in full force and effect during the term of this policy. You agree to inform us within 10 days of any replacement of that *underlying insurance* by the same or another company. If there is any change in the replacement *underlying policy* in hazard, policy limits or coverage, including any terms, conditions and endorsements, we will only be liable under this insurance to the same extent as if there had been no change in, or replacement of, *underlying insurance*.

b. In the event that any *underlying insurance* is cancelled or not renewed and not replaced, you must notify us within 10 days. We will not be liable under this insurance for more than we would have been liable if that *underlying insurance* had not terminated if you do not request cancellation of this policy effective the same date that the *underlying insurance* was cancelled.

c. Reduction or exhaustion of the *aggregate limit* of any *underlying insurance* by payments for judgments or settlements will not be a failure to maintain *underlying insurance* in full force and effect.

d. No statement contained in this Condition limits our right to cancel or not renew this policy.

#### 5. Other Insurance

This insurance is excess over any other valid and collectible insurance whether primary, excess, contingent or any other basis, except

other insurance written specifically to be excess over this insurance.

## 6. Policy Period

This insurance will respond to *injury* or damage

that occurs, or arises from an offense committed, during the policy period of this insurance shown in the Declarations.

## SECTION IV - DEFINITIONS

1. "*Aggregate limit*" means the maximum amount stated in the policy for which the insurer will be liable, regardless of the number of covered claims.
2. "*Defense expense*" means payments allocated to the investigation or settlement of a specific claim or the defense of the insured against a specific suit, including:
  - a. Attorney fees and all other litigation expenses.
  - b. The cost of bonds to appeal a judgment or award in our defense of the insured against any suit.
  - c. Up to \$250 for the cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which bodily injury liability coverage provided by *underlying insurance* applies.
  - d. The cost of bonds to release attachments. This is only for bond amounts within the Limit of Insurance available.
  - e. Reasonable expenses incurred by the insured at our request to assist us in the investigation or settlement of the claim or the defense of the insured against the suit. This includes actual loss of earnings up to \$100 a day because of time off from work.
  - f. Cost taxed against the insured in the suit.
  - g. Interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the amount available for the judgment under the provisions of Section II - Limits of Insurance.

*Defense expense* does not include:

  - a. Salaries and expenses of our employees or the insured's employees, other than:
    - (1) That portion of our employed attorneys' fees, salaries and expenses allocated to a specific claim or suit; and
    - (2) The expenses described in e above.
  - b. Fees and expenses of independent adjusters we hire.
3. "*Injury*" means bodily injury, property damage, personal injury or advertising injury as defined in the *underlying insurance*.
4. "*Occurrence*" means:
  - a. With respect to bodily injury to persons other than your employees and property damage, an accident, including continuous or repeated exposure to substantially the same general harmful conditions;
  - b. With respect to bodily injury to your employees arising out of and in the course of their employment by you, the accident or disease which causes the bodily injury; and
  - c. With respect to offenses committed by the insured resulting in personal injury or advertising injury, all such injury sustained by any one person or organization.
5. "*Occurrence limit*" means any specific limit, other than an *aggregate limit*, applicable to any *underlying insurance*, regardless of whether such limit is subject to an *aggregate limit* in the *underlying policy*.
6. "*Products-completed operations hazard*":
  - a. Includes all *injury* occurring away from premises you own or rent and arising out of *your product* or *your work* except:
    - (1) Personal injury or advertising injury as defined in the *underlying insurance*;
    - (2) Products that are still in your physical possession; or
    - (3) Work that has not yet been completed or abandoned. However, *your work* will be deemed completed at the earliest of the following times:
      - (a) When all of the work called for in your contract has been completed;
      - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site; or
      - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.
  - b. Does not include *injury* arising out of:
    - (1) The transportation of property, unless the *injury* or damage arises out of a condition in or on a vehicle not owned



or operated by you, and that condition was created by the loading or unloading of that vehicle by any insured;

- (2) The existence of tools, uninstalled equipment, or abandoned or unused materials; or
- (3) Products or operations for which the classification in the General Liability *underlying policy* or in our General Liability manual or rules includes products or completed operations.

7. "*Underlying insurance*" means the liability insurance coverage provided under policies shown in the Schedule of Underlying Insurance in the Declarations, for the limits and periods indicated. It includes any policies issued to replace those policies during the term of this insurance, provided that you have notified us within 10 days of the replacement, and the replacement policies provide:

- a. At least the same policy limits;
- b. The same hazards insured against, except as modified by general program revisions; and
- c. The same coverage, including all terms, conditions and endorsements.

8. "*Underlying insurer*" means any insurer who issues a policy of *underlying insurance*.

9. "*Underlying policy*" means a policy providing *underlying insurance*.

10. "*Your product*" means:

- a. Any goods or products other than real property, manufactured, sold, handled,

distributed or disposed of by:

- (1) You;
- (2) Others trading under your name; or
- (3) A person or organization whose business or assets you have acquired; and

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

*Your product* includes:

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of *your product*; and
- b. The providing of or failure to provide warnings or instructions.

*Your product* does not include vending machines or other property rented to or located for the use of others but not sold.

11. "*Your work*" means:

- a. Work or operations performed by you or on your behalf; and
- b. Materials, parts or equipment furnished in connection with such work or operations.

*Your work* includes:

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of *your work*; and
- b. The providing of or failure to provide warnings or instructions.

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## ASBESTOS EXCLUSION

CU-7008(11-05)

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

The following exclusion is added:

### Asbestos

1. This insurance does not apply to *injury*, including but not limited to, physical or mental injury, mental anguish or shock, sickness, disease, occupational disease, disability or death, or damage to property arising out of activities re-

lated to, but not limited to, manufacture, mining, storage, distribution, installation, sale, use, exposure to, service, testing for, repair, containment or removal of asbestos, asbestos fibers, asbestos dust, or products containing asbestos.

2. The following definition applies:

*"Injury"* means bodily injury or property damage as defined in the *underlying insurance*.

This endorsement modifies insurance provided under the following:

**COMMERCIAL EXCESS LIABILITY COVERAGE FORM**

**1. This insurance does not apply to:**

**a. Any claim or accident:**

- (1) With respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2) Resulting from the *hazardous properties of nuclear material* and with respect to which:
  - (a) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954 or any law amendatory thereof; or
  - (b) The insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America or any agency thereof, under any agreement entered into by the United States of America or any agency thereof, with any person or organization.

**b. Any claim or accident resulting from the *hazardous properties of nuclear material*, if:**

- (1) The *nuclear material*:
  - (a) Is at any *nuclear facility* owned by, or operated by or on behalf of, an insured; or
  - (b) Has been discharged or dispersed therefrom;
- (2) The *nuclear material* is contained in *spent fuel* or *waste* at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
- (3) The claim or accident arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any *nuclear facility*, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to *property damage* to such *nuclear facility* and any property thereat.

**2. As used in this endorsement:**

- a. "*Hazardous properties*" include radioactive, toxic or explosive properties.
- b. "*Nuclear material*" means *source material*, *special nuclear material* or *by-product material*.
- c. "*Source material*," "*special nuclear material*" and "*by-product material*" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.
- d. "*Spent fuel*" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a *nuclear reactor*.
- e. "*Waste*" means any waste material:
  - (1) Containing *by-products material* other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its *source material* content; and
  - (2) Resulting from the operation by any person or organization of any *nuclear facility* included under the first two paragraphs of the definition of *nuclear facility*.
- f. "*Nuclear facility*" means:
  - (1) Any *nuclear reactor*;
  - (2) Any equipment or device designed or used for:
    - (a) Separating the isotopes of uranium or plutonium;
    - (b) Processing or utilizing *spent fuel*; or
    - (c) Handling, processing or packaging *waste*;
  - (3) Any equipment or device used for the processing, fabricating or alloying of *special nuclear material* if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
  - (4) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of *waste*;

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

**g.** *"Nuclear reactor"* means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

**h.** *"Property damage"* includes all forms of radioactive contamination of property.

## **EMPLOYMENT-RELATED PRACTICES LIABILITY EXCLUSION**

**CU-7050(3-03)**

This endorsement modifies insurance provided under the following:  
COMMERCIAL EXCESS LIABILITY COVERAGE FORM

This insurance does not apply to damages covered under the Employment-Related Practices Liability Coverage Form.

## FUNGI OR BACTERIA EXCLUSION

CU-7054(3-03)

The endorsement modifies insurance provided under the following:

### COMMERCIAL EXCESS LIABILITY COVERAGE FORM

1. The following exclusion is added to Paragraph 2, Exclusions of Section I - Coverages:
  - a. *Injury* or 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.

2. 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.

## WAR LIABILITY EXCLUSION

CU-7067(3-03)

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

The following exclusion is added:

This insurance does not apply to:

*Injury* or damage, however caused, arising, directly or indirectly, out of:

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



**CONDITIONAL EXCLUSION OF TERRORISM (RELATING TO DISPOSITION  
OF FEDERAL TERRORISM RISK INSURANCE ACT)**

CU-7072(1-15)

This endorsement modifies insurance provided under the following:

**COMMERCIAL EXCESS LIABILITY COVERAGE FORM**

**A. Applicability Of The Provisions Of This Endorsement**

1. The provisions of this endorsement will become applicable commencing on the date when any one or more of the following first occurs. But if your policy (meaning the policy period in which this endorsement applies) begins after such date, then the provisions of this endorsement become applicable on the date your policy begins.

a. The federal Terrorism Risk Insurance Program ("Program"), established by the Terrorism Risk Insurance Act, has terminated with respect to the type of insurance provided under this Coverage Form; or

b. A renewal, extension or replacement of the Program has become effective without a requirement to make terrorism coverage available to you and with revisions that:

(1) Increase our statutory percentage deductible under the Program for terrorism losses. (That deductible determines the amount of all certified terrorism losses we must pay in a calendar year, before the federal government shares in subsequent payment of certified terrorism losses.); or

(2) Decrease the federal government's statutory percentage share in potential terrorism losses above such deductible; or

(3) Redefine terrorism or make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other types of events or occurrences under this policy.

2. If the provisions of this endorsement become applicable, such provisions:

a. Supersede any terrorism endorsement already endorsed to this policy that addresses *certified acts of terrorism* and/or *other acts of terrorism*, but only with respect to an incident(s) of terrorism (however defined) which results in injury or damage that occurs on or after the date

when the provisions of this endorsement become applicable (for claims made policies, such an endorsement is superseded only with respect to an incident of terrorism (however defined) that results in a claim for injury or damage first being made on or after the date when the provisions of this endorsement become applicable); and

b. Remain applicable unless we notify you of changes in these provisions, in response to federal law.

3. If the provisions of this endorsement do NOT become applicable, any terrorism endorsement already endorsed to this policy, that addresses *certified acts of terrorism* and/or *other acts of terrorism*, will continue in effect unless we notify you of changes to that endorsement in response to federal law.

B. The following definitions are added and apply under this endorsement wherever the term terrorism, or the phrase any injury or damage, are shown in italics:

1. "*Terrorism*" means activities against persons, organizations or property of any nature:

a. That involve the following or preparation for the following:

- (1) Use or threat of force or violence; or
- (2) Commission or threat of a dangerous act; or
- (3) Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and

b. When one or both of the following applies:

- (1) The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
- (2) It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

2. "*Any injury or damage*" means any injury or damage covered under any Coverage Form or underlying insurance to which this en-

dorsement is applicable, and includes but is not limited to *bodily injury, property damage, personal and advertising injury, injury or environmental damage* as may be defined in any applicable Coverage Form or underlying insurance.

C. The following exclusion is added:

**EXCLUSION OF TERRORISM**

We will not pay for *any injury or damage* caused directly or indirectly by *terrorism*, including action in hindering or defending against an actual or expected incident of *terrorism*. *Any injury or damage* is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such injury or damage. **But this exclusion applies only when one or more of the following are attributed to an incident of terrorism:**

1. The *terrorism* is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
2. Radioactive material is released, and it appears that one purpose of the *terrorism* was to release such material; or
3. The *terrorism* is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the *terrorism* was to release such materials; or
5. The total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons

and entities affected by the *terrorism* and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or

6. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
  - a. Physical injury that involves a substantial risk of death; or
  - b. Protracted and obvious physical disfigurement; or
  - c. Protracted loss of or impairment of the function of a bodily member or organ.

Multiple incidents of *terrorism* which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the thresholds in Paragraphs C5 or C6 are exceeded.

With respect to this Exclusion, Paragraphs C5 and C6 describe the threshold used to measure the magnitude of an incident of *terrorism* and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of *terrorism*, there is no coverage under this Coverage Form.

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

This endorsement modifies insurance provided under the following:

**COMMERCIAL EXCESS LIABILITY COVERAGE FORM**

The following is added to Section III - Conditions:

**Cancellation**

1. The First Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the First Named Insured written notice of cancellation at least:
  - a. Ten days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. Thirty days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the First Named Insured's last mailing address known to us.

4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the First Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the First Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

**When We Do Not Renew**

1. If we decide not to renew this Coverage Part, we will mail or deliver to the First Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.
2. If notice is mailed, proof of mailing will be sufficient proof of notice.

This endorsement modifies insurance provided under the following:

## COMMERCIAL EXCESS LIABILITY COVERAGE FORM

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

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

for a *certified act of terrorism* include the following:

- 1.** The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
  - 2.** The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- B.** The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Form.

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

**CU-7087(1-15)**

This endorsement modifies insurance provided under the following:

**COMMERCIAL EXCESS LIABILITY COVERAGE FORM**

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

This insurance does not apply to:

**TERRORISM PUNITIVE DAMAGES**

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

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

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

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
  2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- C.** The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Form.

**PUBLIC OR LIVERY PASSENGER CONVEYANCE AND ON-DEMAND  
DELIVERY SERVICES EXCLUSION**

CU-7127(11-16)

This endorsement modifies insurance provided under the following:

**COMMERCIAL EXCESS LIABILITY COVERAGE FORM**

**A.** The following exclusion is added to paragraph 2 Exclusions of Section I - Coverage:

Any *covered auto* while being used:

- (1) As a public or livery conveyance for passengers. This includes, but is not limited to, any period of time a *covered auto* is being used by an insured who is logged into a *transportation network platform* as a driver, whether or not a passenger is *occupying* the *covered auto*; or
- (2) By an insured who is logged into a *transportation network platform* as a driver to provide *delivery services*, whether or not the goods, items or products to be delivered are in the *covered auto*.

**B.** If Excess Uninsured Bodily Injury and/or Underinsured Motorists Coverage is attached, then this insurance does not apply to:

**Public Or Livery Passenger Conveyance  
And On-demand Delivery Services**

Any *covered auto* while being used:

- a. As a public or livery conveyance for passengers. This includes, but is not limited to, any period of time a *covered auto* is being used by an insured who is logged into a *transportation network*

*platform* as a driver, whether or not a passenger is *occupying* the *covered auto*; or

- b. By an insured who is logged into a *transportation network platform* or *delivery network platform* as a driver to provide *delivery services*, whether or not the goods, items or products to be delivered are in the *covered auto*.

**C. Additional Definitions**

As used in this endorsement:

1. "*Delivery network platform*" means an online-enabled application or digital network used to connect customers:
  - a. With drivers; or
  - b. With local vendors using drivers;for the purpose of providing prearranged *delivery services* for compensation. A *delivery network platform* does not include a *transportation network platform*.
2. "*Delivery services*" includes courier services.
3. "*Occupying*" means in, upon, getting in, on, out or off.
4. "*Transportation network platform*" means an online-enabled application or digital network used to connect passengers with drivers using vehicles for the purpose of providing prearranged transportation services for compensation.

## **CYBER SUITE EXCLUSION**

**CU-7140(10-20)**

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE  
FORM

This insurance does not apply to damages covered under the Cyber Suite Coverage endorsement, if attached to the underlying policy.

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

**A. Disclosure Of Premium**

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

**B. Disclosure Of Federal Participation In Payment Of Terrorism Losses**

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals a percentage of that

portion of the amount of such insured losses that exceeds the applicable insurer retention. The federal share percentage is 80%. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

**C. Cap On Insurer Participation In Payment Of Terrorism Losses**

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





## DIRECTORS' AND OFFICERS' LIABILITY COVERAGE PART

### Renewal Declarations

Organization:

CHRISTOPHE CONDOMINIUM  
ASSOCIATION INC  
PO BOX 1223  
KETCHUM ID 83340

Agency Name and Number:

AMERICAN INSURANCE AND INVESTMENTS  
8078-AY

Policy Number: Z80660

Policy Period: Effective Date: 08-29-21

Expiration Date: 08-29-22

In return for the payment of the premium and subject to  
all the terms of the policy, we agree to provide the  
insurance coverage as stated in the same.

12:01 A.M. standard time at  
your mailing address shown  
in the declarations

### LIMIT OF LIABILITY

Each and every *loss* and in the aggregate each *policy period* .....\$ 1,000,000

### COVERAGE FORMS AND ENDORSEMENTS APPLICABLE TO THIS COVERAGE PART

Form Number	Form Title	Premium
CG-7154 (09-05)	Directors and Officers Liability Coverage Form - Condominium or Cooperative .....	\$
IL-0017F (11-98)	Common Policy Conditions .....	
IL-0021F (03-14)	Nuclear Energy Liability Exclusion - Broad Form .....	
IL-0204F (03-14)	Idaho Changes - Cancellation and Nonrenewal .....	
IL-7012 (01-18)	Asbestos Exclusion .....	
Advance Endorsement Premium .....		\$

### PREMIUM SUMMARY

Advance Premium .....	\$ 350.00
Advance Endorsement Premium .....	
<b>Total Advance Premium .....</b>	<b>\$ 350.00</b>

### ADDITIONAL NAMED INSUREDS

*Named insured* includes the following Additional Named Insureds:

HARRIMAN PLACE



# DIRECTORS AND OFFICERS LIABILITY COVERAGE FORM - CONDOMINIUM OR COOPERATIVE

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## DIRECTORS AND OFFICERS LIABILITY COVERAGE FORM - CONDOMINIUM OR COOPERATIVE

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

Throughout this policy the words "you" and "your" refer to the organization shown in the Declarations.

The words "we," "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in italics have special meaning. Refer to the Definitions Section.

### COVERAGE

#### 1. Insuring Agreement

In consideration of the payment of the premium and subject to the terms, conditions and limitations of the policy, we will provide the insurance coverage stated herein. We agree to pay on behalf of the *named insured* or an *insured person* all loss which they, individually or collectively, shall become legally obligated to pay. This insurance applies to loss arising out of a *wrongful act* committed during the *policy period*.

#### 2. Exclusions

The *wrongful act* of any *insured person* shall not be imputed to the *named insured* or to any other *insured person* for the purpose of determining the applicability of the following exclusions.

This coverage shall not apply to any loss:

- a. Based on or attributable to bodily or personal injury, mental injury or anguish, counseling injury, sickness, disease or death of any person, or to damages or destruction of any tangible property including loss of use.
- b. Based on or attributable to any failure or omission on the part of the *named insured* or an *insured person* to effect, procure or maintain insurance, or failure or omission with respect to insurance amount, form, conditions or provisions.
- c. Arising out of the violation of any "civil rights" law. This means any federal, state or local ordinance, including (but not limited to) discrimination on account of race, religion, sex or age.
- d. Based on or attributable to an *insured person* gaining in fact any personal profit or advantage to which they were not legally entitled.
- e. For damages arising out of any dishonest, fraudulent, criminal or malicious act or willful violation of any statute. This includes fines or penalties resulting therefrom.
- f. Arising from or in connection with any claim for the return by an *insured person* of any remuneration paid in fact to them if such remuneration shall be held by the courts to

be in violation of the law.

- g. Based on the Employee Retirement Income Security Act of 1974, Public Law 93-406 and amendments thereto, or similar provisions of any federal, state or local statutory or common law. Public Law 93-406 is commonly referred to as the Pension Reform Act of 1974.
- h. Based on or attributable to any statutory or common law relating to the purchase, sale or disposition of securities.
- i. Based on or attributable to any salary, compensation or bonuses voted to any *insured person* by the Board of Directors of the *named insured*.
- j. For other than money damages.
- k. For the payment of punitive or exemplary damages.
- l. 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.
- m. Based on or attributable to the transmission of any communicable disease.
- n. Based on or attributable to:
  - (1) The actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants; or
  - (2) Any loss, cost or expense arising out of any governmental direction or request, including but not limited to testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- o. Based on or attributable to any sexual act, including but not limited to molestation, incest or rape.

## LIMIT OF LIABILITY

1. The most we will pay for all *loss* caused by a *wrongful act* committed during the *policy period* is the Limit of Liability as shown in the Declarations.
2. Subject to the foregoing, our liability for each

and every *loss* shall be the Limit of Liability shown in the Declarations and shall be our maximum liability in each *policy period* (regardless of the time of payment by us).

## COSTS, CHARGES AND EXPENSES

1. No costs, charges or expenses shall be incurred or settlements made without our consent. We will not unreasonably withhold such consent. If such consent is given, we will pay such costs, settlements, charges or expenses. We may at any time take over the defense of any claim or suit covered by this Coverage Part, including the right to appeal a judgment at our own cost and expense.
2. We may, at our option and upon request, advance on behalf of the *insured persons* (jointly or severally) expenses which they have incurred in connection with claims made against them prior to disposition of such claims, provided that if it is established we have no liability hereunder, such *insured persons* agree to repay us upon demand all monies so advanced.

## GENERAL CONDITIONS

### 1. Notice of Claim

- a. You and any other *insured person* must see to it that we are notified as soon as practicable when an *insured person* becomes aware of a *wrongful act* which may result in a claim. This notice shall be in writing and include how, when and where the *wrongful act* took place as well as any other reasonably obtainable information.
- b. If a claim is made or suit is brought against you or an *insured person*, you must:
  - (1) Immediately record the specifics of the claim or suit and the date received; and
  - (2) Notify us in writing as soon as practicable.
- c. You and any other involved *insured person* must:
  - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit;
  - (2) Authorize us to obtain records and other information;
  - (3) Cooperate with us in the investigation or settlement of the claim or defense against the suit; and
  - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of *loss* to which this insurance may also apply.

### 2. Action Against Company

No action shall lie against us unless, as a condition precedent thereto, there shall have

been full compliance with all of the terms of this Coverage Part, nor until the amount of the *named insured's* obligation to pay shall have been finally determined either by judgment against the *named insured* after actual trial or by written agreement of the *named insured*, the claimant and us.

Any person or organization or their legal representative who has secured such judgment or written agreement shall be entitled to recover under this Coverage Part to the extent of the insurance afforded by this Coverage Part. No person or organization shall have any right under this Coverage Part to join us as a party to any action against the *named insured* to determine the *named insured's* liability. We shall not be impleaded by the *named insured* or its legal representative. Bankruptcy or insolvency of the *named insured* shall not relieve us of any of our obligations.

### 3. Organization Authorization Clause

By acceptance of this Coverage Part, the organization shown in the Declarations agrees to act on behalf of all *insured persons* with respect to the giving and receiving of notice of cancellation, the payment of premiums and the receiving of any return premiums that may become due under this Coverage Part, and the *insured persons* agree that the *named insured* shall act on their behalf.

### 4. Admission of Liability

The *insured persons* shall not make any admission of liability, nor shall they authorize any other officers, employees or other persons to make any admission of liability in connection with any claim without obtaining our written consent.

## 5. Subrogation

In the event of any payment under this Coverage Part, we shall be subrogated to the extent of such payment to all rights of recovery therefore. The *named insured* or the *insured persons*, shall execute all papers required and shall do everything that may be necessary to secure and preserve such rights including the execution of such documents necessary to enable us effectively to bring suit in the name of the *insured persons*.

## 6. Cooperation of the Directors, Officers or Trustees

The *insured persons* shall cooperate with us and assist us in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization. The *insured persons* shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses.

## 7. Appeals

In the event an *insured person* elects not to appeal a judgment, we may elect to make such appeal at our own cost and expense and shall be liable for the taxable costs and disbursements and interests incidental thereto, but in no event shall our liability exceed the Limit of Liability as provided herein.

## 8. Other Insurance

When the *named insured* or an *insured person*

has other insurance against loss covered by this Coverage Part, we will not be liable under this Coverage Part for a greater proportion of such loss than the applicable limit under this Coverage Part bears to the total applicable Limit of Liability of all valid and collectible insurance against such loss.

## 9. Declarations

By acceptance of this Coverage Part, the *named insured* agrees that the statements in the Declarations are its agreements and representations. You also agree this Coverage Part is issued in reliance upon the truth of such representations and that this Coverage Part embodies all agreements existing between itself and us or any of our agents relating to this insurance.

## 10. Conformance to Statute

Terms of this Coverage Part which are in conflict with the statutes of states where coverages included in this Coverage Part are not permitted, are amended to cover only those provisions and coverages as apply and conform to such statutes.

## 11. First Named Insured

The first legal entity shown as an organization in the Declarations will be the First Named Insured for this policy.

# DEFINITIONS

1. "*Insured person*" means all directors, officers or trustees of the *named insured* including:

- a. The estates, heirs, legal representatives or assigns of the deceased persons who were *insured persons* at the time of the *wrongful act* upon which claims are based; and
- b. The legal representatives or assigns of said *insured persons* in the event of their incompetency, insolvency or bankruptcy.

2. "*Loss*" means any amount which an *insured person* is legally obligated to pay or which the *named insured* may be required or permitted by law to pay as indemnity to an *insured person* for *wrongful acts*. Any series of related *wrongful acts* committed during the *policy period* shall be considered a single *wrongful act*.

The amount payable includes but is not limited to damages, judgments and settlements.

Loss shall not include fines or penalties imposed by law or matters which may be deemed uninsurable.

3. "*Named insured*" means the organization shown in the Declarations.
4. "*Policy period*" means the period of one year following the effective date and hour of this policy or any anniversary thereof, or if the time between the effective date or any anniversary and termination of the policy is less than one year, such lesser period.
5. "*Wrongful act*" means any actual or alleged error or misstatement or misleading statement or act or omission or neglect or breach of duty by an *insured person* in the discharge of their duties, individually or collectively. It also includes any matter claimed against them solely by reason of their being *insured persons*.

All Coverage Parts included in this policy are subject to the following conditions.

**A. CANCELLATION**

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

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

a. Ten days before the effective date of cancellation if we cancel for nonpayment of premium; or

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

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

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

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

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

**B. CHANGES**

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

**C. EXAMINATION OF YOUR BOOKS AND RECORDS**

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

**D. INSPECTIONS AND SURVEYS**

1. We have the right to:

a. Make inspections and surveys at any time;

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

c. Recommend changes.

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

a. Are safe or healthful; or

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

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

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

**E. PREMIUMS**

The First Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and

2. Will be the payee for any return premiums we pay.

**F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY**

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

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

## NUCLEAR ENERGY LIABILITY EXCLUSION - BROAD FORM

IL-0021F(3-14)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTO COVERAGE PART

COMMERCIAL GENERAL LIABILITY COVERAGE PART

DIRECTORS' AND OFFICERS' LIABILITY COVERAGE PART

EMPLOYEE BENEFITS LIABILITY COVERAGE PART

ERRORS AND OMISSIONS COVERAGE PART

FARM COVERAGE PART

LIQUOR LIABILITY COVERAGE FORM

OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM

POLLUTION LIABILITY COVERAGE FORM

PRODUCT WITHDRAWAL COVERAGE PART

PRODUCTS-COMPLETED OPERATIONS LIABILITY COVERAGE FORM

RAILROAD PROTECTIVE LIABILITY COVERAGE FORM

### 1. The insurance does not apply:

#### a. Under any Liability Coverage to *bodily injury* or *property damage*:

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

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

- (a) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954 or any law amendatory thereof; or
- (b) The insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

#### b. Under any Medical Payments coverage, to expenses incurred with respect to *bodily injury* resulting from the *hazardous properties* of *nuclear material* and arising out of the operation of a *nuclear facility* by any person or organization.

#### c. Under any Liability Coverage, to *bodily injury* or *property damage* resulting from the *hazardous properties* of *nuclear material*, if:

- (1) The *nuclear material*:

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

- (b) Has been discharged or dispersed therefrom.

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

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

### 2. As used in this endorsement:

#### a. "*Hazardous properties*" include radioactive, toxic or explosive properties.

#### b. "*Nuclear material*" means *source material*, *special nuclear material* or *byproduct material*.

#### c. "*Source material*," "*special nuclear material*" and "*byproduct material*" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

#### d. "*Spent fuel*" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a *nuclear reactor*.

#### e. "*Waste*" means any waste material:

- (1) Containing *byproducts material* other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its *source material* content; and

- (2) Resulting from the operation by any person or organization of any *nuclear facility* included under the first two paragraphs of the definition of *nuclear facility*.

#### f. "*Nuclear facility*" means:

- (1) Any *nuclear reactor*;

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

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

- (b) Processing or utilizing *spent fuel*; or



- (c) Handling, processing or packaging waste.
- (3) Any equipment or device used for the processing, fabricating or alloying of *special nuclear material* if at any time the total amount of such material in the custody of the *insured* at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235.
- (4) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste;  
and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.
- g. "*Nuclear reactor*" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.
- h. "*Property damage*" includes all forms of radioactive contamination of property.

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART  
 COMMERCIAL CRIME COVERAGE PART  
 COMMERCIAL GENERAL LIABILITY COVERAGE PART  
 COMMERCIAL INLAND MARINE COVERAGE PART  
 COMMERCIAL PROPERTY COVERAGE PART  
 DIRECTORS' AND OFFICERS' LIABILITY COVERAGE PART  
 EMPLOYEE BENEFITS LIABILITY COVERAGE PART  
 EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
 ERRORS AND OMISSIONS COVERAGE PART  
 LIQUOR LIABILITY COVERAGE FORM  
 POLLUTION LIABILITY COVERAGE FORM  
 PRODUCT WITHDRAWAL COVERAGE PART  
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE FORM

A. Paragraphs 1 and 2 of the Cancellation Common Policy Condition are replaced by the following:

1. The First Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation. Cancellation will be effective on the later of the date requested by the First Named Insured or the date we receive the request.

**2. Policies In Effect**

**a. 60 Days Or Less**

If this policy has been in effect for 60 days or less, we may cancel this policy by mailing or delivering to the First Named Insured written notice of cancellation at least:

- (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium. If delivered via United States mail, the 10 day notification period begins to run 5 days following the date of postmark; or
- (2) 30 days before the effective date of cancellation if we cancel for any other reason.

**b. More Than 60 Days**

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 for one or more of the following reasons:

- (1) Nonpayment of premium;
- (2) Fraud or material misrepresentation made by you or with your knowledge in obtaining the policy, con-

tinuing the policy or in presenting a claim under the policy;

- (3) Acts or omissions on your part which increase any hazard insured against;
- (4) Change in the risk which materially increases the risk of loss after the policy has been issued or renewed including, but not limited to, an increase in exposure due to regulation, legislation or court decision;
- (5) Loss of or decrease in reinsurance which provided us with coverage for all or part of the risk insured;
- (6) A determination by the Director of Insurance that continuation of this policy would jeopardize our solvency or place us in violation of the insurance laws of Idaho or any other state; or
- (7) Violation or breach by the insured of any policy terms or conditions other than nonpayment of premium.

We will mail or deliver written notice of cancellation to the First Named Insured at least:

- (a) 10 days before the effective date of cancellation if we cancel for nonpayment of premium. If delivered via United States mail, the 10 day notification period begins to run 5 days following the date of postmark; or
- (b) 30 days before the effective date of cancellation if we cancel for any other reason stated in 2b above.

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

**NONRENEWAL**

1. If we elect not to renew this policy, we will mail or deliver to the First Named Insured a written notice of intention not to renew at least 45 days prior to the expiration or anniversary date of the policy.
2. We will mail or deliver our notice to the First Named Insured's last mailing address known to us.
3. If notice is not mailed or delivered at least 45 days before the expiration or anniversary date of this policy, this policy will remain in effect until 45 days after notice is mailed or delivered. Earned premium for the extended period of coverage will be calculated pro

rata at the rates applicable to the expiring policy.

4. We need not mail or deliver this notice if:
  - a. We have offered to renew this policy;
  - b. You have obtained replacement coverage; or
  - c. You have agreed in writing to obtain replacement coverage.
5. If notice is mailed, proof of mailing will be sufficient proof of notice.

**C. The following Condition is added:**

**PREMIUM OR COVERAGE CHANGES AT RENEWAL**

1. If we elect to renew this policy, we will mail or deliver written notice of any total premium increase greater than ten (10%) which is the result of a comparable increase in premium rates, change in deductible, reduction in limits or reduction in coverage to the First Named Insured, at the last mailing address known to us.
2. Any such notice will be mailed or delivered to the First Named Insured at least 30 days

before the expiration or anniversary date of the policy.

3. If notice is not mailed or delivered at least 30 days before the expiration or anniversary date of the policy, the premium, deductible, limits and coverage in effect prior to the changes will remain in effect until the earlier of the following:
  - a. 30 days after notice is given; or
  - b. The effective date of replacement coverage obtained by the First Named Insured.
4. If the First Named Insured accepts the renewal, the premium increase, if any, and other changes will be effective on and after the first day of the renewal term.
5. If the First Named Insured elects not to renew, any earned premium for the resulting extended period of coverage will be calculated pro rata at the lower of the new rates or rates applicable to the expiring policy.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

## ASBESTOS EXCLUSION

IL-7012(1-18)

This endorsement modifies insurance provided under the following:

BIS-PAK® BUSINESS LIABILITY AND MEDICAL  
EXPENSE COVERAGE FORM  
COMMERCIAL AUTO COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
DIRECTORS' AND OFFICERS' LIABILITY COVERAGE  
PART  
EMPLOYEE BENEFITS LIABILITY COVERAGE PART  
ERRORS AND OMISSIONS COVERAGE PART  
GARAGE COVERAGE FORM  
LIQUOR LIABILITY COVERAGE FORM  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY  
COVERAGE FORM  
POLLUTION LIABILITY COVERAGE FORM  
PRODUCT WITHDRAWAL COVERAGE PART

PRODUCTS-COMPLETED OPERATIONS LIABILITY  
COVERAGE FORM  
RAILROAD PROTECTIVE LIABILITY COVERAGE FORM  
RESIDENTIAL CARE FACILITY LIABILITY COVERAGE  
PART

The following exclusion is added:

### **Asbestos**

This insurance does not apply to any *bodily injury* or *property damage* arising out of activities related to, but not limited to, manufacture, mining, storage, distribution, installation, sale, use, exposure to, service, testing for, repair, containment or removal of asbestos, asbestos fibers, asbestos dust, or products containing asbestos.



Acuity, A Mutual Insurance Company

## EMPLOYMENT - RELATED PRACTICES LIABILITY COVERAGE PART

### Renewal Declarations

First Named Insured and Address:

CHRISTOPHE CONDOMINIUM  
ASSOCIATION INC  
PO BOX 1223  
KETCHUM ID 83340

Agency Name and Number:

AMERICAN INSURANCE AND INVESTMENTS  
8078-AY

Policy Number: Z80660

Policy Period: Effective Date: 08-29-21

Expiration Date: 08-29-22

In return for the payment of the premium and subject to  
all the terms of the policy, we agree to provide the  
insurance coverage as stated in the same.

12:01 A.M. standard time at  
your mailing address shown  
in the declarations

**This is a claims-made policy. Please read the entire form carefully.**

### LIMIT OF INSURANCE

Limit of Insurance .....	\$	100,000
Deductible Amount .....	\$	500

### RETROACTIVE DATE

This insurance does not apply to a wrongful act if the offense out of which the wrongful  
act arose commences before the retroactive date, if any, shown below.

Retroactive Date: 08-29-17

### PENDING OR PRIOR LITIGATION DATE

Pending or Prior Date: 08-29-17

### CLASSIFICATION AND PREMIUM

Unit No.	Classification Description	Class Code	Premium Base <sup>1</sup>	Rate	Advance Premium
004	Hotels, Rooming Houses, Camps And Other Lodging Places	67070	10	20.700	\$ 207.00
<b>Advance Premium .....</b>					<b>\$ 207.00</b>

<sup>1</sup>Employees - Rates Apply Per Employee

### COVERAGE FORMS AND ENDORSEMENTS APPLICABLE TO THIS COVERAGE PART

Policy Number: Z80660  
Effective Date: 08-29-21

Form Number	Form Title	Premium
IL-0017F (11-98)	Common Policy Conditions .....	\$
EP 01 21 (09-07)	Nuclear Energy Liability Exclusion Endorsement (Broad Form) .....	
EP 00 01 (11-09)	Employment-Related Practices Liability Coverage Form .....	
IL-0204F (03-14)	Idaho Changes - Cancellation and Nonrenewal .....	
EP 70 06 (08-16)	Premium Audit Change .....	
<b>Advance Endorsement Premium .....</b>		<b>\$</b>

**PREMIUM SUMMARY**

Advance Premium .....	\$	207.00
Advance Endorsement Premium .....		
<b>Total Advance Premium .....</b>	<b>\$</b>	<b>207.00</b>

The Total Advance Premium shown above is based on the exposures you told us you would have when this coverage part began. We will audit this coverage part in accordance with the premium condition at the close of the audit period.

**AUDIT PERIOD**

Annual

**FIRST NAMED INSURED IS:**

ORGANIZATION OTHER THAN PARTNERSHIP, JOINT VENTURE OR LIMITED LIABILITY COMPANY

**ADDITIONAL NAMED INSUREDS**

*Named insured* includes the following Additional Named Insureds:

HARRIMAN PLACE

# EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE FORM

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# EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE FORM

THIS FORM PROVIDES CLAIMS-MADE AND REPORTED COVERAGE.  
PLEASE READ THE ENTIRE FORM CAREFULLY.

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

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II - Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section VII - Definitions.

## SECTION I - EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE

### A. Insuring Agreement

1. We will pay those sums the insured becomes legally obligated to pay as damages resulting from a "wrongful act" 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 because of a "wrongful act" to which this insurance does not apply. We may, at our discretion, investigate any incident that may result from a "wrongful act". We may, with your written consent, settle any "claim" that may result. But:

- a. The amount we will pay for damages and "defense expenses" is limited as described in Section III - Limit Of Insurance and in Section IV - Deductible; and
- b. The coverage and duty to defend provided by this policy will end when we have used up the applicable limit of insurance for "defense expenses" or the payment of judgments or settlements.

No other obligation or liability to pay sums, such as civil or criminal fines, imposed on you or any other insured, or to perform acts or services is covered unless explicitly provided for under Supplementary Payments.

2. This insurance applies to "wrongful acts" only if:

- a. The "wrongful act" takes place in the "coverage territory";
- b. The "wrongful act" did not commence before the Retroactive Date, if any, shown in the Declarations or after the end of the policy period; and
- c. A "claim" against any insured for damages because of the "wrongful act" is first made during the policy period or the Section VI - Extended Reporting Period, if provided, in accordance with Paragraphs 3. and 4. below.

3. A "claim" will be deemed to have been made at the earlier of the following times:

- a. When notice of such "claim", after being received by any insured, is reported to us in writing; or
- b. When a "claim" against an insured is made directly to us in writing.

A "claim" received by the insured during the policy period and reported to us within 30 days after the end of the policy period will be considered to have been reported within the policy period. However, this 30-day grace period does not apply to "claims" that are covered under any subsequent insurance you purchase, or that would be covered but for exhaustion of the amount of insurance applicable to such "claims".

4. If during the policy period you become aware of a "wrongful act" that may reasonably be expected to give rise to a "claim" against any insured, you must provide notice to us in accordance with the provisions of Section V, Condition C. Duties In The Event Of A Claim Or Wrongful Act That May Result In A Claim. If such notice is provided, then any "claim" subsequently made against any insured arising out of that "wrongful act" shall be deemed under this policy to be a "claim" made during the policy period in which the "wrongful act" was first reported to us.



5. All "claims" for damages because of a "wrongful act" committed against the same person, including damages claimed by any person for care, loss of services or death resulting at any time from the "wrongful act", will be deemed to have been made at the time the first of such "claims" is made, regardless of the number of "claims" subsequently made.

## **B. Exclusions**

This insurance does not apply to:

### **1. Criminal, Fraudulent Or Malicious Acts**

An insured's liability arising out of criminal, fraudulent or malicious acts or omissions by that insured.

This exclusion does not affect our duty to defend, in accordance with Paragraph **A.1.** above, an insured prior to determining, through the appropriate legal processes, that that insured is responsible for a criminal, fraudulent or malicious act or omission.

### **2. Contractual Liability**

Any "wrongful act" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

### **3. Workers' Compensation And Similar Laws**

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

### **4. Violation Of Laws Applicable To Employers**

A violation of your responsibilities or duties required by any other federal, state or local statutes, rules or regulations, and any rules or regulations promulgated therefor or amendments thereto, except for the following, and including amendments thereto: Title VII of the Civil Rights Act of 1964, the Americans With Disabilities Act, the Age Discrimination in Employment Act, the Equal Pay Act, the Pregnancy Discrimination Act of 1978, the Immigration Reform and Control Act of 1986, the Family and Medical Leave Act of 1993 and the Genetic Information Nondiscrimination Act of 2008 or any other similar state or local statutes, rules or regulations to the extent that they prescribe responsibilities or duties concerning the same acts or omissions.

However, this insurance does not apply to a "wrongful act" arising out of your failure to comply with any of the accommodations for the disabled required of you by, or any expenses incurred as the result of physical modifications made to accommodate any person pursuant to, the Americans With Disabilities Act, or any amendments thereto, or any similar state or local statutes, rules or regulations to the extent that they prescribe responsibilities or duties concerning the same acts or omissions.

This Exclusion **4.** does not apply to any "claim" for retaliatory treatment by an insured against any person making a "claim" pursuant to such person's rights under any statutes, rules or regulations.

### **5. Strikes And Lockouts**

Any "wrongful act" committed against any striking or locked-out "employee", or to an "employee" who has been temporarily or permanently replaced due to any labor dispute.

### **6. Prior Or Pending Litigation**

Any "claim" or "suit" against any insured which was pending on, or existed prior to, the applicable Pending or Prior Litigation Date shown in the Declarations, or any "claim" or "suit" arising out of the same or substantially the same facts, circumstances or allegations which are the subject of, or the basis for, such "claim" or "suit".

### **7. Prior Notice**

Any "wrongful act" alleged or contained in any "claim" which has been reported, or for which, in any circumstance, notice has been given, under any other prior insurance policy providing essentially the same type of coverage.

## **C. Supplementary Payments**

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

1. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
2. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limit of insurance nor be subject to Section IV - Deductible.

## SECTION II - WHO IS AN INSURED

- A. If you are designated in the Declarations as:
1. An individual, you and your spouse are insureds.
  2. A partnership or joint venture, you are an insured. Your partners or members are also insureds.
  3. A limited liability company, you are an insured. Your members and managers are also insureds.
  4. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are also insureds.
- B. Your "employees" are also insureds, unless otherwise excluded in this policy.
- C. Your former "employees" are also insureds, unless otherwise excluded in this policy, but only with respect to "wrongful acts" committed while in your employ.
- D. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if no other similar insurance applies to that organization. You must notify us of such acquisition or formation as soon as practicable. However, coverage under this provision:
1. Is afforded only until the 90th day after you acquire or form the organization, or until the end of the policy period, whichever is earlier; and
  2. Does not apply to a "wrongful act" committed before you acquired or formed the organization.

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

## SECTION III - LIMIT OF INSURANCE

- A. The Limit of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
1. Insureds;
  2. "Claims" made or "suits" brought; or
  3. Persons, organizations or government agencies making "claims" or bringing "suits".
- B. The Limit of Insurance is the most we will pay for the sum of:
1. All damages; and

### 2. All "defense expenses"

because of all "wrongful acts" to which this insurance applies.

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

## SECTION IV - DEDUCTIBLE

- A. We will not pay for our share of damages and "defense expenses" until the amount of damages and "defense expenses" exceeds the Deductible shown in the Declarations. We will then pay the amount of damages and "defense expenses" in excess of the Deductible, up to the limit of insurance.

### Example No. 1

Deductible: \$5,000

Limit of Insurance: \$100,000

Damages and "Defense Expenses": \$75,000

The Deductible will be subtracted from the amount of damages and "defense expenses" in calculating the amount payable:

$\$75,000 - \$5,000 = \$70,000$  Amount Payable

### Example No. 2

Deductible: \$5,000

Limit of Insurance: \$100,000

Damages and "Defense Expenses": \$120,000

The Deductible will be subtracted from the amount of damages and "defense expenses" ( $\$120,000 - \$5,000 = \$115,000$ ). Since the amount of the damages and "defense expenses" minus the Deductible exceeds the Limit of Insurance, the policy will pay the full Limit of Insurance (\$100,000).

- B. The Deductible amount shown in the Declarations applies to all "claims" arising out of:
1. The same "wrongful acts"; or
  2. A series of incidents, circumstances or behaviors which arise from a common cause
- regardless of the number of persons, organizations or government agencies making such "claims".
- C. We may pay any part or all of the Deductible amount to effect settlement of any "claim" and, upon notification of the action taken, you shall promptly reimburse us for such part of the Deductible amount as has been paid by us.

## SECTION V - CONDITIONS

### A. Bankruptcy

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

### B. Consent To Settle

If we recommend a settlement to you which is acceptable to the claimant, but to which you do not consent, the most we will pay as damages in the event of any later settlement or judgment is the amount for which the "claim" could have been settled, to which you did not give consent, less any deductible.

### C. Duties In The Event Of A Claim Or Wrongful Act That May Result In A Claim

1. If a "claim" is received by any insured, you must:
  - a. Immediately record the specifics of the "claim" and the date received; and
  - b. Notify us, in writing, as soon as practicable.
2. You and any other involved insured must:
  - a. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim";
  - b. Authorize us to obtain records and other information;
  - c. Cooperate with us in the investigation or settlement of the "claim" or defense against the "suit"; and
  - d. Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of a "wrongful act" to which this insurance may also apply.
3. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense without our written consent.
4. If you become aware of a "wrongful act" that may reasonably be expected to give rise to a "claim" and for which a "claim" has not yet been received, you must notify us, in writing, as soon as practicable. Such notice must provide:
  - a. The description of the "wrongful act", including all relevant dates;
  - b. The names of the persons involved in the "wrongful act", including names of the potential claimants;

- c. Particulars as to the reasons why you became aware of and reasonably expect a "claim" which may result from such "wrongful act";
- d. The nature of the alleged or potential damages arising from such "wrongful act"; and
- e. The circumstances by which the insured first became aware of the "wrongful act".

### D. Legal Action Against Us

No person or organization has a right under this policy:

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

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

We will also not be liable for the insured's share of any payment due because of a settlement or judgment for which the insured is responsible under Section IV - Deductible.

### E. Other Insurance

If other valid and collectible insurance is available to the insured, our obligations are limited as follows:

#### 1. Primary Insurance

This insurance is primary. We will not seek contribution from any other insurance available to you or the involved insured unless the other insurance is specifically designed to provide coverage because of liability arising out of a "wrongful act". Then we will share with that other insurance by the method described below.

#### 2. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the liability remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

The method chosen for the handling of other valid insurance will not affect your responsibility to share with us as specified under Section IV - Deductible.

#### **F. Premium Audit**

1. We will compute all premiums for this policy in accordance with our rules and rates.
2. Premium shown in this policy as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
3. The first Named Insured must keep records of the information we need for premium computation and send us copies at such times as we may request.
4. We will waive the premium audit only with your consent.

#### **G. Representations**

By accepting this policy, you agree that:

1. The statements in the Declarations are accurate and complete;
2. Those statements are based upon representations you made to us; and
3. We have issued this policy in reliance upon your representations.

#### **H. Separation Of Insureds**

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

1. As if each Named Insured were the only Named Insured; and
2. Separately to each insured against whom "claim" is made.

#### **I. Transfer Of Rights Of Recovery Against Others To Us**

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

#### **J. If You Are Permitted To Select Defense Counsel**

If, by mutual agreement or court order, the insured is given the right to select defense counsel and the Limit of Insurance has not been used up, the following provisions apply:

1. We retain the right, at our discretion, to:
  - a. Settle, approve or disapprove the settlement of any "claim"; and
  - b. Appeal any judgment, award or ruling at our expense.
2. You and any other involved insured must:
  - a. Continue to comply with Section V - Paragraph C. Duties In The Event Of A Claim Or Wrongful Act That May Result In A Claim Condition as well as the other provisions of this policy; and
  - b. Direct defense counsel of the insured to:
    - (1) Furnish us with the information we may request to evaluate those "suits" for coverage under this policy; and
    - (2) Cooperate with any counsel we may select to monitor or associate in the defense of those "suits".
3. If we defend you under a reservation of rights, both your and our counsel will be required to maintain records pertinent to your "defense expenses". These records will be used to determine the allocation of any "defense expenses" for which you may be solely responsible, including defense of an allegation not covered by this insurance.

#### **K. Transfer Of Duties When Limit Of Insurance Is Used Up**

1. If we conclude that, based on "claims" which have been reported to us and to which this insurance may apply, the Limit of Insurance is likely to be used up in the payment of judgments or settlements for damages or the payment of "defense expenses", we will notify the first Named Insured, in writing, to that effect.

2. When the Limit of Insurance has actually been used up in the payment of judgments or settlements for damages or the payment of "defense expenses", we will:
  - a. Notify the first Named Insured in writing, as soon as practicable, that such a limit has actually been used up, and that our duty to defend the insured against "suits" seeking damages subject to that limit has also ended;
  - b. Initiate, and cooperate in, the transfer of control, to any appropriate insured, of all "suits" for which the duty to defend has ended for the reason described in Paragraph 2.a. above and which are reported to us before that duty to defend ended; and
  - c. Take such steps, as we deem appropriate, to avoid a default in, or continue the defense of, such "suits" until such transfer is completed, provided the appropriate insured is cooperating in completing such transfer.
3. When 2.a. above has occurred, the first Named Insured, and any other insured involved in a "suit" seeking damages subject to that limit, must:
  - a. Cooperate in the transfer of control of "suits"; and
  - b. Arrange for the defense of such "suit" within such time period as agreed to between the appropriate insured and us. Absent any such agreement, arrangements for the defense of such "suit" must be made as soon as practicable.
4. We will take no action with respect to defense for any "claim" if such "claim" is reported to us after the applicable limit of insurance has been used up. It becomes the responsibility of the first Named Insured, and any other insured involved in such a "claim", to arrange defense for such "claim".
5. The first Named Insured will reimburse us as soon as practicable for expenses we incur in taking those steps we deem appropriate in accordance with Paragraph 2. above.
6. The exhaustion of the applicable limit of insurance and the resulting end of our duty to defend will not be affected by our failure to comply with any of the provisions of this Condition.

#### **L. When We Do Not Renew**

If we decide not to renew this policy, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal at least 30 days before the end of the policy period, or earlier if required by the state law or regulation controlling the application of this Coverage Part.

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

#### **SECTION VI - EXTENDED REPORTING PERIOD**

- A. You will have the right to purchase an Extended Reporting Period from us if:
  1. This Coverage Part is cancelled or not renewed for any reason; or
  2. We renew or replace this Coverage Part with insurance that:
    - a. Has a Retroactive Date later than the date shown in the Declarations of this Coverage Part; or
    - b. Does not apply to "wrongful acts" on a claims-made basis.
- B. An Extended Reporting Period, as specified in Paragraph A. above, lasts three years and is available only by endorsement and for an additional charge.
- C. The Extended Reporting Period starts with the end of the policy period. It does not extend the policy period or change the scope of coverage provided. It applies only to "claims" to which the following applies:
  1. The "claim" is first made during the Extended Reporting Period;
  2. The "wrongful act" occurs before the end of the policy period; and
  3. The "wrongful act" did not commence before the Retroactive Date, if any.
- D. You must give us a written request for the Extended Reporting Period Endorsement within 30 days after the end of the policy period or the effective date of cancellation, whichever comes first.
- E. The Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due and any premium or deductible you owe us for coverage provided under this policy. Once in effect, the Extended Reporting Period may not be cancelled.

F. We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:

1. The exposures insured;
2. Previous types and amounts of insurance;
3. Limit of Insurance available under this policy for future payment of damages; and
4. Other related factors.

The additional premium will not exceed 200% of the annual premium for this policy.

G. When the Extended Reporting Period Endorsement is in effect, we will provide a Supplemental Limit of Insurance for any "claim" first made during the Extended Reporting Period.

The Supplemental Limit of Insurance will be equal to the dollar amount shown in the Declarations in effect at the end of the policy period.

Paragraph B. of Section III - Limit Of Insurance will be amended accordingly.

## SECTION VII - DEFINITIONS

A. "Claim" means a "suit" or demand made by or for a current, former or prospective "employee" for damages because of an alleged "wrongful act".

B. "Coverage territory" means:

1. The United States of America (including its territories or possessions) and Puerto Rico; or
2. All parts of the world if the insured's responsibility to pay damages is determined in a "suit" on the merits brought in the territory described in Paragraph 1. above or in a settlement we agree to.

C. "Defense expenses" means payments allocated to a specific "claim" we investigate, settle or defend, for its investigation, settlement or defense, including:

1. Fees and salaries of attorneys and paralegals we retain, including attorneys and paralegals who are our "employees".
2. Fees of attorneys the insured retains when, by our mutual agreement or court order (or when required by administrative hearing or proceeding), the insured is given the right to retain defense counsel to defend against a "claim".
3. All other litigation or administrative hearing expenses, including fees or expenses of expert witnesses hired either by us or by the defense attorney retained by an insured.
4. Reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the "claim", including actual loss of earnings up to \$250 a day because of time off from work.

5. Costs taxed against the insured in the "suit".

"Defense expenses" does not include salaries and expenses of our "employees" or the insured's "employees" (other than those described in Paragraphs 1. and 4. above).

D. "Discrimination" means violation of a person's civil rights with respect to such person's race, color, national origin, religion, gender, marital status, age, sexual orientation or preference, physical or mental condition, or any other protected class or characteristic established by any federal, state or local statutes, rules or regulations.

E. "Employee" includes a "leased worker" and a "temporary worker" but does not include an independent contractor.

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

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

H. "Suit" means a civil proceeding in which damages because of a "wrongful act" to which this insurance applies are alleged, including:

1. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent;
2. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent; or
3. Any administrative proceeding or hearing conducted by a governmental agency (federal, state or local) having the proper legal authority over the matter in which such damages are claimed.

I. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or shortterm workload conditions.

J. "Wrongful act" means one or more of the following offenses, but only when they are employment-related:

1. Wrongful demotion or failure to promote, negative evaluation, reassignment or discipline of your current "employee" or wrongful refusal to employ;
2. Wrongful termination, meaning the actual or constructive termination of an "employee":
  - a. In violation or breach of applicable law or public policy; or

- b.** Which is determined to be in violation of a contract or agreement, other than any employment contract or agreement, whether written, oral or implied, which stipulates financial consideration if such financial consideration is due as the result of a breach of the contract;
- 3.** Wrongful denial of training, wrongful deprivation of career opportunity or breach of employment contract;
- 4.** Negligent hiring or supervision which results in any of the other offenses listed in this definition;
- 5.** Retaliatory action against an "employee" because the "employee" has:
  - a.** Declined to perform an illegal or unethical act;
  - b.** Filed a complaint with a governmental authority or a "suit" against you or any other insured in which damages are claimed;
  - c.** Testified against you or any other insured at a legal proceeding; or
  - d.** Notified a proper authority of any aspect of your business operation which is illegal;
- 6.** Coercing an "employee" to commit an unlawful act or omission within the scope of that person's employment;
- 7.** Harassment;
- 8.** Libel, slander, invasion of privacy, defamation or humiliation; or
- 9.** Verbal, physical, mental or emotional abuse arising from "discrimination".

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT

(Broad Form)

This endorsement modifies insurance provided under the following:

EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART

1. The insurance does not apply:

A. To liability:

- (1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

B. To liability resulting from "hazardous properties" of "nuclear material", if:

- (1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;
- (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or

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

2. As used in this endorsement:

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material (a) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a) Any "nuclear reactor";
- (b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel", or (3) handling, processing or packaging "waste";
- (c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

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

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

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

## PREMIUM AUDIT CHANGE

This endorsement modifies insurance provided under the following:

### EMPLOYMENT-RELATED PRACTICES LIABILITY

Paragraph F Premium Audit is replaced by the following:

#### **F. Premium Audit**

1. We will compute all premiums for this policy in accordance with our rules and rates.
2. Premium shown in this policy as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send no-

tice to the first Named Insured. The due date for audit premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.

3. The first Named Insured must keep records of the information we need for premium computation and send us copies at such times as we may request.

All Coverage Parts included in this policy are subject to the following conditions.

**A. CANCELLATION**

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

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

a. Ten days before the effective date of cancellation if we cancel for nonpayment of premium; or

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

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

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

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

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

**B. CHANGES**

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

**C. EXAMINATION OF YOUR BOOKS AND RECORDS**

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

**D. INSPECTIONS AND SURVEYS**

1. We have the right to:

a. Make inspections and surveys at any time;

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

c. Recommend changes.

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

a. Are safe or healthful; or

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

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

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

**E. PREMIUMS**

The First Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and

2. Will be the payee for any return premiums we pay.

**F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY**

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

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

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART  
 COMMERCIAL CRIME COVERAGE PART  
 COMMERCIAL GENERAL LIABILITY COVERAGE PART  
 COMMERCIAL INLAND MARINE COVERAGE PART  
 COMMERCIAL PROPERTY COVERAGE PART  
 DIRECTORS' AND OFFICERS' LIABILITY COVERAGE PART  
 EMPLOYEE BENEFITS LIABILITY COVERAGE PART  
 EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
 ERRORS AND OMISSIONS COVERAGE PART  
 LIQUOR LIABILITY COVERAGE FORM  
 POLLUTION LIABILITY COVERAGE FORM  
 PRODUCT WITHDRAWAL COVERAGE PART  
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE FORM

A. Paragraphs 1 and 2 of the Cancellation Common Policy Condition are replaced by the following:

1. The First Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation. Cancellation will be effective on the later of the date requested by the First Named Insured or the date we receive the request.

**2. Policies In Effect**

**a. 60 Days Or Less**

If this policy has been in effect for 60 days or less, we may cancel this policy by mailing or delivering to the First Named Insured written notice of cancellation at least:

- (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium. If delivered via United States mail, the 10 day notification period begins to run 5 days following the date of postmark; or
- (2) 30 days before the effective date of cancellation if we cancel for any other reason.

**b. More Than 60 Days**

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 for one or more of the following reasons:

- (1) Nonpayment of premium;
- (2) Fraud or material misrepresentation made by you or with your knowledge in obtaining the policy, con-

tinuing the policy or in presenting a claim under the policy;

- (3) Acts or omissions on your part which increase any hazard insured against;
- (4) Change in the risk which materially increases the risk of loss after the policy has been issued or renewed including, but not limited to, an increase in exposure due to regulation, legislation or court decision;
- (5) Loss of or decrease in reinsurance which provided us with coverage for all or part of the risk insured;
- (6) A determination by the Director of Insurance that continuation of this policy would jeopardize our solvency or place us in violation of the insurance laws of Idaho or any other state; or
- (7) Violation or breach by the insured of any policy terms or conditions other than nonpayment of premium.

We will mail or deliver written notice of cancellation to the First Named Insured at least:

- (a) 10 days before the effective date of cancellation if we cancel for nonpayment of premium. If delivered via United States mail, the 10 day notification period begins to run 5 days following the date of postmark; or
- (b) 30 days before the effective date of cancellation if we cancel for any other reason stated in 2b above.

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

**NONRENEWAL**

1. If we elect not to renew this policy, we will mail or deliver to the First Named Insured a written notice of intention not to renew at least 45 days prior to the expiration or anniversary date of the policy.
2. We will mail or deliver our notice to the First Named Insured's last mailing address known to us.
3. If notice is not mailed or delivered at least 45 days before the expiration or anniversary date of this policy, this policy will remain in effect until 45 days after notice is mailed or delivered. Earned premium for the extended period of coverage will be calculated pro

rata at the rates applicable to the expiring policy.

4. We need not mail or deliver this notice if:
  - a. We have offered to renew this policy;
  - b. You have obtained replacement coverage; or
  - c. You have agreed in writing to obtain replacement coverage.
5. If notice is mailed, proof of mailing will be sufficient proof of notice.

**C. The following Condition is added:**

**PREMIUM OR COVERAGE CHANGES AT RENEWAL**

1. If we elect to renew this policy, we will mail or deliver written notice of any total premium increase greater than ten (10%) which is the result of a comparable increase in premium rates, change in deductible, reduction in limits or reduction in coverage to the First Named Insured, at the last mailing address known to us.
2. Any such notice will be mailed or delivered to the First Named Insured at least 30 days

before the expiration or anniversary date of the policy.

3. If notice is not mailed or delivered at least 30 days before the expiration or anniversary date of the policy, the premium, deductible, limits and coverage in effect prior to the changes will remain in effect until the earlier of the following:
  - a. 30 days after notice is given; or
  - b. The effective date of replacement coverage obtained by the First Named Insured.
4. If the First Named Insured accepts the renewal, the premium increase, if any, and other changes will be effective on and after the first day of the renewal term.
5. If the First Named Insured elects not to renew, any earned premium for the resulting extended period of coverage will be calculated pro rata at the lower of the new rates or rates applicable to the expiring policy.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

## Your Policyholder Identification Cards

IDAHO AUTOMOBILE INSURANCE IDENTIFICATION CARD



Policy Number Z80660  
Policy Period 08-29-21 To 08-29-22  
Named Insured CHRISTOPHE CONDOMINIUM  
Address PO BOX 1223  
KETCHUM ID 83340  
Your Agency AMERICAN INSURANCE AND INVESTMENTS  
801.364.3434  
Your Car HIRED AND NONOWNED AUTOS

FOR ALL CLAIMS CALL 800.242.7666

Acuity, A Mutual Insurance Company

TO REMOVE: FOLD FORWARD AND BACK ALONG EACH PERFORATION AROUND CARD.

**KEEP ONE CARD IN YOUR VEHICLE AT ALL TIMES**

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vehicle at all times

**IF YOU HAVE AN ACCIDENT OR LOSS**

1. Write down the names and addresses of persons and of witnesses involved, and license numbers.
2. Notify the police immediately.
3. Report the accident or loss to us promptly. If anyone is injured or your car or the property of others is substantially damaged, telephone us at the number shown on the front of this card.
4. Do not admit liability, authorize repairs or discuss the accident with anyone except a known Acuity representative or the police.



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