



*We Keep Life Moving*



## **SentryWest Insurance Services**

[www.sentrywest.com](http://www.sentrywest.com)

3860 South 2300 East  
Salt Lake City, UT, 84109

PO BOX 9289  
Salt Lake City, UT, 84109

Thank you! We value the opportunity you have provided for SentryWest to serve your insurance needs. The following will be the team assigned to support your needs. Please contact us with any questions regarding your policy, changes in exposures, claims issues or any general questions.

### **Your SentryWest Service Team**

**Account Executive:** Tiffanie Thompson    [tiffanie.thompson@sentrywest.com](mailto:tiffanie.thompson@sentrywest.com)    801.308.2074

**Account Manager:** Sara Grygiel    [sara.grygiel@sentrywest.com](mailto:sara.grygiel@sentrywest.com)    385.355.6245

### **Certificates of Insurance:**

#### **HOA Requests**    [eo@sentrywest.com](mailto:eo@sentrywest.com)

Please include the name, address and e-mail or fax number to be used in providing the certificate. If the request is for an additional insured please include an explanation of the reason for coverage request.

#### **All Other Certificate Requests**

Please send to the above account manager(s)

#### **Office Contact Information**

Local    801.272.8468

Fax    801.277.3511



# Disclaimers

- **Please review the policy.** It contains specific terms, conditions, limitations, and exclusions that will govern in the event of a loss.
- **All insurance policies contain exclusions and limitations.** Not all exclusions or limitations were addressed in our proposal, including those that may be covered by an endorsement. Policy language dictates coverage.
- **In evaluating your exposure to loss, we have been dependent upon information provided by you.** Representative examples include a completed application, list of drivers, statement of values, or an inspection of your operations.
- **If there is a change in your operations, please bring those to our attention.** We can then discuss the possible need for additional coverage. All premiums are subject to verification and re-rating based upon an audit of classification(s) and exposures. SentryWest does not make representations regarding the availability of coverage to cover any specific risk of loss in the broader insurance marketplace.
- **The liability or property limits shown on this proposal are per your request or per expiring policies.** *Higher liability or property limits may be available.* We are happy to provide a quotation for higher limits at your request.
- **Sentry West has agency agreements whereby we may receive additional compensation from insurers based on a combination of premium volume and claims experience.** Upon your written request, we will provide additional information regarding our agreements.
- **Premiums may be subject to audit and/or adjustment.** Portions of your premiums may be estimated amounts that are based on your anticipated exposures, such as payroll or sales. At the end of the policy term the insurance company may perform an audit of your records and you may receive an adjustment to the estimated premium that was originally billed. Refer to your policy for conditions.
- **Many policies are subject to a premium requirement.** Your policy may have a minimum earned/fully earned premium at the time the policy is bound. Please refer to the policy terms that apply.
- **Previously rejected coverage.** If we previously offered coverage options which have been rejected by you, we have no obligation to offer options for that coverage in the future unless you have specifically requested a quote for that specific coverage in writing.
- **SentryWest Insurance Services is not engaged in rendering legal, accounting, or other professional services.** If such advice or expert assistance is required, the services of a competent professional person should be sought, especially for contracts and risk transfer agreements.
- **The policy may be contingent upon certain underwriting items.** Additional information may be required by the company, including a satisfactory inspection of your premises. The insurance company may take additional action based on that additional information.

# Recommendations

**It is important that you advise us of any material changes in your operations.** Any variation or subsequent change could lead to complications in the event of loss.

**People purchase insurance to have reliable support in the event of a claim.** Our team is dedicated to claim advocacy – helping clients navigate the sometimes-difficult insurance claim process. Should an after-hours emergency occur, you should call your insurance carriers claim department and report the incident to our staff the next business day.

**Safety insights and innovation can help you avoid claims.** Our services include:

- Access to Loss Prevention Specialists that can assist with your specific needs
- Customized Loss Prevention Plans
- Access to Loss Prevention training, materials, and tools

**While we are a full-service agency, our Client Portal provides you many self-service options.**

It includes:

- 24/7 access to your account
- Request a Certificate of Insurance
- Make a payment on your account
- Issue and reprint previously issued Certificates of Insurance
- View/Download copies of your policies

**Exposure identification is the cornerstone of successful risk management program.** At your request, we can audit your existing program to determine its suitability to your needs. Areas we review include:

- Adequacy of coverage and limits
- Highlight significant restrictions of coverage
- Duplications of or gaps in coverage
- Suitability of forms
- Financial stability and service capability of insurance carrier(s)

**Our broad range of products and services can be customized to your individual needs.** Our offerings include:

- Bonds / Surety
- Builders Risk / Installation Floater
- Captive Programs / Alternative Risk Transfer
- Crime
- Directors & Officers Liability
- Foreign Exposures (including Workers Compensation and Liability)
- Marine Coverage (ocean & inland)
- Pollution

**We believe every business should have the following coverages in place.** We are happy to provide a quote at your request.

- Property
- General Liability
- Auto
- Workers Compensation
- Cyber
- Employment Practices Liability
- Professional Liability / E&O
- Earthquake
- Flood
- Pollution



100 W Towne Ridge Pkwy  
 Sandy, UT 84070  
 (800) 446-2667 | wcf.com

NOTICE DATE:  
 06/18/2025



Garland Meadows Homeowners Association  
 Po Box 2215  
 Hailey, ID 83333-2215

# RENEWAL DECLARATIONS: BUSINESSOWNERS POLICY

## ABOUT YOUR POLICY

<b>Policy Number</b> 4065704	<b>Policy Period</b> 07/07/2025 to 07/07/2026 12:01 a.m. Standard Time at your mailing address shown above
<b>Admitted Status</b> Admitted Carrier	<b>Company Name</b> WCF National Insurance Company, a Utah Stock Insurance Corporation, NAIC No. 40517

In return for the payment of premium and subject to all the terms of this policy, we agree with you to provide insurance as stated in this policy. We provide insurance only for those coverages described and for which a specific limit of insurance is shown.

This Declarations of coverage combines with all other policy forms to provide an explanation of the coverage available in this insuring contract. Please review the contract carefully. Note: The limits of coverage listed on this Declarations Page do not combine to form higher amounts of coverage, unless expressly indicated in the other forms constituting this contract.

Coverage Parts	Premium
Businessowners - Property	\$12,984
Businessowners - Liability	\$2,263
TRIA	\$59
<b>Total</b>	<b>\$15,306</b>

SIGNED (DATE) BY AUTHORIZED REPRESENTATIVE

06/18/2025



**Agent**  
 Sentry West Insurance Services  
 P O BOX 9289  
 SALT LAKE CITY, UT 84109-0289  
 (801) 272-8468

**To Report A Claim**  
 (800) 561-8008  
[wcf.com/file-claim](http://wcf.com/file-claim)  
[claims@wcf.com](mailto:claims@wcf.com)

**WCF Insurance**  
 (385) 351-8000  
 (800) 446-2667  
[wcf.com](http://wcf.com)

## BUSINESS INFORMATION

**Named Insured:** Garland Meadows Homeowners Association

**Doing Business As (DBA):**

**Business Type:**

Individual

Joint Venture

Partnership

Limited Liability Company

Corporation

Other

**Business Description:** Condominium Associations, Habitational Only - 1 To 4 Units

## SURCHARGES AND FEES

### Returned Payments

A returned payment fee of \$20.00 applies for any type of remittance which is not honored by your financial institution for any reason including but not limited to insufficient funds or a closed account.

One or more of the fees described above may be deemed a part of the premium under applicable state law.

## SECTION I - PROPERTY DECLARATIONS

### BUILDING

The following coverages apply to the described building. Please refer to the Policy and Premises sections for other coverages and extensions applying at the policy level and to the individual premises section for coverages and limits specific to the premises.

Premises Number	Building Number	Covered Premises Address (Building Address, if Different)	Mortgagee/Lienholder Name and Address
1	1	720 S 4th Ave Hailey, ID 83333-8919	

**Sprinkler Status:** Not Sprinklered

**Automatic Increase Building Limit (Percentage):** 8%

Coverage	Blanket Coverage	Valuation	Limit of Insurance	Deductible/Waiting Period
Building Coverage	Yes	Guaranteed Replacement Cost	\$2,239,000	\$10,000
Business Personal Property	Yes	Replacement Cost	\$11,000	\$10,000

Coverage	Limit of Insurance	Deductible/Waiting Period (If Different for Coverage)
Ordinance or Law Coverage		
Ordinance or Law Coverages 2 and 3 Combined Limit of Insurance – Demolition Costs & Increased Cost of Construction	\$250,000	
Ordinance or Law Coverage 1 - Undamaged Portion	Included in Building Coverage Limit	

Premises Number	Building Number	Covered Premises Address (Building Address, if Different)	Mortgagee/Lienholder Name and Address
1	2	720 S 4th Ave Hailey, ID 83333-8919	

**Sprinkler Status:** Not Sprinklered

**Automatic Increase Building Limit (Percentage):** 8%

Coverage	Blanket Coverage	Valuation	Limit of Insurance	Deductible/Waiting Period
Building Coverage	Yes	Guaranteed Replacement Cost	\$1,812,000	\$10,000

Coverage	Limit of Insurance	Deductible/Waiting Period (If Different for Coverage)
Ordinance or Law Coverage		
Ordinance or Law Coverages 2 and 3 Combined Limit of Insurance – Demolition Costs & Increased Cost of Construction	\$250,000	
Ordinance or Law Coverage 1 - Undamaged Portion	Included in Building Coverage Limit	

Premises Number	Building Number	Covered Premises Address (Building Address, if Different)	Mortgagee/Lienholder Name and Address
1	3	720 S 4th Ave Hailey, ID 83333-8919	

**Sprinkler Status:** Not Sprinklered

**Automatic Increase Building Limit (Percentage):** 8%

Coverage	Blanket Coverage	Valuation	Limit of Insurance	Deductible/Waiting Period
Building Coverage	Yes	Guaranteed Replacement Cost	\$1,812,000	\$10,000

Coverage	Limit of Insurance	Deductible/Waiting Period (If Different for Coverage)
Ordinance or Law Coverage		
Ordinance or Law Coverages 2 and 3 Combined Limit of Insurance – Demolition Costs & Increased Cost of Construction	\$250,000	
Ordinance or Law Coverage 1 - Undamaged Portion	Included in Building Coverage Limit	

Premises Number	Building Number	Covered Premises Address (Building Address, if Different)	Mortgagee/Lienholder Name and Address
1	4	720 S 4th Ave Hailey, ID 83333-8919	

**Sprinkler Status:** Not Sprinklered

**Automatic Increase Building Limit (Percentage):** 8%

Coverage	Blanket Coverage	Valuation	Limit of Insurance	Deductible/Waiting Period
Building Coverage	Yes	Guaranteed Replacement Cost	\$1,812,000	\$10,000

Coverage	Limit of Insurance	Deductible/Waiting Period (If Different for Coverage)
Ordinance or Law Coverage		
Ordinance or Law Coverages 2 and 3 Combined Limit of Insurance – Demolition Costs & Increased Cost of Construction	\$250,000	
Ordinance or Law Coverage 1 - Undamaged Portion	Included in Building Coverage Limit	

Premises Number	Building Number	Covered Premises Address (Building Address, if Different)	Mortgagee/Lienholder Name and Address
1	5	720 S 4th Ave Hailey, ID 83333-8919	

**Sprinkler Status:** Not Sprinklered

**Automatic Increase Building Limit (Percentage):** 8%

Coverage	Blanket Coverage	Valuation	Limit of Insurance	Deductible/Waiting Period
Building Coverage	Yes	Guaranteed Replacement Cost	\$1,812,000	\$10,000

Coverage	Limit of Insurance	Deductible/Waiting Period (If Different for Coverage)
Ordinance or Law Coverage		
Ordinance or Law Coverages 2 and 3 Combined Limit of Insurance – Demolition Costs & Increased Cost of Construction	\$250,000	
Ordinance or Law Coverage 1 - Undamaged Portion	Included in Building Coverage Limit	

Premises Number	Building Number	Covered Premises Address (Building Address, if Different)	Mortgagee/Lienholder Name and Address
1	6	720 S 4th Ave Hailey, ID 83333-8919	

**Sprinkler Status:** Not Sprinklered

**Automatic Increase Building Limit (Percentage):** 8%

Coverage	Blanket Coverage	Valuation	Limit of Insurance	Deductible/Waiting Period
Building Coverage	Yes	Guaranteed Replacement Cost	\$1,812,000	\$10,000

Coverage	Limit of Insurance	Deductible/Waiting Period (If Different for Coverage)
Ordinance or Law Coverage		
Ordinance or Law Coverages 2 and 3 Combined Limit of Insurance – Demolition Costs & Increased Cost of Construction	\$250,000	
Ordinance or Law Coverage 1 - Undamaged Portion	Included in Building Coverage Limit	

Premises Number	Building Number	Covered Premises Address (Building Address, if Different)	Mortgagee/Lienholder Name and Address
1	7	720 S 4th Ave Hailey, ID 83333-8919	

**Sprinkler Status:** Not Sprinklered

**Automatic Increase Building Limit (Percentage):** 8%

Coverage	Blanket Coverage	Valuation	Limit of Insurance	Deductible/Waiting Period
Building Coverage	Yes	Guaranteed Replacement Cost	\$1,812,000	\$10,000

Coverage	Limit of Insurance	Deductible/Waiting Period (If Different for Coverage)
Ordinance or Law Coverage		
Ordinance or Law Coverages 2 and 3 Combined Limit of Insurance – Demolition Costs & Increased Cost of Construction	\$250,000	
Ordinance or Law Coverage 1 - Undamaged Portion	Included in Building Coverage Limit	

Premises Number	Building Number	Covered Premises Address (Building Address, if Different)	Mortgagee/Lienholder Name and Address
1	8	720 S 4th Ave Hailey, ID 83333-8919	

**Sprinkler Status:** Not Sprinklered

**Automatic Increase Building Limit (Percentage):** 8%

Coverage	Blanket Coverage	Valuation	Limit of Insurance	Deductible/Waiting Period
Building Coverage	Yes	Guaranteed Replacement Cost	\$2,239,000	\$10,000

Coverage	Limit of Insurance	Deductible/Waiting Period (If Different for Coverage)
Ordinance or Law Coverage		
Ordinance or Law Coverages 2 and 3 Combined Limit of Insurance – Demolition Costs & Increased Cost of Construction	\$250,000	
Ordinance or Law Coverage 1 - Undamaged Portion	Included in Building Coverage Limit	

Premises Number	Building Number	Covered Premises Address (Building Address, if Different)	Mortgagee/Lienholder Name and Address
1	9	720 S 4th Ave Hailey, ID 83333-8919	

**Sprinkler Status:** Not Sprinklered

**Automatic Increase Building Limit (Percentage):** 8%

Coverage	Blanket Coverage	Valuation	Limit of Insurance	Deductible/Waiting Period
Building Coverage	Yes	Guaranteed Replacement Cost	\$437,000	\$10,000

Coverage	Limit of Insurance	Deductible/Waiting Period (If Different for Coverage)
Ordinance or Law Coverage		
Ordinance or Law Coverages 2 and 3 Combined Limit of Insurance – Demolition Costs & Increased Cost of Construction	\$250,000	
Ordinance or Law Coverage 1 - Undamaged Portion	Included in Building Coverage Limit	

## PREMISES

The following coverages apply to the described premises. Please refer to the Policy and Building sections for other coverages and extensions applying at the policy level and to the individual building section for coverages and limits specific to the building.

### Abbreviations

**ALS - Actual Loss Sustained**

**BI - Business Income**

**EE - Extra Expense**

Premises Number	Included Building(s)	Covered Premises Address
1	1,2,3,4,5,6,7,8,9	720 S 4th Ave Hailey, ID 83333-8919

**Primary Premises:** Yes

**Protection Class (PPC):** 04      **Business Personal Property - Seasonal Increase (Percentage):** 25%

**Business Description:** Condominium Associations, Habitational Only - 1 To 4 Units

**Premises Premium**      **\$769**

Coverage	Valuation	Limit of Insurance	Deductible/Waiting Period
Business Income (BI) and Extra Expense(EE)	ALS	12 Month Period of Restoration	72 Hour Waiting Period

Coverage	Limit of Insurance	Deductible/Waiting Period
<b>Equipment Breakdown Enhancement Endorsement</b>		
Property Damage	Same as Property Coverage Limit	\$10,000
Business Income and Extra Expense	Same as Business Income and Extra Expense	Same as Business Income and Extra Expense
Pollutant Cleanup and Removal	\$250,000	\$10,000
Refrigerant Contamination	\$250,000	\$10,000
Spoilage Coverage	\$250,000	\$10,000
CFC Refrigerants	Included in Property Coverage Limit	\$10,000
Computer Equipment	Included in Property Coverage Limit	\$10,000
Data Restoration	\$100,000	\$10,000
Environmental, Safety and Efficiencies and Betterments	Included at 150% Repair/Replacement Cost	\$10,000
Expediting Expense	Included in Property Coverage Limit	\$10,000
Green Environmental and Efficiency Improvements	Included at 150% Repair/Replacement Cost, Up to \$100,000	\$10,000
Off Premises Coverage	\$100,000	\$10,000
Risk Improvement	10% of Loss Amount Paid, Up to \$10,000	\$10,000
Service Interruption	Included in Property Coverage Limit	\$10,000
Temperature Fluctuation	\$5,000	\$10,000
Unauthorized Instruction	Included in Property Coverage Limit	\$10,000

Coverage	Limit of Insurance	Deductible/Waiting Period (If Different for Coverage)
Accounts Receivable On Premises	\$25,000	
Accounts Receivable Off Premises	\$5,000	

<b>Coverage</b>	<b>Limit of Insurance</b>	<b>Deductible/Waiting Period (If Different for Coverage)</b>
Appurtenant Buildings and Structures	\$50,000	
Arson, Vandalism, Theft Reward	\$10,000	No Deductible
Biohazard Removal Coverage	\$10,000 Per Occurrence \$20,000	
Business Income - Extended Period of Indemnity	60 Days	72 Hour Waiting Period
Business Personal Property Off Premises	\$50,000	
Business Personal Property Temporarily in Portable Storage Units	\$10,000	
Definition of Premises - 1,000 Feet		No Deductible
Fine Arts	\$10,000	
Fire Department Service Charge	\$25,000	No Deductible
Fire Extinguishing System Recharge	\$10,000	No Deductible
Lock and Key Replacement	\$1,000	
Money and Securities On Premises	\$10,000	\$500 Optional Coverage Deductible
Money and Securities Off Premises	\$5,000	\$500 Optional Coverage Deductible
Newly Acquired or Constructed Property - Building	Up to \$1,000,000	
Newly Acquired or Constructed Property - Business Income and Extra Expense	Up to \$250,000	72 Hour Waiting Period
Newly Acquired or Constructed Property - Business Personal Property	Up to \$500,000	
Outdoor Property	\$10,000	
Personal Effects	\$10,000	
Pollutant Cleanup and Removal	\$25,000 Annual Premises Aggregate	
Preservation of Property	90 Days	
Specified Property	\$100,000	
Valuable Papers and Records - On Premises	\$25,000	
Valuable Papers and Records - Off Premises	\$25,000	
Water Backup and Sump Overflow	\$100,000	



## BLANKET INSURANCE

Applicable Premises/Buildings	Type of Property	Limit of Insurance
Premises 1: Building 1	Building Business Personal Property (BPP)	\$15,798,000.00
Premises 1: Building 2, Building 3, Building 4, Building 5, Building 6, Building 7, Building 8, Building 9	Building Business Personal Property (BPP)	

## POLICY

The following Coverages and Extensions apply to all covered premises and/or buildings. Please refer to the individual premises and/or building section for coverages and limits specific to such premises and/or building.

<b>Base Coverage and Extensions</b>	<b>Limit of Insurance</b>	<b>Deductible/Waiting Period (If Different for Coverage)</b>
Business Income from Dependent Properties	\$5,000	72 Hour Waiting Period
Business Income from Secondary Dependent Properties	\$5,000	72 Hour Waiting Period
Business Personal Property In-Transit	\$10,000	
Claims Data Expense	\$5,000	No Deductible
Electronic Data On Premises	\$50,000	
Electronic Data Off Premises	\$25,000	
Employee Dishonesty	\$100,000	\$500 Optional Coverage Deductible
Forgery or Alteration	\$100,000	\$500 Optional Coverage Deductible
Interruption of Computer Operations	\$10,000	72 Hour Waiting Period
Money Orders and Counterfeit Money	\$5,000	

## SECTION II - LIABILITY DECLARATIONS

### BUSINESSOWNERS LIABILITY

Each paid claim for the following coverages reduces the amount of insurance we provide during the applicable policy period. Please refer to the policy.

Coverage	Limit of Insurance	
Liability and Medical Expenses	\$ 2,000,000	Per Occurrence
Medical Expenses	\$ 5,000	Each Person
Damage to Premises Rented to You	\$ 300,000	Each Premises
Other Than Products/Completed Operations Aggregate	\$ 4,000,000	
Products/Completed Operations Aggregate	\$ 4,000,000	

**Audit Period (If Applicable):**                      Annual                      Semi-Annual                      Quarterly                      Monthly

### COVERED PREMISES AND OPERATIONS

Premises Number	Premises Address
1	720 S 4th Ave Hailey, ID 83333-8919

### BUSINESSOWNERS LIABILITY CLASSIFICATION AND PREMIUM

Premises	Classification	Exposure	Rates	Premium
1	8139-00 Condominium Associations, Habitational Only - 1 To 4 Units	26 Number of Units	Prem/Ops: 29.996 Prod/Co Ops: Included	\$ 780
<b>Premises 1 Total Premium</b>				<b>\$ 780</b>

## ADDITIONAL LIABILITY COVERAGES

### Coverages

Damage to Premises Rented to You – Increased Limit	<b>Premium: \$38</b>	
Directors and Officers Coverage	Limit:	\$2,000,000 Per Occurrence
	Limit:	\$2,000,000.00 EPLI Per Occurrence
	Limit:	\$2,000,000.00 Annual Aggregate
	Retention:	\$1,000
	D&O Prior Knowledge Date:	07/07/2023
	<b>Premium: \$1,222</b>	
Hired Auto Liability	Limit:	\$2,000,000 Per Occurrence
	<b>Premium: \$56</b>	
Liability Broadening Endorsement - Habitational	Included	
	<b>Premium: \$43</b>	
Non-owned Auto Liability	Limit:	\$2,000,000 Per Occurrence
	<b>Premium: \$124</b>	



## POLICY FORMS AND ENDORSEMENTS ATTACHED AT RENEWAL

Number	Edition	Name
BP 00 03	07 13	Businessowners Coverage Form
BP IN 01	07 13	Businessowners Coverage Form Index
BP 05 23	01 15	Cap on Losses from Certified Acts of Terrorism
BP 05 15	01 15	Disclosure Pursuant to Terrorism Risk Insurance Act
BP 05 42	01 15	Exclusion of Punitive Damages Related to a Certified Act of Terrorism
ACORD 60 US	2015 01	Policyholder Disclosure Notice of Terrorism Insurance Coverage
01 7007	03 22	Biohazard Removal Coverage
01 6080	04 20	Business Income Changes - Time Period
01 6057	04 20	Business Personal Property Off Premises Increased Limits
BP 05 01	07 02	Calculation of Premium
BP 14 86	07 13	Communicable Disease Exclusion
BP 17 01	07 13	Condominium Association Coverage
01 7010	09 22	Directors and Officers Coverage
BP 04 17	01 10	Employment-Related Practices Exclusion
01 6064	04 20	Equipment Breakdown Enhancement Endorsement
BP 15 04	05 14	Exclusion - Access or Disclosure of Confidential or Personal Information and Data-Related Liability - with Limited Bodily Injury Exception
01 6003	08 22	Exclusion - Asbestos
01 6014	04 20	Exclusion - Lead
BP 05 17	01 06	Exclusion - Silica or Silica-Related Dust
BP 05 24	01 15	Exclusion of Certified Acts of Terrorism
01 6066	04 20	Fine Arts Coverage
01 7009	03 22	Guaranteed Replacement Cost
01 7006	03 22	HOA Property Broadening Endorsement
BP 04 04	01 10	Hired Auto and Non-Owned Auto Liability
01 6185	06 21	Idaho Changes
IL N 036	09 03	Idaho Fraud Statement
01 7003	03 22	Liability Broadening Endorsement - Habitational
BP 04 12	04 17	Limitation of Coverage to Designated Premises, Project or Operation
BP 04 46	07 13	Ordinance or Law Coverage
BP 04 93	01 06	Total Pollution Exclusion with a Building Heating Equipment Exception and a Hostile Fire Exception
01 6036	04 20	Two or More Coverage Parts or Policies Issued by Us
IL P 001	01 04	US Treasury Department's Office Of Foreign Assets Control (OFAC) Advisory Notice To Policyholders (IL P 001)
BP 04 53	07 13	Water Back-up and Sump Overflow



100 West Towne Ridge Parkway

Sandy, UT 84070

INSURANCE (800) 446-2667 | wcf.com



## PREMIUM INSTALLMENT SCHEDULE

**NAMED INSURED**

Garland Meadows Homeowners Association

**LINE OF BUSINESS**

Businessowners Policy

**INSURANCE COMPANY**

WCF National Insurance Company  
40517

**ACCOUNT NUMBER**

246084

**POLICY NUMBER**

4065704

**POLICY PERIOD**

07/07/2025 - 07/07/2026

**PREMIUM** \$15,306.00

**SURCHARGES & ASSESSMENTS****PAYMENT PLAN**

\_\_\_\_\_ Pay in Full

\_\_\_\_\_ 2 Payment Plan

\_\_\_\_\_ 4 Payments Plan

  X   12 Payments Plan

**SCHEDULE OF PAYMENTS**

	Installment Due	Installment Fee*	Premium Amount
Down Payment	07/07/2025		\$1,281.11
	08/21/2025	\$0.00	\$1,274.99
	09/22/2025	\$0.00	\$1,274.99
	10/21/2025	\$0.00	\$1,274.99
	11/21/2025	\$0.00	\$1,274.99
	12/22/2025	\$0.00	\$1,274.99
	01/21/2026	\$0.00	\$1,274.99
	02/23/2026	\$0.00	\$1,274.99
	03/23/2026	\$0.00	\$1,274.99
	04/21/2026	\$0.00	\$1,274.99
	05/21/2026	\$0.00	\$1,274.99
	06/22/2026	\$0.00	\$1,274.99

\*An installment fee will be assessed on every installment, not including the down payment or payments via electronic fund transfer.

**This is not a bill**

Policy changes that affect premium during the policy term may affect the amounts shown on this premium installment schedule.



## **BUSINESSOWNERS COVERAGE FORM INDEX**

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

<b>Businessowners Coverage Feature</b>	<b>Page Number</b>	<b>Businessowners Coverage Feature</b>	<b>Page Number</b>
Abandonment Property Loss Condition	24	Business Liability Coverage	34-36
Accounts Receivable Coverage Extension	16	Business Personal Property Coverage	1-2
Accounts Receivable Exclusion	22	Business Personal Property Limit – Seasonal Increase (Limit Of Insurance)	23
Acts Or Decisions Exclusion	22	Business Personal Property Temporarily In Portable Storage Units Coverage Extension	17
Additional Coverages	3-14	Cancellation Condition	50
Additional Exclusion – Loss Or Damage To Products Exclusion	22	Certain Computer-related Losses Exclusion	19
"Advertisement" Definition	46	Changes Condition	51
Aggregate Limits (Liability And Medical Expenses Limits Of Insurance)	45	Changes In Or Extremes Of Temperature Exclusion	21
Aircraft, Auto Or Watercraft Exclusion	38-39	Civil Authority Additional Coverage	8-9
Appraisal Property Loss Condition	24	Collapse Additional Coverage	5-6
"Auto" Definition	46	Collapse Exclusion	21
Bankruptcy General Condition	45	"Computer" Definition	32
"Bodily Injury" Definition	46	Concealment, Misrepresentation Or Fraud Condition	51
Building Coverage	1	Consequential Losses Exclusion	20
Building Limit – Automatic Increase (Limits Of Insurance)	23	Continuous Or Repeated Seepage Or Leakage Of Water Exclusion	21-22
Business Income Additional Coverage	6-7	Contractual Liability Exclusion	36
Business Income And Extra Expense Exclusions	22	Control Of Property General Condition	28
Business Income From Dependent Properties Additional Coverage	10-11	"Counterfeit Money" Definition	32



<b>Businessowners Coverage Feature</b>	<b>Page Number</b>	<b>Businessowners Coverage Feature</b>	<b>Page Number</b>
Coverage Extension – Supplementary Payments (Business Liability Coverage)	35-36	Employer's Liability Exclusion	37
Coverage Extensions – Section I – Property	14-17	Equipment Breakdown Protection Optional Coverage	31-32
"Coverage Territory" Definition	46-47	Errors Or Omissions Exclusion	21
Covered Causes Of Loss	2	Examination Of Your Books And Records Condition	51
Covered Property	1-2	Exclusions – Section I – Property	17-22
Damage To Impaired Property Or Property Not Physically Injured Exclusion	40	Exclusions – Section II – Liability	36-44
Damage To Property Exclusion	40	"Executive Officer" Definition	47
Damage To Your Product Exclusion	40	Expected Or Intended Injury Exclusion	36
Damage To Your Work Exclusion	40	Exposed Property Exclusion	20
Dampness Or Dryness Of Atmosphere Exclusion	21	Extended Business Income Coverage (Business Income Additional Coverage)	7
Debris Removal Additional Coverage	3-4	Extra Expense Additional Coverage	7-8
Deductibles	23-24	False Pretense Exclusion	20
Dishonesty Exclusion	20	Fire Department Service Charge Additional Coverage	5
Duties In The Event Of Loss Or Damage Property Loss Condition	24	Fire Extinguisher Systems Recharge Expense Additional Coverage	11-12
Duties In The Event Of Occurrence, Offense, Claim Or Suit General Condition	46	Forgery Or Alteration Additional Coverage	9
Earth Movement Exclusion	17-18	Frozen Plumbing Exclusion	20
Electrical Apparatus Exclusion	19-20	"Fungi" Definition	32
Electrical Disturbance Exclusion	21	"Fungi", Wet Rot Or Dry Rot Exclusion	19
Electronic Data Additional Coverage	12	Glass Expenses Additional Coverage	11
"Electronic Data" Definition	32	Governmental Action Exclusion	18
Electronic Data Exclusion	41-42	"Hostile Fire" Definition	47
"Employee" Definition	47	"Impaired Property" Definition	47
Employee Dishonesty Optional Coverage	29-31	Increased Cost Of Construction Additional Coverage	9-10



<b>Businessowners Coverage Feature</b>	<b>Page Number</b>	<b>Businessowners Coverage Feature</b>	<b>Page Number</b>
Inspections And Surveys Condition	51	Medical Expenses Exclusions	42-44
Installation, Testing, Repair Exclusion	21	"Member" Definition	32
Insurance Under Two Or More Coverages Condition	51	Mobile Equipment Exclusion	39
"Insured Contract" Definition	47	"Mobile Equipment" Definition	48
Interruption Of Computer Operations Additional Coverage	12-13	Money And Securities Optional Coverage	29
"Leased Worker" Definition	47	"Money" Definition	32
Legal Action Against Us General Condition – Section II – Liability	46	Money Orders And "Counterfeit Money" Additional Coverage	9
Legal Action Against Us Property Loss Condition – Section I – Property	24	Mortgageholders Property General Condition	28
Liability And Medical Expenses Definitions	46-50	Neglect Exclusion	21
Liability And Medical Expenses General Conditions	45-46	Negligent Work Exclusion	22
Liability And Medical Expenses Limits Of Insurance	45	Nesting Or Infestation Exclusion	21
Liberalization Condition	51	Newly Acquired Or Constructed Property Coverage Extension	14-15
Limitations	2-3	No Benefit To Bailee Property General Condition	28
Limited Coverage For "Fungi", Wet Rot Or Dry Rot Additional Coverage	13-14	Nuclear Energy Liability Exclusion	42-44
Limits Of Insurance – Section I – Property	23	Nuclear Hazard Exclusion	18
Liquor Liability Exclusion	36-37	"Occurrence" Definition	48
"Loading Or Unloading" Definition	48	"Operations" Definition	32
Loss Payment Property Loss Condition	24-27	Optional Coverages	28-32
"Manager" Definition	32	Ordinance Or Law Exclusion	17
Marring Or Scratching Exclusion	21	Other Insurance Condition	51
Mechanical Breakdown Exclusion	21	Other Types Of Loss Exclusion	21
Medical Expenses Coverage	36	Outdoor Property Coverage Extension	15



<b>Businessowners Coverage Feature</b>	<b>Page Number</b>	<b>Businessowners Coverage Feature</b>	<b>Page Number</b>
Outdoor Signs Optional Coverage	28-29	Property Not Covered	2
"Period Of Restoration" Definition	32	Recall Of Products, Work Or Impaired Property Exclusion	40
"Personal And Advertising Injury" Definition	48	Recovered Property Loss Condition	27
Personal And Advertising Injury Exclusion	40-41	Resumption Of Operations Property Loss Condition	27
Personal Effects Coverage Extension	15	Rust Or Other Corrosion Exclusion	21
Personal Property Off-premises Coverage Extension	15	Section I – Property	1-33
Policy Period, Coverage Territory Property General Condition	28	Section II – Liability	34-50
Pollutant Clean-up And Removal Additional Coverage	8	Section III – Common Policy Conditions	50-52
"Pollutants" Definition – Section I – Property	33	"Securities" Definition	33
"Pollutants" Definition – Section II – Liability	48	Separation Of Insureds General Condition	46
Pollution Exclusion – Section I – Property	21	Settling, Cracking, Shrinking Or Expansion Exclusion	21
Pollution Exclusion – Section II – Liability	37-38	Smog Exclusion	21
Premium Audit Condition	52	Smoke, Vapor, Gas Exclusion	20
Premiums Condition	51-52	"Specified Causes Of Loss" Definition	33
Preservation Of Property Additional Coverage	4-5	Steam Apparatus Exclusion	20
"Products-completed Operations Hazard" Definition	49	"Stock" Definition	33
Professional Services Exclusion	39-40	"Suit" Definition	49
"Property Damage" Definition	49	"Temporary Worker" Definition	49
Property Definitions	32-33	Transfer Of Rights Of Recovery Against Others To Us Condition	52
Property General Conditions	28	Transfer Of Your Rights And Duties Under This Policy Condition	52
Property Loss Conditions	24-28	Utility Services Exclusion	18



<b>Businessowners Coverage Feature</b>	<b>Page Number</b>	<b>Businessowners Coverage Feature</b>	<b>Page Number</b>
Vacancy Property Loss Condition	27	Water Damage, Other Liquids, Powder Or Molten Material Damage Additional Coverage	6
Valuable Papers And Records Coverage Extension	15-16	Water Exclusion	19
"Valuable Papers And Records" Definition	33	Wear And Tear Exclusion	21
Violation Of Customer Protection Statutes Exclusion	42	Weather Conditions Exclusion	22
Virus Or Bacteria Exclusion	19	Who Is An Insured	44-45
"Volunteer Worker" Definition	49	Workers' Compensation And Similar Laws Exclusion	37
War And Military Action Exclusion	18	"Your Product" Definition	49-50
War Exclusion	39	"Your Work" Definition	50



# **BUSINESSOWNERS COVERAGE FORM**

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

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

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

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

**SECTION I – PROPERTY**

**A. Coverage**

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

**1. Covered Property**

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

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

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

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

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

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

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

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

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



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

**2. Property Not Covered**

Covered Property does not include:

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

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

**3. Covered Causes Of Loss**

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

**4. Limitations**

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



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

## 5. Additional Coverages

### a. Debris Removal

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



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

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

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

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

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

**(5) Examples**

**Example 1**

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

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

**Example 2**

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

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

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



**b. Preservation Of Property**

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

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

**c. Fire Department Service Charge**

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

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

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

**d. Collapse**

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

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

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

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

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

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

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

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

(4) With respect to the following property:

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



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

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

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

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

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

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

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

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

**f. Business Income**

**(1) Business Income**

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

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

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



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

**(2) Extended Business Income**

- (a) If the necessary suspension of your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:
    - (i) Begins on the date property except finished stock is actually repaired, rebuilt or replaced and "operations" are resumed; and
    - (ii) Ends on the earlier of:
      - i. The date you could restore your "operations", with reasonable speed, to the level which would generate the Business Income amount that would have existed if no direct physical loss or damage had occurred; or
      - ii. 60 consecutive days after the date determined in Paragraph (a)(i) above, unless a greater number of consecutive days is shown in the Declarations.
- However, Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.
- (b) Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.
- (3) With respect to the coverage provided in this Additional Coverage, suspension means:
- (a) The partial slowdown or complete cessation of your business activities; or
  - (b) That a part or all of the described premises is rendered untenable, if coverage for Business Income applies.
- (4) This Additional Coverage is not subject to the Limits of Insurance of Section I – Property.



**g. Extra Expense**

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

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

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

(2) Extra Expense means expense incurred:

- (a) To avoid or minimize the suspension of business and to continue "operations":
  - (i) At the described premises; or
  - (ii) At replacement premises or at temporary locations, including relocation expenses, and costs to equip and operate the replacement or temporary locations.
- (b) To minimize the suspension of business if you cannot continue "operations".

(c) To:

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

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

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

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

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

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

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

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

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



**i. Civil Authority**

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

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

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

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

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

whichever is later.

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

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

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

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

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

**k. Forgery Or Alteration**

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

**l. Increased Cost Of Construction**

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



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

The amount payable under this Additional Coverage is additional insurance.

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

**m. Business Income From Dependent Properties**

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



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

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

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

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

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

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

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

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

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

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

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



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

**n. Glass Expenses**

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

**o. Fire Extinguisher Systems Recharge Expense**

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

**p. Electronic Data**

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

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

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

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

**q. Interruption Of Computer Operations**

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



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



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

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

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

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

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

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

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

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

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



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

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

**6. Coverage Extensions**

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

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

**a. Newly Acquired Or Constructed Property**

**(1) Buildings**

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

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

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

**(2) Business Personal Property**

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

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

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

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

**(3) Period Of Coverage**

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

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

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

**b. Personal Property Off-premises**

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



### c. Outdoor Property

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

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

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

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

### d. Personal Effects

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

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

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

### e. Valuable Papers And Records

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

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

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



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

**f. Accounts Receivable**

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

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

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

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

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

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

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

**B. Exclusions**

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

**a. Ordinance Or Law**

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



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

**b. Earth Movement**

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

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

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

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

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

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

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

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

**c. Governmental Action**

Seizure or destruction of property by order of governmental authority.

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

**d. Nuclear Hazard**

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

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

**e. Utility Services**

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

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

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

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



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

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

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

**f. War And Military Action**

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

**g. Water**

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

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

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

**h. Certain Computer-related Losses**

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

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



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

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

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

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

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

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

This exclusion does not apply:

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

**j. Virus Or Bacteria**

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

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

**a. Electrical Apparatus**

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

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

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

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

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

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

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

**b. Consequential Losses**

Delay, loss of use or loss of market.

**c. Smoke, Vapor, Gas**

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



**d. Steam Apparatus**

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

**e. Frozen Plumbing**

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

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

**f. Dishonesty**

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

This exclusion:

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

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

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

**g. False Pretense**

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

**h. Exposed Property**

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

**i. Collapse**

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

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

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

(2) This Exclusion i. does not apply:

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

**j. Pollution**

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



**k. Neglect**

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

**l. Other Types Of Loss**

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

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

- (7) The following causes of loss to personal property:
  - (a) Dampness or dryness of atmosphere;
  - (b) Changes in or extremes of temperature; or
  - (c) Marring or scratching.

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

**m. Errors Or Omissions**

Errors or omissions in:

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

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

**n. Installation, Testing, Repair**

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

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

**o. Electrical Disturbance**

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

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

**p. Continuous Or Repeated Seepage Or Leakage Of Water**

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

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

**a. Weather Conditions**

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

**b. Acts Or Decisions**

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

**c. Negligent Work**

Faulty, inadequate or defective:

- (1) Planning, zoning, development, surveying, siting;
- (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- (3) Materials used in repair, construction, renovation or remodeling; or
- (4) Maintenance;

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



**4. Additional Exclusion**

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

**Loss Or Damage To Products**

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

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

a. We will not pay for:

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

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

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

(2) Any other consequential loss.

b. With respect to this exclusion, suspension means:

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

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

**6. Accounts Receivable Exclusion**

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

We will not pay for:

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

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

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

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

**C. Limits Of Insurance**

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

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

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

a. Fire Department Service Charge;

b. Pollutant Clean-up And Removal;

c. Increased Cost Of Construction;

d. Business Income From Dependent Properties;

e. Electronic Data; and

f. Interruption Of Computer Operations.

**4. Building Limit – Automatic Increase**

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



b. The amount of increase is calculated as follows:

- (1) Multiply the Building limit that applied on the most recent of the policy inception date, the policy anniversary date or any other policy change amending the Building limit by:
  - (a) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 7% is .07); or
  - (b) .08, if no percentage of annual increase is shown in the Declarations; and
- (2) Multiply the number calculated in accordance with b.(1) by the number of days since the beginning of the current policy year, or the effective date of the most recent policy change amending the Building limit, divided by 365.

**Example**

If:

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

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

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

- a. Subject to Paragraph 5.b., the Limit of Insurance for Business Personal Property is automatically increased by:
  - (1) The Business Personal Property – Seasonal Increase percentage shown in the Declarations; or
  - (2) 25% if no Business Personal Property – Seasonal Increase percentage is shown in the Declarations;
 to provide for seasonal variances.
- b. The increase described in Paragraph 5.a. will apply only if the Limit Of Insurance shown for Business Personal Property in the Declarations is at least 100% of your average monthly values during the lesser of:
  - (1) The 12 months immediately preceding the date the loss or damage occurs; or
  - (2) The period of time you have been in business as of the date the loss or damage occurs.

**D. Deductibles**

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

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

3. No deductible applies to the following Additional Coverages:
  - a. Fire Department Service Charge;
  - b. Business Income;
  - c. Extra Expense;
  - d. Civil Authority; and
  - e. Fire Extinguisher Systems Recharge Expense.

**E. Property Loss Conditions**

**1. Abandonment**

There can be no abandonment of any property to us.

**2. Appraisal**

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

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



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

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

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

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

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

**4. Legal Action Against Us**

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

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

**5. Loss Payment**

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

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



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

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

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

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

**Example**

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

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

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

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

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



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

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



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

**6. Recovered Property**

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

**7. Resumption Of Operations**

We will reduce the amount of your:

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

**8. Vacancy**

**a. Description Of Terms**

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

**b. Vacancy Provisions**

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

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



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

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

**F. Property General Conditions**

**1. Control Of Property**

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

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

**2. Mortgageholders**

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

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

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

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

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

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

**3. No Benefit To Bailee**

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

**4. Policy Period, Coverage Territory**

Under Section I – Property:

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



## G. Optional Coverages

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

### 1. Outdoor Signs

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

### 2. Money And Securities

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

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

### 3. Employee Dishonesty

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



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

- (1)** Resulting from any dishonest or criminal act that you or any of your partners or "members" commit whether acting alone or in collusion with other persons.
- (2)** Resulting from any dishonest act committed by any of your employees (except as provided in Paragraph **a.**), "managers" or directors:
  - (a)** Whether acting alone or in collusion with other persons; or
  - (b)** While performing services for you or otherwise.
- (3)** The only proof of which as to its existence or amount is:
  - (a)** An inventory computation; or
  - (b)** A profit and loss computation.
- (4)** Caused by an employee if the employee had also committed theft or any other dishonest act prior to the effective date of this policy and you or any of your partners, "members", "managers", officers, directors or trustees, not in collusion with the employee, learned of that theft or dishonest act prior to the policy period shown in the Declarations.

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

**d. All loss or damage:**

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

**e. If any loss is covered:**

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

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

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

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

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

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

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

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

- (1)** This Optional Coverage became effective at the time of cancellation or termination of the prior insurance; and
- (2)** The loss or damage would have been covered by this Optional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.

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

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

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

- (1)** Any natural person:
  - (a)** While in your service or for 30 days after termination of service;
  - (b)** Who you compensate directly by salary, wages or commissions; and
  - (c)** Who you have the right to direct and control while performing services for you;



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

But employee does not mean:

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

**4. Equipment Breakdown Protection Coverage**

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

**H. Property Definitions**

**1. "Computer" means:**

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

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

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

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



(2) Ends on the earlier of:

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

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

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

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

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

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

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

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

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

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

but does not include "money".

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

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

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

(1) The cost of filling sinkholes; or

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

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

(1) Personal property in the open; or

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

c. Water damage means:

(1) Accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam; and

(2) Accidental discharge or leakage of water or waterborne material as the direct result of the breaking apart or cracking of a water or sewer pipe that is located off the described premises and is part of a municipal potable water supply system or municipal sanitary sewer system, if the breakage or cracking is caused by wear and tear.

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

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

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



14. "Valuable papers and records" means inscribed, printed or written:
- a. Documents;
  - b. Manuscripts; and
  - c. Records;
- including abstracts, books, deeds, drawings, films, maps or mortgages.
- But "valuable papers and records" does not mean "money" or "securities".

**SECTION II – LIABILITY**

**A. Coverages**

**1. Business Liability**

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

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

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

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

- (c) Prior to the policy period, no insured listed under Paragraph C.1. Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known before the policy period.
- (2) To "personal and advertising injury" caused by an offense arising out of your business, but only if the offense was committed in the "coverage territory" during the policy period.
- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph C.1. Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of "bodily injury" or "property damage" after the end of the policy period.
- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph C.1. Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:
  - (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
  - (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
  - (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.
- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".



**f. Coverage Extension – Supplementary Payments**

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

These payments will not reduce the limit of liability.

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



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

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

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

**2. Medical Expenses**

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

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

**B. Exclusions**

**1. Applicable To Business Liability Coverage**

This insurance does not apply to:

- a. **Expected Or Intended Injury**  
 "Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.
- b. **Contractual Liability**  
 "Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:
  - (1) That the insured would have in the absence of the contract or agreement; or
  - (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
    - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and



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

**c. Liquor Liability**

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

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

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

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

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

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

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

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

**e. Employer's Liability**

"Bodily injury" to:

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

- (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

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

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

**f. Pollution**

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

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

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

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

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





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

This exclusion does not apply to:

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

**h. Mobile Equipment**

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

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

**i. War**

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

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

**j. Professional Services**

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

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



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

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

**k. Damage To Property**

"Property damage" to:

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

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

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

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

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

**i. Damage To Your Product**

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

**m. Damage To Your Work**

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

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

**n. Damage To Impaired Property Or Property Not Physically Injured**

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

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

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

**o. Recall Of Products, Work Or Impaired Property**

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

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



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

**p. Personal And Advertising Injury**

"Personal and advertising injury":

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

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

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

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

**q. Electronic Data**

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

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



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

**r. Criminal Acts**

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

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

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

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

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

**2. Applicable To Medical Expenses Coverage**

We will not pay expenses for "bodily injury":

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

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

This insurance does not apply:

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



- (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which:
  - (a) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or
  - (b) The insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
- b. Under Medical Expenses Coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.
- c. Under Business Liability Coverage, to "bodily injury" or "property damage" resulting from the "hazardous properties" of the "nuclear material"; if:
  - (1) The "nuclear material":
    - (a) Is at any "nuclear facility" owned by, or operated by or on behalf of, an insured; or
    - (b) Has been discharged or dispersed therefrom;
  - (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
  - (3) The "bodily injury" or "property damage" arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility"; but if such facility is located within the United States of America, its territories or possessions or Canada, this Exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.
- d. As used in this exclusion:
  - (1) "By-product material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;
- (2) "Hazardous properties" include radioactive, toxic or explosive properties;
- (3) "Nuclear facility" means:
  - (a) Any "nuclear reactor";
  - (b) Any equipment or device designed or used for:
    - (i) Separating the isotopes of uranium or plutonium;
    - (ii) Processing or utilizing "spent fuel"; or
    - (iii) Handling, processing or packaging "waste";
  - (c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
  - (d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;
- (4) "Nuclear material" means "source material", "special nuclear material" or "by-product material";
- (5) "Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;
- (6) "Property damage" includes all forms of radioactive contamination of property;
- (7) "Source material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;
- (8) "Special nuclear material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;
- (9) "Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor";



**(10)** "Waste" means any waste material:

- (a)** Containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content; and
- (b)** Resulting from the operation by any person or organization of any "nuclear facility" included under Paragraphs **(a)** and **(b)** of the definition of "nuclear facility".

**C. Who Is An Insured**

1. If you are designated in the Declarations as:

- a.** An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b.** A partnership or joint venture, you are an insured. Your members, your partners and their spouses are also insureds, but only with respect to the conduct of your business.
- c.** A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d.** An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
- e.** A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

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

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

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

**(2)** "Property damage" to property:

- (a)** Owned, occupied or used by;



- (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;

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

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

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

**D. Liability And Medical Expenses Limits Of Insurance**

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

is the Liability and Medical Expenses limit shown in the Declarations. But the most we will pay for all medical expenses because of "bodily injury" sustained by any one person is the Medical Expenses limit shown in the Declarations.

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

**4. Aggregate Limits**

The most we will pay for:

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

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

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

**E. Liability And Medical Expenses General Conditions**

**1. Bankruptcy**

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



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

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
  - (1) How, when and where the "occurrence" or offense took place;
  - (2) The names and addresses of any injured persons and witnesses; and
  - (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b. If a claim is made or "suit" is brought against any insured, you must:
  - (1) Immediately record the specifics of the claim or "suit" and the date received; and
  - (2) Notify us as soon as practicable.  
You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
- c. You and any other involved insured must:
  - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
  - (2) Authorize us to obtain records and other information;
  - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
  - (4) Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

**3. Legal Action Against Us**

- No person or organization has a right under this policy:
- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
  - b. To sue us on this policy unless all of its terms have been fully complied with.

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

**4. Separation Of Insureds**

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

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

**F. Liability And Medical Expenses Definitions**

- 1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
  - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
  - b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
- 2. "Auto" means:
  - a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
  - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where it is licensed or principally garaged.

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

- 3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
- 4. "Coverage territory" means:
  - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;



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

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

- 5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
- 6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.
- 7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
- 8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
  - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
  - b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by:

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

- 9. "Insured contract" means:

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

21. "Your product":
- a. Means:
    - (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
      - (a) You;
      - (b) Others trading under your name; or



- (c) A person or organization whose business or assets you have acquired; and
- (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
- b. Includes:
  - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
  - (2) The providing of or failure to provide warnings or instructions.
- c. Does not include vending machines or other property rented to or located for the use of others but not sold.

**22. "Your work":**

- a. Means:
  - (1) Work or operations performed by you or on your behalf; and
  - (2) Materials, parts or equipment furnished in connection with such work or operations.
- b. Includes:
  - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
  - (2) The providing of or failure to provide warnings or instructions.

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

**A. Cancellation**

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

- Buildings with 65% or more of the rental units or floor area vacant or unoccupied are considered unoccupied under this provision.
- (2) After damage by a Covered Cause of Loss, permanent repairs to the building:
  - (a) Have not started; and
  - (b) Have not been contracted for; within 30 days of initial payment of loss.
- (3) The building has:
  - (a) An outstanding order to vacate;
  - (b) An outstanding demolition order; or
  - (c) Been declared unsafe by governmental authority.
- (4) Fixed and salvageable items have been or are being removed from the building and are not being replaced. This does not apply to such removal that is necessary or incidental to any renovation or remodeling.
- (5) Failure to:
  - (a) Furnish necessary heat, water, sewer service or electricity for 30 consecutive days or more, except during a period of seasonal unoccupancy; or
  - (b) Pay property taxes that are owing and have been outstanding for more than one year following the date due, except that this provision will not apply where you are in a bona fide dispute with the taxing authority regarding payment of such taxes.
- b. 10 days before the effective date of cancellation if we cancel for nonpayment of premium.
- c. 30 days before the effective date of cancellation if we cancel for any other reason.
- 3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
- 4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- 5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.



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

#### **B. Changes**

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

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

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

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

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

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

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

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

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

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

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

#### **G. Liberalization**

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

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

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

#### **I. Premiums**

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



3. With our consent, you may continue this policy in force by paying a continuation premium for each successive one-year period. The premium must be:

- a. Paid to us prior to the anniversary date; and
- b. Determined in accordance with Paragraph 2. above.

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

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

**J. Premium Audit**

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

**K. Transfer Of Rights Of Recovery Against Others To Us**

1. Applicable to Businessowners Property Coverage:

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

- a. Prior to a loss to your Covered Property.

b. After a loss to your Covered Property only if, at time of loss, that party is one of the following:

- (1) Someone insured by this insurance;
- (2) A business firm:
  - (a) Owned or controlled by you; or
  - (b) That owns or controls you; or
- (3) Your tenant.

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

This will not restrict your insurance.

2. Applicable to Businessowners Liability Coverage:

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

**L. Transfer Of Your Rights And Duties Under This Policy**

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

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



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

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

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS COVERAGE FORM**

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

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

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

## DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

### SCHEDULE

<b>SCHEDULE – PART I</b>	
<b>Terrorism Premium (Certified Acts)</b>	<b>\$ 59</b>
<b>Additional information, if any, concerning the terrorism premium:</b>	
<b>SCHEDULE – PART II</b>	
<b>Federal share of terrorism losses</b>	<u>80</u> % Year: <b>20</b> <u>25</u>
(Refer to Paragraph <b>B.</b> in this endorsement.)	
<b>Federal share of terrorism losses</b>	<u>80</u> % Year: <b>20</b> <u>26</u>
(Refer to Paragraph <b>B.</b> in this endorsement.)	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. Disclosure Of Premium**

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

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

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



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

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



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

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

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS COVERAGE FORM**

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

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

This insurance does not apply to:

**TERRORISM PUNITIVE DAMAGES**

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

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

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

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

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

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

**INSURANCE SUPPLEMENT**

AGENCY Sentry West Insurance Services	CARRIER WCF National Insurance Company	NAIC CODE 40517
POLICY NUMBER 4065704	APPLICANT / NAMED INSURED Garland Meadows Homeowners Association	

**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 or acts that are certified by the Secretary of the Treasury—in consultation with the Secretary of Homeland Security, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019 and 80% BEGINNING ON JANUARY 1, 2020, OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

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

**Acceptance or Rejection of Terrorism Insurance Coverage**

- I hereby elect to purchase terrorism coverage for a prospective premium of \$ 59.
- I hereby decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

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

Includes copyrighted material of the National Association of Insurance Commissioners, with its permission.



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

## **LIMITED BIOHAZARD REMOVAL COVERAGE**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

**Section I – Property** paragraph **5. Additional Coverages** is amended as follows:

**A.** The following subparagraph **z.** is added:

**z.** For loss or damage caused by “biohazard” material at Covered Property, we will pay up to \$10,000 per occurrence for clean up, removal, and disposal of the material, subject to an annual aggregate limit of \$20,000 per policy year, unless another limit is shown in the Declarations.

**B.** For the purpose of this Additional Coverage the following is added to Section **H. Property Definitions**:

“Biohazard” means:

- a.** Human blood;
- b.** Bodily fluids;
- c.** Potentially infectious materials; or
- d.** Any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease; emanating from human remains that requires clean up, removal, and material disposal.



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

## **BUSINESS INCOME CHANGES – TIME PERIOD**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

**Section I - Property** is amended as follows:

1. Paragraph **A.5.i Civil Authority** Additional Coverage is amended by deleting the second paragraph and replacing with the following:

Civil Authority Coverage for Business Income will begin 72 hours (or the number of hours displayed in the Schedule) after the time 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.

2. Paragraph **(a)** under Paragraph **A.5.m.(6) Business Income From Dependent Properties** Additional Coverage is deleted and replaced by the following:

**(a)** Begins 72 hours (or the number of hours displayed in the Schedule) after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises of the dependent property or secondary dependent property; and

3. Paragraph **H.9.a.(1)(a)** of the “period of restoration” definition is deleted and replaced by the following:

**(a)** 72 hours (or the number of hours displayed in the schedule) after the time of direct physical loss or damage for Business Income Coverage; or

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

# **BUSINESS PERSONAL PROPERTY OFF PREMISES INCREASED LIMITS**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

## **SCHEDULE**

<b>Premises Number:</b>
Premises 1: 720 S 4th Ave Hailey, ID 83333-8919

**Section I – Property** is amended as follows:

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

### **A.6.b. Personal Property Off-Premises**

You may extend the insurance provided by this policy to apply to your Covered Property, other than “money” and “securities”, “valuable papers and records” or accounts receivable, while:

1. At a location you do not own, lease or operate; or
2. At any fair, trade show or exhibition.

The most we will pay for loss or damage under this Coverage Extension is \$50,000, unless a higher Limit of Insurance for **Personal Property Off-Premises** is shown in the Declarations. The most we will pay for loss or damage in any one occurrence is the above limit regardless of the number of locations or buildings involved in a covered loss.

This Coverage Extension does not apply to property:

3. In or on a vehicle; or
4. In the care, custody or control of your sales representative, unless the property is in such care, custody or control at a fair, trade show or exhibition.



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

## **CALCULATION OF PREMIUM**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following is added:

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



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

# **COMMUNICABLE DISEASE EXCLUSION**

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS COVERAGE FORM**

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

**Communicable Disease**

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the actual or alleged transmission of a communicable disease.

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

- a. Supervising, hiring, employing, training or monitoring of others that may be infected with and spread a communicable disease;
- b. Testing for a communicable disease;
- c. Failure to prevent the spread of the disease; or
- d. Failure to report the disease to authorities.



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

**CONDOMINIUM ASSOCIATION COVERAGE**

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS COVERAGE FORM**

**A. Paragraph A.1.a. Building in Section I – Property is replaced by the following:**

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

- (b) Appliances, such as those used for refrigerating, ventilating, cooking, dishwashing, laundering, security or housekeeping.

But Building does not include personal property owned by, used by or in the care, custody or control of a unit-owner except for personal property listed in Paragraph A.1.a.(6) above.

**B. Paragraph A.1.b. Business Personal Property in Section I – Property is replaced by the following:**

- b. Business Personal Property located in or on the buildings or structures described in the Declarations or in the open (or in a vehicle) within 100 feet of the buildings or structures or within 100 feet of the premises described in the Declarations, whichever distance is greater, consisting of the following:
  - (1) Personal property owned by you or owned indivisibly by all unit-owners;
  - (2) Your interest in the labor, materials or services furnished or arranged by you on personal property of others;
  - (3) Leased personal property which you have a contractual responsibility to insure, unless otherwise provided for under personal property of others.

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

This also includes property of others that is in your care, custody or control except as otherwise provided in Loss Payment Property Loss Condition E.5.d.(3)(b).



**C. The following is added to the Loss Payment Condition in Section I – Property:**

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

**D. The following is added to the Property Loss Conditions in Section I – Property:**

**9. Unit-owner's Insurance**

A unit-owner may have other insurance covering the same property as this insurance. This insurance is intended to be primary and not to contribute with such other insurance.

**E. The following is added to Paragraph C. Who Is An Insured in Section II – Liability:**

**3.** Each individual unit-owner of the insured condominium, but only for liability arising out of the ownership, maintenance or repair of that portion of the premises which is not reserved for that unit-owner's exclusive use or occupancy.

**F. The following is added to Paragraph K. Transfer Of Rights Of Recovery Against Others To Us in Section III – Common Policy Conditions:**

**3. Waiver Of Rights Of Recovery**

We waive our rights to recover payment from any unit-owner of the condominium that is shown in the Declarations.



# COMMUNITY ASSOCIATION MANAGEMENT COVERAGE FORM

**THIS COVERAGE FORM INCLUDES CLAIMS MADE AND REPORTED COVERAGES. THIS COVERAGE FORM'S CLAIMS MADE COVERAGES APPLY ONLY TO ANY CLAIM FIRST MADE AGAINST AN INSURED DURING THE POLICY PERIOD OR THE EXTENDED REPORTING PERIOD, IF APPLICABLE, AND REPORTED IN WRITING TO THE COMPANY DURING THE POLICY PERIOD, BUT IN NO EVENT MORE THAN 60 DAYS AFTER THE END OF THE POLICY PERIOD OR THE EXTENDED REPORTING PERIOD, IF APPLICABLE. DEFENSE COSTS SHALL BE IN ADDITION TO THE LIMIT OF LIABILITY FOR THESE COVERAGES AND ARE SUBJECT TO THE RETENTIONS.**

**READ THE ENTIRE FORM CAREFULLY TO DETERMINE THE EXTENT OF COVERAGE.**

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

Throughout this coverage form, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance. The word insured means any person or organization qualifying as such under **C. WHO IS AN INSURED**. Other words and phrases that appear in quotation marks have special meaning. Refer to **I. DEFINITIONS**.

**A. COVERAGE**

**1. Directors And Officers Errors And Omissions Liability and Third Party Discrimination And Employment Practices Liability**

We will pay "loss" which an insured shall be legally obligated to pay as a result of any "claim" first made against the Insured during the "policy period", or Extended Reporting Period, if applicable, for:

- a. "Directors and officers wrongful acts"
- b. "Employment wrongful acts" and "third party discrimination"

which occurred prior to the end of the "policy period".

However, these coverages only applies if no "designated insured" had prior knowledge of the facts or circumstances of any "wrongful act" on or prior to the Prior Knowledge Date shown in the Declarations. A "claim" will be deemed to have been made when notice of such "claim" is received by any "designated insured".

All "claims" arising out of "interrelated wrongful acts" will be deemed to be one "claim" and will be deemed to have been made at the time of the first of those "claims" is made.

All "claims" must be reported to us in accordance with **B. Notice of Claim**.

**2. Defense And Settlement**

We have the right and duty to defend the insured, through counsel of our choice, against any "suit" to which this insurance applies. We have the right to investigate any report of a "wrongful



act", and may, at our discretion, settle any "claim" for a "wrongful act" to which this insurance applies. Our obligation to defend any "suit" ends once we have paid our applicable Limit of Liability. No other obligation to pay sums or perform acts or services is covered unless explicitly provided for under **3. Supplementary Payments**.

No insured will, except at that insured's own cost, voluntarily make any payment, assume any obligation, or incur any expense, without our written consent.

**3. Supplementary Payments**

The following Supplementary Payments apply.

We will pay the following Supplementary Payments, with respect to any covered "claim" we investigate, defend or settle:

- a. All expenses we incur in the investigation or handling of a covered "claim".
- b. The premium on bonds to appeal a judgment or award in any "suit" we defend or the premium on bonds to release attachments, but only for bond amounts within the applicable Each Claim Limit of Liability shown in the Declarations. We do not have to furnish these bonds. We do not have to provide security or collateral for these bonds.
- c. All 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.
- d. All costs taxed against the insured in a "suit", excluding prevailing party attorney fees. Supplementary Payments do not include prevailing party attorney fees.
- e. Prejudgment and post judgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of liability, we will not pay any prejudgment or post judgment interest based on that period of time after the offer.

These payments will not reduce the applicable limit of liability.

**B. NOTICE OF CLAIM**

You must give us written notice of a "claim" as soon as practicable after any "designated insured" becomes aware of such "claim". A "claim" will be deemed to have been first made when notice of such "claim" is received by any "designated insured" or by us, whichever comes first. You must provide such notice to us:

- 1. During the "policy period" in which the "designated insured" first became aware of the "claim", but in no event more than 60 days after the end of that "policy period"; or
- 2. During the Extended Reporting Period, if applicable, but in no event more than 60 days after the end of the Extended Reporting Period.

**C. WHO IS AN INSURED**

The term insured includes:

- 1. The Named Insured listed in the Declarations and its "subsidiaries". You must notify us within 90 days after you acquire or create a new "subsidiary".
  - a. Coverage for a newly acquired or created "subsidiary" 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 under this Coverage Form for any "subsidiary" and its insureds does not apply to any "wrongful act" that occurred before you acquired or formed the "subsidiary" or after the organization ceased being your "subsidiary".
- 2. Any person who has been, now is, or shall become:
  - a. A duly elected director or trustee of the insured community association, but only in



their capacity as such;

- b. A duly elected or appointed officer of the insured community association, but only in their capacity as such;
  - c. A committee member of the insured community association, but only in their capacity as such;
  - d. A member of the insured community association, but only while acting at the direction of the association's Board of Directors or Trustees on behalf of the association in a voluntary capacity; and
  - e. An "employee" of the insured community association, but only in their capacity as such.
3. The estate or legal representatives of any insured in **2.** above, who is deceased or the legal representatives, receivers or assigns of any insured in **2.** above, who is insolvent, incompetent or bankrupt, but only to the extent the insured in **2.** above, would have been covered under this Coverage Form in the absence of such death, insolvency, incompetency or bankruptcy.
  4. The spouse or domestic partner of any insured in **2.** above, but only to the extent the claimant seeks recovery from the spouse or domestic partner, or of property owned by the spouse or domestic partner, for a "wrongful act" of an insured in **2.** above.
  5. A "property manager" for the insured community association while performing property management duties for the insured community association, but only with respect to liability for "wrongful acts" committed at the express direction of the insured community association. However, your "property manager" is not an insured for "claims" or "suits" brought against them by you.

**D. EXCLUSIONS**

This insurance does not apply to "claims" based upon, arising out of, related to, resulting from, or in connection with any actual or alleged:

1. Gaining in fact profit or financial advantage to which the insured was not legally entitled.
2. Failure to maintain any property owned by the insured community association, or by any "subsidiary" of the insured community association, or owned collectively by the members of the insured community association or such "subsidiary".
3. Theft, loss, or unauthorized disclosure of personally identifiable information that is in the care, custody or control of the insured or a third party for whom the insured is legally liable.
4. Amounts due or owed to an "employee" under a contract of employment, or due or owed to a director, trustee or officer for benefits, including salaries, commissions, compensation, bonuses, profit sharing, health insurance, retirement benefits and severance payments.
5. "Wrongful act" that occurred after the "policy period".
6. "Bodily injury", "property damage", or "personal and advertising injury".
7. Fraud, collusion, dishonesty, criminal or malicious acts committed by or at the direction of an insured, if a final adjudication establishes such fraud, collusion, dishonesty, criminal or malicious acts, and then only as to such insured. The fraud, collusion, dishonesty, criminal or malicious "wrongful acts" of an insured shall not be imputed to any other insured for the purposes of this exclusion.
8. Profits or losses, including an accounting of these profits or losses, resulting from the purchase or sale of any securities.
9. Pollution, including any:
  - i. Request, demand or order that you or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effect of pollutants; or



- ii. Actual, alleged or threatened discharge, release, escape, seepage, migration or disposal of pollutants into or on real or personal property, water or the atmosphere.

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.

- 10. Defect, including any "construction defect", in property owned by, rented to, in the charge of or occupied by the insured community association or its unit owners.
- 11. Violation of the responsibilities, obligations or duties imposed upon fiduciaries by the Employee Retirement Income Security Act of 1974, as amended, or similar provisions of federal, state or local statutory or common law.
- 12. "Wrongful act" for which a "claim" is brought or maintained by or on behalf of the insured community association with the solicitation, assistance, participation or intervention of any current or former director, officer or trustee of the insured community association.
- 13. Breach of any oral or written contract or agreement, or for liability assumed by the insured under any such contract or agreement, except for liability of the insured that would have existed in the absence of such contract or agreement. However, this exclusion shall not apply to the insurer's duty to defend and to pay defense costs.
- 14. Fact, circumstance or situation which has been the subject of any notice given under any other directors and officers liability policy or coverage, or employment practices liability policy or coverage.
- 15. Liability of any insured in their capacity as a builder, developer, sponsor, general contractor, sub-contractor, architect, engineer, design professional, or affiliate of such.
- 16. "Wrongful act" or "interrelated wrongful act" which any "designated insured" had knowledge of prior to the Prior Knowledge Date shown in the Declarations.
- 17. "Employment wrongful act" related to the ownership, maintenance, management, use, or operations of any location other than the "covered location".
- 18. Consequential loss or damages claimed by a claimant's domestic partner, spouse, child, parent, brother or sister, or any other relative related by blood, marriage or adoption, including but not limited to derivative claims, loss of consortium, emotional distress, lost wages or income.
- 19. Obligation of an insured to pay by reason of the assumption of another's liability for an "employment wrongful act" in a contract or agreement. This exclusion will not apply to liability for damages because of an "employment wrongful act" that any insured would have without the contract or agreement.
- 20. Acts set forth in paragraphs 8.a through 8.h. of the definition of "Employment practices wrongful act" committed by an insured against an employee or former employee of , or applicant for employment with, the "property manager," including any related retaliation "claims" against such employees. This exclusion includes "claims" for actual or alleged violation of any federal, state or local wage and hour law, or any actual or alleged failure to pay salary, wages, business expenses or gratuities under any statute, ordinance, regulation or common law.
- 21. Violation of any of the following laws, including any amendments thereto:
  - a. Any worker's compensation, disability benefits or unemployment compensation law, social security and other employment benefits law;
  - b. The Employee Retirement Income Security Act of 1974 Public Law 93-406;
  - c. The Fair Labor Standards Act (except the Equal Pay Act);
  - d. The National Labor Relations Act;
  - e. The Worker Adjustment and Retraining Notification Act;



- f. The Consolidated Omnibus Budget Reconciliation Act of 1985;
- g. The Occupational Safety and Health Act; or
- h. Any other federal, state or local statute, ordinance, regulations or common law similar to any statute or law described in this exclusion;

However, this exclusion shall not apply to any "claim" alleging:

- i) Violation of the Family and Medical Leave Act or any other similar state or local statute, ordinance, regulations or common law; or
  - ii) Retaliatory treatment of the claimant on account of the claimant's exercise of rights pursuant to such statute, ordinance, regulations or common law.
22. Fraud, collusion, dishonesty, criminal or malicious acts committed by or at the direction of an insured, if a final adjudication establishes such fraud, collusion, dishonesty, criminal or malicious acts and then only as to such insured. The fraud, collusion, dishonesty, criminal or malicious "wrongful acts" of an insured shall not be imputed to any other insured for the purposes of this exclusion.
  23. Obligation to pay insurance plan benefits by or on behalf of current or former "employees", or that to which a claimant would have been entitled as an "employee" had the insured community association provided the claimant with a continuation of insurance.
  24. "Wrongful act" or "interrelated wrongful act" which any "designated insured" had knowledge of prior to the Prior Knowledge Date shown in the Declarations.
  25. Violation of any state or local wage and hour law, or failure to pay salary, wages, business expenses or gratuities under any statute, ordinance, regulation or common law. However, this exclusion does not apply to any "claim" of any actual or alleged retaliatory treatment of the claimant on account of the claimant's exercise of rights pursuant to any such laws.

**E. LIMITS OF INSURANCE**

The Annual Aggregate Limit of Liability shown in the Declarations is the most we will pay for covered "loss" arising from all "claims" first made during the "policy period", or Extended Reporting Period, regardless of the number of insureds, "claims" made, persons or organizations making "claims" or number of applicable coverages.

The Annual Aggregate Limit of Liability applies separately to each consecutive annual "policy period". If the "policy period" is extended, the Limits of Liability shown in the Declarations shall not in any way increase. For purposes of the Limits of Liability, any policy extension is considered to be part of and not in addition to the former "policy period".

1. The Each Claim Limit of Liability shown in the Declarations is the most we will pay regardless of the number of insureds, "claims" made, or persons or organizations making "claims".
2. We will pay "loss" resulting from any single "claim" only to the extent the "loss" exceeds the retention amount shown in the Declarations.

**F. RETENTION**

1. The retentions set forth in the Declarations apply separately to each "claim". Defense costs and "loss" are subject to the retentions. However, defense costs and "loss" incurred before an insured provides written notice of the "claim" to us, or incurred without our written consent, will not apply towards any retention.
2. The insured community association shall bear at its own risk the amount of the applicable retention. If we pay part or all of the retention to defend or settle a "claim", you will promptly reimburse us for the part of the retention paid by us.
3. No retention amount shall apply to defense costs or "loss" incurred by insured natural persons if the insured community association is not permitted or required to indemnify the insured natural persons for such defense costs or "loss" or if the insured community association is



financially insolvent.

**G. EXTENDED REPORTING PERIOD**

- 1. If coverage is:
  - a. Cancelled for any reason other than non-payment of premium; or
  - b. Not renewed;

the named insured shall have the right to purchase an Extended Reporting Period for that coverage. When purchased, the Extended Reporting Period shall commence on the effective date of the cancellation or non-renewal described above. The Extended Reporting Period shall only apply to "claims" first made against the insured during the Extended Reporting Period for "wrongful acts" committed-prior to the end the "policy period" or the effective cancellation or non-renewal date, whichever occurs first. Such "claims" must be reported to us as soon as practicable, but in no event more than 60 days after the end of the Extended Reporting Period.

For purposes of the Limit of Liability, the Extended Reporting Period is part of, and not in addition to the "policy period". The Extended Reporting Period will not, in any way, increase the applicable Limit of Liability shown in the Declarations.

- 2. You may request an Extended Reporting Period of 12, 24 or 36 months. We must receive your written request to purchase an Extended Reporting Period within 60 days after the end of the "policy period" set forth in the Declarations or the effective cancellation or non-renewal date, whichever occurs first.

The additional premium for an Extended Reporting Period will be a percentage of the expiring annual premium charged for the last "policy period", as follows:

- a. One year - 75%;
- b. Two years - 140%; and
- c. Three years - 200%.

We will issue an Extended Reporting Period endorsement upon receipt of your written request. You must pay the additional premium for the Extended Reporting Period when due. If payment is not received when due, the endorsement is null and void. The additional premium will be fully earned when the Extended Reporting Period Endorsement takes effect. If payment is received when due, the endorsement may not be cancelled by us.

**H. LIABILITY CONDITIONS**

Insurance provided under this Coverage Form is subject to the following conditions:

**1. Duties In The Event Of "Claim"**

In the event of a "claim", you and any other involved insured must:

- a. Provide the identity of any person alleging any "wrongful act";
- b. Provide the identity of any insured who allegedly committed the "wrongful act";
- c. Provide the identity of any witnesses to the alleged "wrongful act";
- d. Provide the date(s) of an alleged "wrongful act";
- e. Immediately send us copies of any demands, notices, summonses, or legal papers received in connection with a "claim";
- f. Authorize us to obtain statements, records and other information relating to such "claim" and its defense;
- g. Cooperate with us in the investigation, settlement, or defense of the "claim"; and



- h. 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. Legal Action Against Us**

No person or organization has a right under this Coverage Form:

- 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 under this Coverage Form 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 Coverage Form, or that are in excess of the applicable limit of liability. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

**3. Merger, Acquisition or Control**

If, during the "policy period", any of the following changes occur:

- a. The acquisition of the insured community association or of all or substantially all of its assets, by another entity, or the merger or consolidation of the insured community association into or with another entity such that the insured community association is not the surviving entity; or
- b. The obtaining by any person, entity or affiliated group of persons or entities of the right to elect, appoint or designate over fifty percent (50%) of the directors, officers or trustees of the insured community association;

coverage with respect to the insured community association will continue in full force and effect with respect to "claims" for "wrongful acts" committed before such change. However, coverage will cease with respect to "claims" for "wrongful acts" committed on or after the date of such change. After any such change, this policy may not be cancelled, regardless of condition **J. 2. Cancellation**, and the premium for this coverage will be fully earned.

**4. Notice of Wrongful Acts**

If during the "policy period" or any Extended Reporting Period:

- a. You become aware of any "wrongful act" which may reasonably be expected to give rise to a "claim"; and
- b. You give written notice to us of the specific "wrongful act," including the full particulars as to the dates and persons involved, the injury or damage which has or may result therefrom, the circumstances by which the insured first became aware of the "wrongful act", and the reasons for anticipating such a "claim";

then any "claim" which is subsequently made against an insured arising directly out of such "wrongful act" shall be considered made at the time such notice was given to us.

**5. Other Insurance**

If other valid and collectible insurance is available to the insured for a "claim" we cover, this insurance is excess over any such other insurance, whether primary, excess, contingent or on any other basis.

When this insurance is excess, 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 deductibles, retentions and self-insured amounts under such other insurance.



## 6. Where Coverage Is Provided

This insurance only applies to "claims" made in the United States of America, including its territories and possessions and Puerto Rico, for "wrongful acts" committed in the United States of America including its territories and possessions and Puerto Rico.

### I. DEFINITIONS

1. "Advertisement" means widespread dissemination of information or images to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. "Advertisement" includes:
  - a. Material placed on the Internet or on similar electronic means of communication about your goods, products or services for the purpose of attracting customers or supporters; and
  - b. Regarding websites, only that part of a website that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

However, "advertisement" does not include any:

- a. Design, printed material, information or images contained in, on or upon the packaging or labeling of any goods or products; or
  - b. Display of goods, products or services at your physical place of business or at any other physical location such as in showrooms or at trade shows.
2. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
  3. "Claim" means:
    - a. A written demand seeking monetary damages or non-monetary relief;
    - b. A civil "suit" seeking monetary damages or non-monetary relief;
    - c. A formal administrative or regulatory proceeding, formal investigative order or similar document, including a filing seeking a Right to Sue an insured; or
    - d. The filing of any complaint against an insured with the EEOC, DFEH, or any similar administrative court or organization, against an insured for a "wrongful act".

However, "claim" does not include any criminal proceeding or investigation.

4. "Construction defect" means any actual or alleged defective, faulty or delayed construction, including, but not limited to, in whole or part, any:
  - a. Construction, manufacture or assembly of any property;
  - b. Faulty or incorrect designs or plans, including but not limited to, architectural, plumbing, electrical and structural;
  - c. Improper soil testing;
  - d. Inadequate or insufficient protection from subsoil, ground water or earth movement or subsidence;
  - e. Failure to provide construction related goods or services as represented or to pay for such goods or services; or
  - f. The supervision of any of the activities described in items a. through e. above.
5. "Covered location" means:
  - a. Any premises owned by, rented to, in the charge of or occupied by the insured



community association; and

- b. All units comprising the insured community association.
6. "Designated insured" means any director, officer, trustee, "employee" with managerial or risk management responsibilities, or "property manager" of the insured community association.
  7. "Employee" means an individual hired and paid directly by the insured community association to provide labor or services under the direct supervision of the insured community association, or any covered entity. This includes part time, seasonal and temporary employees as well as any individual employed in a supervisory, managerial or confidential position. "Employee" also includes volunteers, but only while acting on behalf of and under the direct supervision of the insured community association. "Employee" does not include an individual who is an independent contractor or subcontractor, an individual leased to another employer or an individual who is an employee of the "property manager".
  8. "Employment practices wrongful act" means any of the following actual or alleged acts related to employment committed by an insured against an "employee" or former "employee" or applicant for employment with an Insured entity:
    - a. Wrongful dismissal, discharge or termination of employment, whether actual or constructive;
    - b. Employment related misrepresentation;
    - c. Wrongful deprivation of career opportunity, including demotion or failure to employ or promote;
    - d. Wrongful discipline;
    - e. Negligent "employee" evaluation;
    - f. Workplace harassment or bullying based on race, color, religion, age, sex, disability, pregnancy, sexual orientation, national origin, or any other basis prohibited by federal, state or local law;
    - g. Termination, demotion, failure or refusal to hire or promote, denial of an employment benefit or the taking of any adverse or differential employment action because of race, color, religion, age, sex, disability, pregnancy, sexual orientation, national origin, or any other basis prohibited by federal, state or local law;
    - h. Employment-related:
      - i. Libel;
      - ii. Slander;
      - iii. Defamation of character;
      - iv. Invasion of privacy;
      - v. False imprisonment;
      - vi. Detention; or
      - vii. Malicious prosecution.

"Employment practices wrongful act" includes retaliation "claims" related to any allegation of an act listed in a. through h. above. However, it does not include "claims" for actual or alleged violation of any federal, state or local wage and hour law, or any actual or alleged failure to pay salary, wages, business expenses or gratuities under any statute, ordinance, regulation or common law.

9. "Employment wrongful act" means "employment practices wrongful act" and "third party discrimination".
10. "Interrelated wrongful acts" mean "wrongful acts" that are temporally, logically or causally



connected by any common fact, circumstance, situation, event, transaction or series of facts, circumstances, situations, events or transactions.

11. "Loss" means the total amount which the insured becomes legally obligated to pay as damages, judgments or settlements on account of all "claims" made against the insured for "wrongful acts" to which this insurance applies. "Loss" includes prevailing party attorney fees, regardless of whether they are deemed to be damages or costs, but only to the extent the prevailing party attorney fees are for "wrongful acts" to which this insurance otherwise applies.

However, "loss" does not include:

- a. Defense costs;
- b. Taxes, fines penalties or liquidated damages;
- c. Any non-monetary relief, including but not limited to the cost to comply with any injunction, order or agreement to provide such relief;
- d. The multiple portion of any multiplied damage award, or punitive or exemplary damages;
- e. Any amounts that are uninsurable under applicable state law;
- f. Any amount for which the insured is not financially liable or for which there is no legal recourse against the insured; or
- g. Costs:
  - i. To modify or adapt any building or property in order to make such building or property more accessible or accommodating to any disabled person;
  - ii. Associated with eliminating non-essential duties from the job description of a disabled person;
  - iii. Associated with providing a disabled person with reasonable workplace accommodations; and
  - iv. Associated with lost productivity by an employer as the result of making a reasonable workplace accommodation for a disabled person.

12. "Media material" means any information in electronic form, including words, sounds, numbers, images, or graphics and shall include advertising, video, streaming content, webcasting, online forum, bulletin board and chat room content. However, it does not include computer software or the actual goods, products or services described, illustrated or displayed in such "media material".

13. "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. Wrongful eviction from, wrongful entry into, or physical invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of an insured;
- d. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e. Oral or written publication 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".
- h. Display of "media material" on the insured community association's website, or on social media web pages created and maintained by or on behalf of the insured



community association.

- 14. "Policy period" means the period of time from the inception of this policy to the expiration date stated in the Declarations, or its earlier cancellation, if applicable. Any renewal of this policy constitutes a separate and distinct "policy period".
- 15. "Property damage" means:
  - a. Physical injury to, destruction of, or loss of use of any tangible property; or
  - b. Loss of use of tangible property that is not physically injured.

All loss of use shall be deemed to occur at the time of the physical injury, destruction or occurrence that caused it.
- 16. "Property manager" means any person or organization providing real estate property management services to the insured community association pursuant to a written contract:
  - a. Currently in effect or becoming effective during the "policy period"; and
  - b. Executed and signed prior to the "wrongful act".
- 17. "Subsidiary" means:
  - a. Any non-profit organization in which the Named Insured listed in the Declarations has the right to elect or appoint more than 50 percent (50%) of the directors or trustees, and
  - b. Any other organization specifically included as a "subsidiary" by written endorsement to this Coverage Form.
- 18. "Suit" means a civil proceeding against an insured in which damages or other relief, to which this insurance applies, are alleged. "Suit" includes an arbitration or mediation proceeding to which such insured must submit, or to which the insured voluntarily submits with our consent. For purposes of Third-Party Discrimination and Employment Practices Liability, "suit" also includes a formal administrative or regulatory proceeding, including a proceeding seeking a Right to Sue any insured.
- 19. "Third party discrimination" means actual or alleged acts of discrimination or harassment by an insured against any natural person who is not an "employee" of any insured based on race, color, religion, age, sex, disability, pregnancy, sexual orientation, national origin, or any other basis prohibited by federal, state or local law. However, "third party discrimination" does not include actual or alleged acts of assault or battery.
- 20. "Wrongful act" means any actual or alleged act, error, omission, misstatement, misleading statement, neglect, or breach of duty committed or allegedly committed by any insured arising solely from their responsibilities for the insured community association. "Wrongful act" also includes "employment practices wrongful acts" and "third party discrimination".

**J. COMMON CONDITIONS**

All insurance provided under this Coverage Form is subject to the following conditions:

**1. Bankruptcy**

Bankruptcy or insolvency of the insured community association will not relieve us of our obligations under this Coverage Part.

**2. Cancellation**

- a. The first Named Insured shown in the Declarations may cancel this Coverage Form by mailing or delivering to us advance written notice of cancellation.
- b. We may cancel this Coverage Form by mailing or delivering to the first Named Insured written notice of cancellation at least:



- i. 10 days before the effective date of cancellation if we cancel for nonpayment of premium.
- ii. 30 days before the effective date of cancellation if we cancel for any other reason.
- c. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
- d. Notice of cancellation will state the effective date of cancellation. The "policy period" will end on that date.
- e. If this Coverage Form 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.
- f. If notice is mailed, proof of mailing will be sufficient proof of notice.

### **3. Concealment, Misrepresentation or Fraud**

- a. This Coverage Form is void in any case of fraud by you as it relates to this Coverage Form at anytime. It is also void if you or any other insured, at any time, intentionally conceals or misrepresents a material fact concerning:
  - i. This Coverage Form; or
  - ii. A claim under this Coverage Form.
- b. By accepting this coverage, you agree:
  - i. The statements and representations made during or as part of the application process for this coverage are accurate and complete;
  - ii. We have issued this Coverage Form in reliance upon your statements and representations;
  - iii. If any material statements or representations we relied upon in issuing this Coverage Form are untrue, this Coverage Form shall be voidable; and
  - iv. If an insured intentionally conceals or misrepresents a material fact or commits fraud relating to a "claim", then we will not pay for any "loss" or damage sustained by that insured.

### **4. Non-renewal**

- a. If we decide not to renew this Coverage Form, we will mail or deliver written notice of the non-renewal to the Named Insured not less than 30 days before the expiration date.
- b. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
- c. If notice is mailed, proof of mailing will be sufficient proof of notice.

### **5. Transfer Of Rights Of Recovery Against Others To Us**

If you have rights to recover all or part of any payment we have made under this Coverage Form, those rights are transferred to us. You must do nothing to impair such rights. At our request, you will transfer those rights to us and help us enforce such rights.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**  
**EMPLOYMENT-RELATED PRACTICES EXCLUSION**

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS COVERAGE FORM**

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

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

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

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

This exclusion applies:

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





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

# **EQUIPMENT BREAKDOWN ENHANCEMENT ENDORSEMENT**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

**Section I – Property** is amended as follows:

**A. Coverages**

- 1. The following paragraphs have been deleted from **A.4. - Limitations**:
  - a. **4.a.(1)** and;
  - b. **4.a.(2)**.
- 2. With respect to this endorsement only, the following **Additional Coverages** are added as a part of and not in addition to the limit per loss:

**A.5.h. Pollutant Clean Up and Removal**

We will pay for the Pollutant Clean Up and Removal for loss resulting from an “equipment breakdown”. The most we will pay for the Pollutant Clean Up and Removal is \$250,000 unless another limit is provided by the Deductible and Limits Exceptions Schedule to which this endorsement can be attached. In that case, the limit provided by the Deductible and Limits Exceptions Schedule will apply.

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.

**A.5. ag. Expediting Expenses**

We will pay for the expediting expense costs incurred resulting from an “equipment breakdown” with respect to your damaged Covered Property. We will pay the “reasonable extra cost” to:

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

“Reasonable extra cost” shall mean the extra cost of temporary repair and of expediting the repair of such damaged equipment of the insured, including overtime and the extra cost of express or other rapid means of transportation.



### **A.5.ai Refrigerant Contamination**

We will pay the loss from contamination by refrigerant used in refrigerating, cooling or humidity control equipment at the described premises as a result of an "equipment breakdown".

The most we will pay for Refrigerant Contamination is \$250,000 unless another limit is provided by the Deductible and Limits Exceptions Schedule to which this endorsement can be attached. In that case, the limit provided by the Deductible and Limits Exceptions Schedule will apply.

### **A.5.aj. Spoilage**

We will pay for loss of "perishable goods" due to spoilage resulting from lack of power, light, heat, steam or refrigeration caused by an "equipment breakdown" to Covered Property.

However, we will not pay for any loss, damage, cost or expense directly caused by, contributed to by, resulting from or arising out of the following causes of loss:

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

The most we will pay for Spoilage is \$250,000 unless another limit is provided by the Deductible and Limits Exceptions Schedule to which this endorsement can be attached. In that case, the limit provided by the Deductible and Limits Exceptions Schedule will apply.

### **A.5.al. Temperature Fluctuation**

We will pay for loss of "perishable goods" only caused by or resulting from any condition or event to Covered Property that can be resolved by calibrating, re-setting, tightening, adjusting or cleaning.

However, we will not pay for loss of "perishable goods" as a result of resetting the power supply to the Covered Property containing the "perishable goods".

The most we will pay for this Temperature Fluctuation is \$5,000 including any insurance provided for Business Income or Extra Expense.

### **A.5. aq. CFC Refrigerants**

We will pay for the "additional cost" to repair or replace Covered Property because of the use or presence of a refrigerant containing CFC (chlorofluorocarbon) substances as the result of an "equipment breakdown".

"Additional cost" means those in excess of what would have been required to repair or replace Covered Property, had no CFC refrigerant been involved. We also pay for additional loss as described under the Spoilage Coverages provided by this endorsement or any insurance provided for Business Income, caused by the presence of a refrigerant containing CFC substances.

We pay no more than the least of the following:

- (1) The cost to repair the damaged property and replace any lost CFC refrigerant;
- (2) The cost to repair the damaged property, retrofit the system to accept a non-CFC refrigerant, and charge the system with a non-CFC refrigerant; or
- (3) The cost to replace the system with one using a non-CFC refrigerant.



**A.5.be. Computer Equipment**

We will pay for loss or damage to your “computer equipment” caused by an “equipment breakdown”.

**A.5.bf. Data Restoration**

We will pay for your reasonable and necessary cost to research, replace and restore the lost information on electronic media and records as a result of an “equipment breakdown”. The most we will pay for Data Restoration is \$100,000.

**A.5.bg. Unauthorized Instruction**

We will pay for loss or damage to your “computer equipment” caused by an “unauthorized instruction” which results in an “equipment breakdown”.

“Unauthorized instruction” means a virus, harmful code or similar instruction introduced into or enacted on a computer system or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation.

**A.5.bb Service Interruption**

Any insurance provided for Business Income, Extra Expense, Spoilage or Data Restoration is extended to apply to your loss, damage or expense caused by an “equipment breakdown” to equipment that is owned by a utility, landlord or other supplier with whom you have a contract to supply 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 or “cloud computing”. The equipment must meet the definition of “equipment breakdown” except that it is not Covered Property.

**A.5. bc. Risk Improvement**

If Covered Property suffers direct physical loss or damage due to an “equipment breakdown”, we will pay for the insured to improve the “power quality” of the electrical system or equipment at the loss location where the “equipment breakdown” occurred. “Power quality” means the conditions that allow electrical systems or equipment to operate as intended by limiting voltage fluctuations and other power influences that would adversely affect the operational performance and/or reduce the reliability, or the lifespan of the electrical system.

We will pay the reasonable extra cost to improve “power quality” for the following electrical systems and/or equipment improvements:

- a. Installation of surge protection devices (SPD’s) which are installed at the loss location’s line disconnect, load disconnect, or on specific pieces of equipment and that are certified by Underwriter Laboratories (UL) or has an equivalent certification.

However, SPD’s do not include any SPD’s which are cord-connected surge strips, direct plug-in SPD’s or receptacle SPD’s;

- b. An upgrade and/or replacement of; electrical panels, switchgear and/or circuit breakers; or



- c. Electrical wire and wiring improvements which include installation of; flexible conduit, junction boxes and/or ground wiring.

We will not pay more than 10%, to a maximum limit of \$10,000, of the loss amount paid. An invoice for implementation of this Additional Coverage must be sent to us within 180 days after the payment of the loss is received.

**A.5.bd. Off- Premises Coverage**

We will pay for loss or damage to Covered Property resulting from a covered "equipment breakdown" while temporarily at a premises or location that is not a described premises.

The most we will pay for Off-Premises Coverage is \$25,000.

**B. Exclusions**

With respect to this endorsement only, the following **Exclusions** are deleted:

- a. B.2.a.;
- b. B.2.d.; and;
- c. B.2.I.(6).

**F. Property General Conditions**

With respect to this endorsement only, the following **Property General Conditions** are added:

**F.5. Suspension**

Whenever Covered Property is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss to that Covered Property for the perils covered by this endorsement. Coverage can be suspended and possibly reinstated by delivering or mailing a written notice of suspension / coverage reinstatement to:

- a. Your last known address; or
- b. The address where the property is located.

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

**F.6. Jurisdictional Inspections**

If any Covered Property 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.

**F.7. Environmental, Safety and Efficiency Improvements**

If Covered Property requires replacement due to an "equipment breakdown", we will pay your additional



cost to replace with equipment that is better for the environment, safer, or more energy efficient than the equipment being replaced.

However, we will not pay more than 150% of what the cost would have been to repair or replace with like kind and quality. This Condition does not apply to any property to which Actual Cash Value applies.

**F.8. Green Environmental and Efficiency Improvements**

If Covered Property requires repair or replacement due to an “equipment breakdown”, we will pay:

- a. The lesser of the reasonable and necessary additional cost incurred by the insured to repair or replace physically damaged Covered Property with equipment of like kind and quality which qualifies as “green”. Like kind and quality includes similar size and capacity.
- b. The additional reasonable and necessary fees incurred by the insured for an accredited professional certified by a “green authority” to participate in the repair or replacement of physically damaged Covered Property as “green”.
- c. The additional reasonable and necessary cost incurred by the insured for certification or recertification of the repaired or replaced Covered Property as “green”.
- d. The additional reasonable and necessary cost incurred by the insured for “green” in the removal, disposal or recycling of damaged Covered Property.
- e. The business interruption (if covered within the Policy to which this **Equipment Breakdown Enhancement Endorsement** is attached) loss during the additional time required for repair or replacement of Covered Property, consistent with “green”, in the coverages above.

We will not pay more than 150%, to a maximum limit of \$100,000, of what the cost would have been to repair or replace with equipment of like kind and quality inclusive of fees, costs, and any business interruption loss incurred as stated above.

**Green Environmental and Efficiency Improvements** does not cover any of the following:

- a. Covered Property does not include stock, raw materials, finished goods, “production machinery”, merchandise, electronic data processing equipment not used in the functional support of the real property, process water, molds and dies, property in the open, property of others for which the insured is legally liable, or personal property of others.
- b. Any loss adjusted on any valuation basis other than a repair or replacement basis as per the Valuation section of this policy.
- c. Any loss covered under any other section of this policy.
- d. Any cost incurred due to any law or ordinance with which the insured was legally obligated to comply prior to the time of the “equipment breakdown”.

**G. OPTIONAL COVERAGES**

- 1. With respect to this endorsement only, the Paragraph **G.1.c. (5)** of the **Outdoor Signs Optional Coverage** does not apply.
- 2. With respect to this endorsement only, the provisions of this endorsement supersede the following **Optional Coverages**:



#### 4. Equipment Breakdown Protection Coverage

### H. PROPERTY DEFINITIONS

1. With respect to this endorsement only, the following **Definition** is amended:

**H.12.** "Specified Causes of Loss" means the following:

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

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

(1) The cost of filling sinkholes; or

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

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

(1) Personal property in the open; or

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

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

2. With respect to this endorsement only, the following **Definitions** are added:

**H.15.** "Cloud computing" means on-demand network access to a shared pool of computing resources via networks, servers, storage, applications and services provided by an organization with whom you have a contract with using the following service models: Software as a Service (SaaS), Platform as a Service (PaaS) and Infrastructure as a Service (IaaS) on the following deployment models: public cloud, community cloud, hybrid cloud and private cloud.

**H.16.** "Computer equipment" means Covered Property that is electronic computer or other data processing equipment, including peripherals used in conjunction with such equipment and electronic media and records.

**H.17.** "Electronic equipment" means devices which operate using many small electrical parts such as, but not limited to, microchips, transistors or circuits.

**H.18.** "Electronic equipment deficiency" means the quality or condition inside of "electronic equipment" which renders this equipment unexpectedly inoperable and which is operable again once a piece of "electronic equipment" has been replaced.

However, "electronic equipment deficiency" will not include replacement of "electronic equipment" for any condition that could have been resolved without replacement of the "electronic equipment" including but not limited to "computer equipment" maintenance or the reinstallation or incompatibility of software.



**H.19. "Equipment breakdown" as used herein means:**

**a. Physical loss or damage both originating within:**

- (1)** Boilers, fired or unfired pressure vessels, vacuum vessels, and pressure piping, all normally subject to vacuum or internal pressure other than static pressure of contents, excluding:
  - (a)** Waste disposal piping;
  - (b)** Any piping forming part of a fire protective system;
  - (c)** Furnaces; and
  - (d)** Any water piping other than:
    - (i)** Boiler feed water piping between the feed pump and the boiler;
    - (ii)** Boiler condensate return piping; or
    - (iii)** Water piping forming part of a refrigerating or air conditioning system used for cooling, humidifying or space heating purposes.
- (2)** All mechanical, electrical, fiber optic equipment or "electronic equipment"; and

**b. Caused by, resulting from, or consisting of:**

- (1)** Mechanical breakdown;
- (2)** Electrical or electronic breakdown and "electronic equipment deficiency"; or
- (3)** Rupture, bursting, bulging, implosion, or steam explosion.

However, "equipment breakdown" will not mean:

**a. Physical loss or damage caused by or resulting from any of the following; however if loss or damage not otherwise excluded results, then we will pay for such resulting damage:**

- (1)** Wear and Tear;
- (2)** Rust or other corrosion, decay, deterioration, hidden or latent defect, mold or any other 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 birds, rodents or other animals;
- (6)** Any accident, loss, damage, cost, claim, or expense, whether preventative, remedial, or otherwise, directly or indirectly arising out of or relating to the recognition, interpretation, calculation, comparison, differentiation, sequencing, or processing of data by any computer system including any hardware, programs or software; or
- (7)** Scratching and marring.



b. Loss, damage, cost or expense directly caused by, contributed to by, resulting from or arising out of the following causes of loss:

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

**H.20.** "Green" means products, materials, methods and processes certified by a "green authority" that conserve natural resources, reduce energy or water consumption, avoid toxic or other polluting emissions or otherwise minimize environmental impact.

**H.21.** "Green authority" means an authority on "green" buildings, products, materials, methods or processes certified and accepted by Leadership in Energy and Environmental Design (LEED®), Green Building Initiative Green Globes®, Energy Star Rating System or any other recognized "green" rating system.

**H.22.** "Perishable goods" means stock preserved and maintained under controlled conditions and susceptible to loss or damage if the controlled conditions change.

**H.23.** "Production machinery" means any machine which processes, forms, shapes, or transports raw materials, materials in process, waste materials or finished products.



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

**EXCLUSION – ACCESS OR DISCLOSURE OF  
CONFIDENTIAL OR PERSONAL INFORMATION AND  
DATA-RELATED LIABILITY – WITH LIMITED  
BODILY INJURY EXCEPTION**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

**A.** Exclusion **B.1.q.** of **Section II – Liability** is replaced by the following:

This insurance does not apply to:

**q. Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability**

- (1)** Damages, other than damages because of "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; or
- (2)** Damages arising out of 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 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.



**B.** The following is added to Paragraph **B.1.p. Personal And Advertising Injury** Exclusion of **Section II – Liability:**

This insurance does not apply to:

**p. Personal And Advertising Injury**

"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.



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

## **EXCLUSION – ASBESTOS**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

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

The following exclusion is added to Paragraph **B. Exclusions – 1. Applicable to Business Liability Coverage. f.**

### **Pollution:**

#### **(3) Asbestos**

This insurance does not apply to:

**(a)** “Bodily injury”, “property damage”, or “personal and advertising injury” arising out of:

**(i.)** The actual, alleged, or threatened inhalation, ingestion, or physical exposure to asbestos, asbestos fibers or goods or products containing asbestos or asbestos fibers;

**(ii.)** The use of asbestos or asbestos fibers in constructing or manufacturing any good, product, building or structure;

**(iii.)** The removal or abatement of asbestos or asbestos fibers from any good, product, building or structure;

**(iv.)** The encapsulation or containment of asbestos or asbestos fibers within a building;

**(v.)** Damage to, loss of use of, or reduction in the value of a building or any property due to the actual or alleged presence of asbestos or asbestos fibers;

**(vi.)** The manufacture, sale, transportation, storage or disposal of asbestos or goods, or products containing asbestos or asbestos fibers; or

**(vii.)** The release of asbestos or asbestos fibers from or at any good, product, building or structure;

**(b)** Any loss, cost or expense arising out of:

**(i.)** Any request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of asbestos or asbestos fibers; or

**(ii.)** Any claim or suit by or on behalf of a governmental authority or any other party 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 asbestos or asbestos fibers.



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

## **EXCLUSION – LEAD**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

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

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

### **Lead**

This insurance does not apply to:

1. "Bodily injury," "property damage," or "personal and advertising injury" arising out of:
  - a. The actual, alleged or threatened ingestion, inhalation or absorption of lead into a person;
  - b. Damage to, loss of use of, or reduction in the value of a building or any property due to the actual or alleged presence of lead;
  - c. The removal or abatement of lead from any building or from any property; or
  - d. The encapsulation or containment of lead within a building.
2. Any loss, cost, or expense arising out of:
  - a. Any request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of lead; or
  - b. Arising out of any claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of lead.



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

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

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS COVERAGE FORM**

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

**B. Exclusions**

This insurance does not apply to:

**SILICA OR SILICA-RELATED DUST**

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

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

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

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





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

**EXCLUSION OF CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

**SCHEDULE**

The <b>Exception Covering Certain Fire Losses</b> (Paragraph <b>B.2.</b> ) applies to property located in the following state(s):
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

- A.** The following provisions are added to the Businessowners Policy and apply to Property and Liability Coverages:
  - 1.** The following definition is added with respect to the provisions of this endorsement:  
 "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:
    - a.** The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
    - b.** The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- 2.** The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for loss or injury or damage that is otherwise excluded under this Policy.
- B.** The following provisions are added to Businessowners Standard Property Coverage Form **BP 00 01**, Businessowners Special Property Coverage Form **BP 00 02** or **Section I – Property** of Businessowners Coverage Form **BP 00 03**:
  - 1.** The following exclusion is added:  
**CERTIFIED ACT OF TERRORISM EXCLUSION**  
 We will not pay for loss or damage caused directly or indirectly by a "certified act of terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.



## 2. Exception Covering Certain Fire Losses

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

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

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

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

1. The following exclusion is added:

This insurance does not apply to:

### **TERRORISM**

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

2. The following definition is added:

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

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

**FINE ARTS COVERAGE**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

**SCHEDULE**

<b>Premises Number:</b>
Premises 1: 720 S 4th Ave Hailey, ID 83333-8919

**Section I Property** – is amended as follows:

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

**A.5.ax. Fine Arts Coverage**

1. We will pay for direct loss of or damage to Fine Arts, whether owned by:
  - a. You; or
  - b. Others, and in your care, custody or control.
2. Fine arts includes, but is not limited to, antiques, paintings, etchings, drawings, tapestries, sculptures and fragile property such as porcelains, china and marble.
3. The most we will pay for loss in any one occurrence under this Additional Coverage is \$10,000 at each described premises unless a higher limit is shown in the Declarations. Should the one occurrence involve multiple described premises, we will pay the actual loss or damage by described premises up to the Limit of Insurance specific to the premises sustaining that loss or damage. Our payment for loss or damage to personal property of others will only be for the account of the owner of the property. The amount payable under this Additional Coverage is additional insurance over the insurance available for Business Personal Property.
4. The value of fine arts will be the least of the following amounts:
  - a. The actual cash value of that property at the time of the loss;
  - b. The cost of reasonably restoring that property to its condition immediately before loss; or



- c. The cost of replacing that property with substantially identical property.
5. In the event of loss, the value of property will be determined as of the time of loss.

The following are added to Paragraph **E. Property Loss Conditions**:

6. In case of loss to any part of a pair or set we will:
- a. Repair or replace any part to restore the pair or set to its value before the loss; or
  - b. Pay the difference between the value of the pair or set before and after the loss.
7. You must arrange for fine arts to be packed and unpacked by competent packers.



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

## **GUARANTEED REPLACEMENT COST**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following is added to **Section I, E. Property Loss Conditions, 5.d.**:

**(8)** Guaranteed Replacement Cost coverage provides for the actual cost to repair or replace a covered, damaged building by a covered loss event. Guaranteed Replacement Cost (GRC) applies to Building, to include their garages and carports, with "GRC" displayed next to the Limit of Insurance found on the Declarations page(s) subject to the following conditions;

- (a)** The repair or replacement must occur on the same premises occupied by the covered, damaged building; and
- (b)** All buildings covered under this endorsement were insured for 100% of replacement at the policy's inception; and
- (c)** You accept each annual adjustment in building coverage limits and pay the corresponding premium when due as a renewal of a prior policy; and
- (d)** You notify us within 30 days of the start of any physical changes which increase the replacement cost value of covered buildings by \$10,000 or more; and
  - (i)** you increase the building limits to reflect the increase replacement cost and pay any additional premium due.
- (e)** No real or personal property is covered by this condition, except the above described Building, garages or carports; and
- (f)** No additional cost to repair or replace required by enforcement of any ordinance or law regulating the use, construction, repair or demolition of the covered, damage building, including debris removal; and
- (g)** No structures designated by any local, state or national governmental organization, agency or authority as an historic structure or landmark

Guaranteed Replacement Cost only applies when all of these conditions have been met. Otherwise, all other policy terms and conditions apply.

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

**HIRED AUTO AND NON-OWNED AUTO LIABILITY**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

**SCHEDULE**

Coverage	Additional Premium
<b>A. Hired Auto Liability</b>	\$
<b>B. Non-owned Auto Liability</b>	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A.** Insurance is provided only for those coverages for which a specific premium charge is shown in the Declarations or in the Schedule.

**1. Hired Auto Liability**

The insurance provided under Paragraph **A.1. Business Liability** in **Section II – Liability** applies to "bodily injury" or "property damage" arising out of the maintenance or use of a "hired auto" by you or your "employees" in the course of your business.

**2. Non-owned Auto Liability**

The insurance provided under Paragraph **A.1. Business Liability** in **Section II – Liability** applies to "bodily injury" or "property damage" arising out of the use of any "non-owned auto" in your business by any person.

**B.** For insurance provided by this endorsement only:

**1.** The exclusions under Paragraph **B.1. Applicable To Business Liability Coverage** in **Section II – Liability**, other than Exclusions **a., b., d., f.** and **i.** and the **Nuclear Energy Liability Exclusion**, are deleted and replaced by the following:

**a.** "Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
  - (a) Employment by the insured; or
  - (b) Performing duties related to the conduct of the insured's business; or

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

This exclusion applies:

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

This exclusion does not apply to:

- (1) Liability assumed by the insured under an "insured contract"; or
- (2) "Bodily injury" arising out of and in the course of domestic employment by the insured unless benefits for such injury are in whole or in part either payable or required to be provided under any workers' compensation law.

**b.** "Property damage" to:

- (1) Property owned or being transported by, or rented or loaned to the insured; or
- (2) Property in the care, custody or control of the insured.



**2. Paragraph C. Who Is An Insured in Section II – Liability** is replaced by the following:

- 1. Each of the following is an insured under this endorsement to the extent set forth below:
  - a. You;
  - b. Any other person using a "hired auto" with your permission;
  - c. For a "non-owned auto":
    - (1) Any partner or "executive officer" of yours; or
    - (2) Any "employee" of yours; but only while such "non-owned auto" is being used in your business; and
  - d. Any other person or organization, but only for their liability because of acts or omissions of an insured under **a.**, **b.** or **c.** above.
- 2. None of the following is an insured:
  - a. Any person engaged in the business of his or her employer for "bodily injury" to any co-"employee" of such person injured in the course of employment, or to the spouse, child, parent, brother or sister of that co-"employee" as a consequence of such "bodily injury", or for any obligation to share damages with or repay someone else who must pay damages because of the injury;
  - b. Any partner or "executive officer" for any "auto" owned by such partner or officer or a member of his or her household;

- c. Any person while employed in or otherwise engaged in duties in connection with an "auto business", other than an "auto business" you operate;
  - d. The owner or lessee (of whom you are a sublessee) of a "hired auto" or the owner of a "non-owned auto" or any agent or "employee" of any such owner or lessee; or
  - e. Any person or organization for the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations.
- C.** For the purposes of this endorsement only, Paragraph **H. Other Insurance** in **Section III – Common Policy Conditions** is replaced by the following:
- This insurance is excess over any primary insurance covering the "hired auto" or "non-owned auto".
- D.** The following additional definitions apply:
- 1. "Auto business" means the business or occupation of selling, repairing, servicing, storing or parking "autos".
  - 2. "Hired auto" means any "auto" you lease, hire, rent or borrow. This does not include any "auto" you lease, hire, rent or borrow from any of your "employees", your partners or your "executive officers" or members of their households.
  - 3. "Non-owned auto" means any "auto" you do not own, lease, hire, rent or borrow which is used in connection with your business. This includes "autos" owned by your "employees", your partners or your "executive officers", or members of their households, but only while used in your business or your personal affairs.





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

## **HOMEOWNERS ASSOCIATION (HOA) PROPERTY BROADENING ENDORSEMENT**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

**Section I - Property** is amended as follows:

1. The following is added as paragraph **c.** under **A.1. Covered Property**:

**c.** Specified Property owned by you or indivisibly by all homeowners, consisting of the following:

- (1) Athletic courts;
- (2) Bulkheads, docks, piers and wharves;
- (3) Community roads and driveways;
- (4) Fences;
- (5) Flagpoles;
- (6) Fountains;
- (7) Lights;
- (8) Monuments;
- (9) Planters;
- (10) Playgrounds;
- (11) Poles;
- (12) Pools and spas, including their associated equipment;
- (13) Storage units;
- (14) Walkways; and
- (15) Walls, including retaining walls.

However, Specified Property does not include personal property, owned by you or indivisibly by all homeowners, located inside a building.

2. Section **A.2. Property Not Covered** is amended as follows:

Paragraph **2.e.** is deleted and replaced by the following:

**e.** Outdoor fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants (other than trees, shrubs or plants which are part of a vegetated roof), all except as provided in the:

- (1) Outdoor Property Coverage Extension;
- (2) Outdoor Signs Optional Coverage; or
- (3) Specified Property added to Covered Property.

3. Paragraph **A.5.b.(2) Preservation of Property** is deleted and replaced by the following:



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

4. Paragraph **A.5.c. Fire Department Service Charge** is deleted and replaced by the following:

**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 \$25,000 for actual service at each premises described in the Declarations, unless a different Limit of Insurance is shown in the Declarations, in any one occurrence. Such limit is the most we will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of actual services performed on described premise.

This Additional Coverage applies to fire department service charges:

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

5. Paragraph **A.5.h. Pollutant Clean-Up And Removal** is deleted and replaced by the following:

**h. Pollutant Clean-Up And Removal**

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

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

The most we will pay for loss or damage in any one occurrence under this Additional Coverage is \$25,000, unless a different Limit of Insurance, either higher or lower, is shown in the Declarations for the sum of all such expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy. Should the one occurrence involve multiple described premises, we will pay the actual loss or damage by described premises up to the Limit of Insurance specific to the premises sustaining that loss or damage

6. Paragraph **A.5.j. Money Orders And “Counterfeit Money”** is deleted and replaced by the following:

**j. Money Orders And “Counterfeit Money”**

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

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

The most we will pay for any loss under this Additional Coverage is \$5,000 regardless of the number of locations or buildings involved in a covered loss.

7. Paragraph **A.5.o.(3) Fire Extinguisher Systems Recharge Expense** is deleted and replaced by the following:



(3) The most we will pay for any loss, including legal expenses, under this Additional Coverage is \$10,000 in any one occurrence, unless a different Limit of Insurance, either higher or lower, is shown in the Declarations.

8. Paragraph **A.5.p.(3) Electronic Data** is deleted and replaced by:

- (3) The most we will pay under this Additional Coverage—Electronic Data for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved, is:
  - (a) \$50,000 at the premises shown in the Declarations, unless a higher Limit of Insurance for **Electronic Data On-premises** is shown in the Declarations.
  - (b) \$25,000 at any premises other than the premises shown in the Declarations, unless a different, either higher or lower, Limit of Insurance for **Electronic Data Off-premises** is shown in the Declarations.

If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in, but not after, that policy year. With respect to an occurrence that 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.

9. Paragraph **A.5.s. Rewards—Arson, Theft And Vandalism** is added to Additional Coverages:

**A.5.s. Rewards—Arson, Theft And Vandalism**

- (1) We will reimburse you for your payment of any reward offered on your behalf and for information that leads to the arrest and conviction of the person or persons responsible for:
  - (a) Arson;
  - (b) Theft; or
  - (c) Vandalism
 to Covered Property.
- (2) The arrest or conviction must involve a covered loss caused by arson, theft or vandalism.
- (3) The most we will pay under this Additional Coverage is \$10,000 unless a higher Limit of Insurance for **Rewards—Arson, Theft and Vandalism** is shown in the Declarations in any one occurrence regardless of the number of locations or buildings involved in a covered loss. The amount we pay is not increased by the number of persons involved in providing the information.
- (4) The amount payable under this Additional Coverage is additional insurance.
- (5) No deductible applies to this Additional Coverage.

10. Paragraph **A.6.a. Newly Acquired Or Constructed Property** is deleted and replaced by the following:

**a. Newly Acquired Or Constructed Property**

**(1) Buildings**

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

- (a) Your new buildings while being built on the described premises; and
- (b) Buildings you acquire at premises other than the one described, intended for:



- (i) Similar use as the building described in the Declarations; or
- (ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$1,000,000 at each building.

**(2) Business Personal Property**

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

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

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

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

**(3) Business Income and Extra Expense**

You may extend the insurance that applies to Business Income and Extra Expense to apply to property at any location you acquire. The most we will pay for loss or damage under this Coverage Extension is \$250,000 at each premises.

**(4) Period of Coverage**

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

- (a) This policy expires;
- (b) 180 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.

11. Paragraph **A.6.b. Personal Property Off-premises** is deleted and replaced by the following:

**A.6.b. Personal Property Off-premises**

You may extend the insurance provided by this policy to apply to your Covered Property, other than “money” and “securities”, “valuable papers and records” or accounts receivable, while:

- (1) At a location you do not own, lease or operate; or
- (2) At any fair, trade show or exhibition.

The most we will pay for loss or damage under this Coverage Extension is \$50,000, unless a higher Limit of Insurance for **Personal Property Off-premises** is shown in the Declarations. The most we will pay for loss or damage in any one occurrence is the above limit regardless of the number of locations or buildings involved in a covered loss.



This Coverage Extension does not apply to property:

- (1) In or on a vehicle; or
- (2) In the care, custody or control of your sales representative, unless the property is in such care, custody or control at a fair, trade show or exhibition.

12. Paragraph **A.6.d. Personal Effects** is deleted and replaced by the following:

**d. Personal Effects**

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

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

The most we will pay for loss or damage under this Extension is \$10,000 at each described premises. Should the one occurrence involve multiple described premises, we will pay the actual loss or damage by described premises up to the above limit to the premises sustaining that loss or damage.

13. Paragraph **A.6.e. Valuable Papers And Records** is deleted and replaced by the following:

**e. Valuable Papers And Records**

(1) You may extend the insurance that applies to Business Personal Property to apply to direct physical loss or damage to “valuable papers and records” that you own, or that are in your care, custody or control, caused by or resulting from a Covered Cause of Loss. This Coverage Extension includes the cost to re-search, replace or restore the lost information on “valuable papers and records” for which duplicates do not exist.

(2) This Coverage Extension does not apply to:

- (a) Property held as samples or for delivery after sale; and
- (b) Property in storage away from the premises shown in the Declarations.

(3) The most we will pay under this Coverage Extension for loss or damage to “valuable papers and records” in any one occurrence at the described premises is \$25,000, unless a higher Limit of Insurance for “valuable papers and records” is shown in the Declarations. For “valuable papers and records” not at the described premises, the most we will pay is \$25,000 in any one occurrence.

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

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

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



14. Paragraph **A.6.f.(2) Accounts Receivable** is deleted and replaced by the following:

(2) The most we will pay under this Coverage Extension for loss or damage in any one occurrence at the described premises is \$25,000, unless a different Limit of Insurance, either higher or lower, for accounts receivable is shown in the Declarations.

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

15. Paragraph **A.6.h. Personal Property In Transit** is added to Coverage Extensions:

**A.6.h. Personal Property In Transit**

(1) If your policy covers Business Personal Property, you may extend the insurance provided in **Section I – Property, A.1.b. Business Personal Property** to apply to direct physical loss or damage to your property or property of others that is in your care, custody or control while in transit when such loss or damage is caused by or results from a Covered Cause of Loss.

(2) If your policy covers Business Personal Property, you may extend the insurance provided in **Section I – Property, A.1.b. Business Personal Property** to apply to direct physical loss or damage, caused by a Covered Cause of Loss, to outgoing shipments that have been rejected, while in due course of transit back to you or while awaiting return shipment to you.

(3) This Coverage Extension applies to the property while in:

- (a) A vehicle owned, leased or operated by you; or
- (b) The custody of a common carrier or contract carrier.

(4) The following in **Section I – Property, B. Exclusions**, Paragraph 1. Do not apply to this Coverage Extension:

- (a) **b. Earth Movement**; and
- (b) **g. Water**.

(5) The most we will pay for loss or damage under this Coverage Extension is \$10,000, unless a different Limit of Insurance (either higher or lower) for **Personal Property In Transit** is shown in the Declarations regardless of the number of locations or buildings involved in a covered loss.

**(6) Special Personal Property in Transit Exclusions**

This Coverage Extension does not apply to:

- (a) Shipments that belong to others that you are transporting for a fee;
- (b) Property while conveyed by, traveling on, or in transit on water;
- (c) Salesperson’s samples; or
- (d) Loss to perishable goods resulting from a breakdown of refrigeration equipment on any vehicle owned, leased or operated by you or while in the custody of a common or contract carrier.

16. Paragraph **A.6.i. Claims Data Expense** is added to Coverage Extensions:

**A.6.i. Claims Data Expense**

(1) We will pay for all reasonable expenses you incur at our written request to assist us in:

- (a) The investigation of a claim;
- (b) The determination of the amount of loss, such as taking inventory;



(c) The cost of preparing specific loss documents and other supporting exhibits; or Expenses or costs charged to you by others, including property managers acting on your behalf to assist us with the items listed in (1) above, subject to the **Special Claims Data Expense Exclusions** in subsection (4) below.

(2) The most we will pay under this Coverage Extension is \$5,000 regardless of the number of premises involved in a covered loss.

(3) No deductible applies to this Coverage Extension.

**(4) Special Claims Data Expense Exclusions**

We will not pay for expenses:

- (a) Incurred to perform your duties in the event of a loss under **Section I – Property, E. Property Loss Conditions**;
- (b) To prove that the loss or damage is covered;
- (c) Billed by or payable to independent or public adjusters, attorneys, claims advocates, or any of their affiliated or associated entities or vendors;
- (d) To prepare claims not covered by this Coverage Form; or
- (e) Incurred under any appraisal provisions within this Coverage Form.

17. Paragraph **A.6.j. Appurtenant Structures** is added to Coverage Extensions:

**A.6.j. Appurtenant Structures**

- (1) If your policy covers Buildings, you may extend the insurance provided under Building to apply to direct physical loss or damage to garages, carports, and other appurtenant structures within 1,000 feet of the described premises when such loss or damage is caused by a Covered Cause of Loss.
- (2) The most we will pay for loss or damage under this Coverage Extension is \$50,000. Should the one occurrence involve multiple described premises, we will pay the actual loss or damage by described premises up to the above limit.

18. Paragraph **A.6.k. Key Replacement And Lock Repair** is added to Coverage Extensions:

**A.6.k. Key Replacement And Lock Repair**

- (1) You may extend the insurance provided under this Coverage Form to cover the reasonable and necessary expenses you incur due to a covered theft for:
  - (a) Replacement of keys, if they are stolen;
  - (b) Lock repair; or
  - (c) Rekeying, replacing or reprogramming undamaged locks to accept new keys or entry codes when the building security has been compromised.
- (2) The most we will pay under this Coverage Extension is \$1,000 in any one occurrence, regardless of the number of locations or buildings involved in a covered loss. The deductible does not apply to this Coverage Extension.

19. The extent of premises described in the Coverage Form is broadened as follows:  
The phrase “within 100 feet” is deleted and replaced with the phrase “within 1,000 feet” in the following paragraphs of the Coverage Form:

20. Paragraph j.(6) is added to G.3. Employee Dishonesty:

To the extent that loss or damage is covered by this Optional Coverage, your employees shall also include:



- A. Your non-compensated officers; and
- B. Each person, partnership or corporation you appoint in writing to act as your agent on your behalf or while in possession of Covered Property. These persons, partnerships or corporations are not covered for performance of duty.

Each such agent and the partners, officers and employees of that agent are considered to be, collectively, one employee for the purpose of this insurance.

**Section I – Property A.1.a.(6)(b)**

**Section I – Property A.1.b.**

**Section I – Property A.5.f.(1)(a)**

**Section I – Property A.5.f.(1)(a)(ii)**

**Section I – Property A.5.g.(1)**

**Section I – Property A.5.g.(1)(b)**

**Section I – Property A.5.o.(1)(a)**

**Section I – Property A.6.**

**Section I – Property A.6.g.(1)**

**Section I – Property B.2.a.(1)**

**Section I – Property B.2.a.(2)**

**Section I – Property G.3.j.(6)**



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

## **IDAHO CHANGES**

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS COVERAGE FORM**

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

**A. Paragraphs A.1. and A.2. Cancellation** 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, continuing 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 non- payment 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 2.b. above.

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

**M. 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 re- main 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 tothe expiring policy.
- 4. We need not mail or deliver this notice if:
  - We have offered to renew this policy;
  - a. You have obtained replacement cover- age; or
  - b. 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 paragraph is added:

**N. 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 increasein premium rates, change in deductible, re- duction 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 prioerto 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.



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.

4. 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.
5. If notice is mailed, proof of mailing will be sufficient proof of notice.

**D. Paragraph K.2. Transfer of Rights of Recovery Against Others To Us** Applicable to Businessowners Liability Coverage is deleted and replaced with the following:

We will waive the rights of recovery we would otherwise have had against another person or organization, for loss to which this insurance applies, provided the insured has waived their rights of recovery against such person or organization in a contract or agreement that is executed before such loss.

To the extent that the insured's rights to recover all or part of any payment made under this Coverage Part have not been waived prior to loss as stated above, those rights are automatically transferred to us. The insured must do nothing after loss to impair these rights. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce these rights. We may pursue our own right of subrogation against a third party without regard to whether the insured is made whole by any recovery. This condition does not apply to Medical Expenses Coverage.



IL N 036 09 03

## IDAHO FRAUD STATEMENT

Any person who knowingly, and with intent to defraud or deceive any insurance company, files a statement of claim containing any false, incomplete or misleading information is guilty of a felony.



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

## **LIABILITY BROADENING ENDORSEMENT – HABITATIONAL**

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS COVERAGE FORM**

The following listing is a general coverage description only. Read all the provisions of this endorsement and the rest of your policy carefully to determine rights, duties, and what is and is not covered. However, coverage for any injury, damage or medical expenses described in any of the provisions of this endorsement may be excluded or limited by another endorsement to this Coverage Form, and these coverage broadening provisions do not apply to the extent that coverage is excluded or limited by such an endorsement.

<b>Subject</b>	<b>Page</b>
Additional Insured – Controlling Interest – Automatic	4
Additional Insured – Co-owner Of Insured Premises – Automatic	4
Additional Insured – Grantor Of Franchise – Automatic	5
Additional Insured – Lessors Of Leased Equipment – Automatic	5
Additional Insured – Managers Or Lessors of Premises – Automatic	5, 6
Additional Insured – Mortgagee, Assignee Or Receiver – Automatic	6, 7
Additional Insured – Other Persons Or Organizations – Automatic	7
Additional Insured – Owners Or Other Interests From Whom Land Has Been Leased – Automatic	7, 8
Additional Insured – State Or Governmental Agency Or Subdivision Or Political Subdivision – Permits Or Authorizations Relating To Premises – Automatic	9
Bodily Injury, Including Resulting Mental Anguish	9
Contract Penalties	2
Damage To Property - Exception For Elevators	2
Damage To Property - Exception For Equipment Loaned Or Rented	2
Incidental Medical Malpractice	2, 8, 9
Knowledge/Notice Of Occurrence	8, 9
Other Insurance, Including Primary Provision	9, 10
Supplementary Payments – Increased Bail Bond Amount - \$3,000	2
Supplementary Payments – Increased Loss Of Earnings - \$500 Per Day	2
Unintentional Failure To Disclose Hazards	9
Waiver Of Transfer Of Rights Of Recovery Against Others To Us – Blanket	10, 11
Who Is An Insured - Newly Acquired Organizations - 180 Days	3



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

1. Paragraph **A.1.f.(1)(b) Coverage Extension – Supplementary Payments** is deleted and replaced by the following:

(b) Up to \$3,000 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Business Liability Coverage for "bodily injury" applies. We do not have to furnish these bonds.

2. Paragraph **A.1.f.(1)(d) Coverage Extension – Supplementary Payments** is deleted and replaced by the following:

(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 \$500 a day because of time off from work.

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

**Contract Penalties**

a. We will pay for the contract penalties you are legally liable to pay under the written provisions of a contract due to a material breach of that contract. This material breach of contract must be the direct result of direct physical loss or damage to property owned by you, occurring at premises you own or rent, and caused by fire, lighting, explosion, smoke, or water other than flood.

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

b. This coverage only applies to direct physical loss or damage that occurs during the policy period.

c. The most we will pay under this coverage is \$5,000 in any one occurrence. The most we will pay for the sum of all amounts paid under this coverage is an aggregate of \$5,000. Paragraph **D. Liability and Medical Expenses Limits Of Insurance** does not apply to this coverage.

4. Paragraph **B.1.j.(4) Professional Services** is deleted and replaced by the following:

(4) Medical, surgical, dental, X-ray or nursing services treatment, advice or instruction, however this does not apply to "Incidental Medical Malpractice Injury".

With respect to this endorsement, "Incidental Medical Malpractice Injury" means bodily injury arising out of the rendering of or failure to render, during the policy period, medical, surgical, dental, paramedical, x-ray or nursing services.

This coverage does not apply to:

- a. Expenses incurred by the insured for providing first aid at the time of an accident; or
- b. Any insured engaged in the business or occupation of providing any of the services described in the definition of "Incidental Medical Malpractice Injury" above; or
- c. Injury caused by any indemnitee if such indemnitee is engaged in the business or occupation of providing any of the services described in the definition of "Incidental Medical Malpractice Injury" above.

5. Paragraph **B.1.k. Damage To Property** the following is added:

Paragraphs (3) and (4) of this exclusion do not apply to "property damage" to equipment rented or loaned to the insured, provided such equipment is not being used to perform any operations at a construction job site.

Paragraphs (3) and (4) of this exclusion do not apply to the use of elevators.



6. In Paragraph **C. Who Is An Insured** the following is added:

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 180<sup>th</sup> day after you acquire or form the organization or the end of the policy period, whichever is earlier;
- b. Paragraph **A.1. Business Liability** does not apply to:
  - (1) "Bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
  - (2) "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.

7. In Paragraph **C. Who Is An Insured** the following is added:

Any of your subsidiaries, other than a partnership or joint venture, that is not shown as a Named Insured in the Declarations is a Named Insured if:

- a. You are the sole owner of, or maintain an ownership interest of more than 50% in, such subsidiary on the first day of the policy period; and
- b. Such subsidiary is not an insured under similar other insurance.

No such subsidiary is an insured for "bodily injury" or "property damage" that occurred, or "personal and advertising injury" caused by an offense committed:

- a. Before you maintained an ownership interest of more than 50% in such subsidiary; or
- b. After the date, if any, during the policy period that you no longer maintain an ownership interest of more than 50% in such subsidiary.

For purposes of Paragraph 1 of **C. Who Is An Insured**, each such subsidiary will be deemed to be designated in the Declarations as:

- a. A limited liability company;
- b. An organization other than a partnership, joint venture or limited liability company; **or**
- c. A trust;

as indicated in its name or the documents that govern its structure.

8. In Paragraph **C. Who is An Insured** the following is added:

Each of the following is also an additional insured, but only if you are required by a contract or agreement to provide them with such insurance as is afforded by this policy.

However, no person or organization is an additional insured under this provision if such person or organization is included as an additional insured by an endorsement issued by us and attached to this Coverage



Form.

**Controlling Interest**

a. Any person or organization but only with respect to liability arising out of:

- (1) Their financial control of you; or
- (2) Premises they own, maintain or control while you lease or occupy those premises.

However:

- (1) The insurance afforded to such additional insured only applies to the extent permitted by law; and
- (2) The insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

With respect to the insurance afforded to these additional insureds, the following is added to Paragraph **D. Liability And Medical Expenses Limits Of Insurance:**

The most we will pay on behalf of the additional insured is the amount of insurance:

- (1) Required by the contract or agreement; or
- (2) Available under the applicable Limits Of Insurance shown in the Declarations;

whichever is less.

The insurance afforded to such additional insured does not increase the applicable Limits Of Insurance shown in the Declarations.

**Co-owner Of Insured Premises**

b. Any person or organization with whom you co-own a premises insured under this policy, but only with respect to their liability as the co-owner of such premises.

However:

- (1) The insurance afforded to such additional insured only applies to the extent permitted by law; and
- (2) The insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

With respect to the insurance afforded to these additional insureds, the following is added to Paragraph **D. Liability And Medical Expenses Limits Of Insurance:**

The most we will pay on behalf of the additional insured is the amount of insurance:

- (1) Required by the contract or agreement; or
- (2) Available under the applicable Limits Of Insurance shown in the Declarations;

whichever is less.

The insurance afforded to such additional insured does not increase the applicable Limits Of Insurance shown in the Declarations.



**Grantor Of Franchise**

- c. Any person or organization but only with respect to their liability as a grantor of a franchise to you.  
However:
  - (1) The insurance afforded to such additional insured only applies to the extent permitted by law; and
  - (2) The insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

With respect to the insurance afforded to these additional insureds, the following is added to Paragraph **D. Liability And Medical Expenses Limits Of Insurance:**

The most we will pay on behalf of the additional insured is the amount of insurance:

- (1) Required by the contract or agreement; or
- (2) Available under the applicable Limits Of Insurance shown in the Declarations;

whichever is less.

The insurance afforded to such additional insured does not increase the applicable Limits Of Insurance shown in the Declarations.

**Lessors Of Leased Equipment**

- d. Any person or organization from whom you lease equipment but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person or organization.

However:

- (1) The insurance afforded to such additional insureds only applies to the extent permitted by law; and
- (2) The insurance afforded to such additional insureds will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

With respect to the insurance afforded to such additional insureds, this insurance does not apply to any "occurrence" which takes place after the equipment lease expires.

With respect to the insurance afforded to such additional insureds, the following is added to Paragraph **D. Liability And Medical Expenses Limits Of Insurance:**

The most we will pay on behalf of the additional insured is the amount of insurance:

- (1) Required by the contract or agreement; or
- (2) Available under the applicable Limits Of Insurance shown in the Declarations;whichever is less.

The insurance afforded to such additional insured does not increase the applicable Limits Of Insurance shown in the Declarations.

**Managers Or Lessors of Premises**

- e. Any person or organization from whom you lease premises, but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you and insured under this policy.



However:

- (1) The insurance afforded to such additional insureds only applies to the extent permitted by law; and
- (2) The insurance afforded to such additional insureds will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

With respect to the insurance afforded to such additional insureds, this insurance does not apply to:

- (1) Any "occurrence" that takes place after you cease to be a tenant in such premises.
- (2) Structural alterations, new construction or demolition operations performed by or for such additional insureds.

With respect to the insurance afforded to such additional insureds, the following is added to Paragraph **D. Liability And Medical Expenses Limits Of Insurance**:

The most we will pay on behalf of the additional insured is the amount of insurance:

- (1) Required by the contract or agreement; or
- (2) Available under the applicable Limits Of Insurance shown in the Declarations;

whichever is less.

The insurance afforded to such additional insured does not increase the applicable Limits Of Insurance shown in the Declarations.

**Mortgagee, Assignee Or Receiver**

- f. Any person or organization but only with respect to liability as mortgagee, assignee or receiver and arising out of the ownership, maintenance or use of premises by you which are insured under this policy.

However:

- (1) The insurance afforded to such additional insureds only applies to the extent permitted by law; and
- (2) The insurance afforded to such additional insureds will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

With respect to the insurance afforded to such additional insureds, the following is added to Paragraph **D. Liability And Medical Expenses Limits Of Insurance**:

The most we will pay on behalf of the additional insured is the amount of insurance:

- (1) Required by the contract or agreement; or
- (2) Available under the applicable Limits Of Insurance shown in the Declarations;

whichever is less.

The insurance afforded to such additional insured does not increase the applicable Limits Of Insurance shown in the Declarations.



**Other Persons Or Organizations Pursuant To Contract Or Agreement**

g. Any person or organization but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf in the performance of your ongoing operations or in connection with your premises owned by or rented to you.

However:

- (1) The insurance afforded to such additional insureds only applies to the extent permitted by law; and
- (2) The insurance afforded to such additional insureds will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

With respect to the insurance afforded to such additional insureds, the following is added to Paragraph **D. Liability And Medical Expenses Limits Of Insurance**:

The most we will pay on behalf of the additional insured is the amount of insurance:

- (1) Required by the contract or agreement; or
- (2) Available under the applicable Limits Of Insurance shown in the Declarations;

whichever is less.

The insurance afforded to such additional insured does not increase the applicable Limits Of Insurance shown in the Declarations.

**Owners Or Other Interests From Whom Land Has Been Leased**

h. Any person or organization but only with respect to liability arising out of the ownership, maintenance or use of that part of the land leased to you and which is insured under this policy.

However:

- (1) The insurance afforded to such additional insured only applies to the extent permitted by law; and
- (2) If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

- (1) Any "occurrence" that takes place after you cease to lease that land; or
- (2) Structural alterations, new construction or demolition operations performed by or for the person(s) or organization(s) shown in the Declarations.

With respect to the insurance afforded to such additional insureds, the following is added to Paragraph **D. Liability And Medical Expenses Limits Of Insurance**:

The most we will pay on behalf of the additional insured is the amount of insurance:

- (1) Required by the contract or agreement; or



(2) Available under the applicable Limits Of Insurance shown in the Declarations;

whichever is less.

The insurance afforded to such additional insured does not increase the applicable Limits Of Insurance shown in the Declarations.

**State Or Governmental Agency Or Subdivision Or Political Subdivision – Permits Or Authorizations Relating To Premises**

i. Any state or governmental agency or subdivision or political subdivision subject to the following additional provision:

This insurance applies only with respect to the following hazards for which the state or governmental agency or subdivision or political subdivision has issued a permit or authorization in connection with premises you own, rent or control and to which this insurance applies:

- (1) The existence, maintenance, repair, construction, erection or removal of advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, hoistaway openings, sidewalk vaults, street banners or decoration and similar exposures;
- (2) The construction, erection or removal of elevators; or
- (3) The ownership, maintenance or use of any elevators covered by this insurance.

However:

- (1) The insurance afforded to such additional insureds only applies to the extent permitted by law; and
- (2) The insurance afforded to such additional insureds will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

With respect to the insurance afforded to such additional insureds, the following is added to Paragraph **D. Liability And Medical Expenses Limits Of Insurance**:

The most we will pay on behalf of the additional insured is the amount of insurance:

- (1) Required by the contract or agreement; or
- (2) Available under the applicable Limits Of Insurance shown in the Declarations;

whichever is less.

The insurance afforded to such additional insured does not increase the applicable Limits Of Insurance shown in the Declarations.

9. Paragraph **C. 2.a.(1)(d) Who is an Insured** is deleted and replaced by the following:

(d) Arising out of his or her providing or failing to provide professional health care services. However, this does not apply to a nurse, emergency medical technician or paramedic employed by you if you are not engaged in the business or occupation of providing medical, paramedical, surgical, dental, x-ray or nursing services.

10. In Paragraph **E.2. Duties In the Event Of Occurrence, Offense, Claim Or Suit** the following is added:

e. The following provision applies to paragraph a. above:



Notice of an "occurrence" or an offense which may result in a claim will be considered knowledge of the insured if known to an individual named insured, an "executive officer" (if you are a corporation), one of your partners who is an individual (if you are a partnership), one of your managers (if you are a limited liability company), one of your trustees who is an individual (if you are a trust); or an "employee" (such as an insurance, loss control or risk manager or administrator) designated by you to give such notice.

- f. The following provision applies to paragraph **b.** above:

Notice of an "occurrence" or of an offense which may result in a claim will be deemed to be given as soon as practicable to us if it is given in good faith as soon as practicable to your workers' compensation, accident, or health insurer. This applies only if you subsequently give notice of the "occurrence" or offense to us as soon as practicable after any of the persons described in the paragraph **e.** above discovers that the "occurrence" or offense may result in sums to which the insurance provided under this Coverage Form may apply.

- 11. Paragraph **F.3. Liability and Medical Expenses Definitions**, is deleted and replaced by the following:

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

- 12. Paragraph **F.14.b. Liability And Medical Expenses Definitions**, is deleted and replaced by:

- b. Malicious prosecution, abuse of process, and wrongful use of civil proceedings.

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

- 1. In Paragraph **C. Concealment, Misrepresentation or Fraud** the following is added:

Your failure to disclose all hazards existing as of the inception date of this Policy will not void this Policy if such failure, or omission, was not intentional.

- 2. In Paragraph **H. Other Insurance**, Paragraphs **2.** and **3.** are deleted and replaced by the following:

- 2. Applicable to Business Liability Coverage:

If other valid and collectible insurance is available to the insured for a loss we cover under this insurance, 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 any of the other insurance, whether primary, excess, contingent or on any other basis:

- (a) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

- (b) That is insurance that applies to "property damage" to premises rented to you or temporarily occupied by you with permission of the owner;

- (c) If the loss arises out of aircraft, "autos" or watercraft to the extent not subject to Exclusion **g.** of **B. Exclusions, 1. Applicable to Business Liability Coverage**;



- (d) If the loss arises out of "property damage" to loaned or rented equipment or the use of elevators to the extent not subject to Exclusion k. of **B. Exclusions, 1. Applicable to Business Liability**;
  - (e) Any other primary insurance available to you covering liability for damages arising out of the premises or operations for which you have been added as an additional insured;
  - (f) If the loss arises from "incidental medical malpractice injury".
- (2) When this insurance is excess, we will have no duty 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 that other insurance.

**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

**d. Primary And Non-Contributory Insurance If Required By Contract**

If you specifically agree in a contract or agreement that the insurance afforded to an additional insured under this Coverage Part must apply on a primary basis, or a primary and noncontributory basis, this insurance is primary to other insurance that is available to such insured which covers such insured as a named insured, and we will not share with that other insurance, provided that:

- (1) The "bodily injury" or "property damage" for which coverage is sought occurs; and
- (2) The "personal and advertising injury" for which coverage is sought is caused by an offense that is committed; subsequent to the signing of that contract or agreement by you.

**3. Paragraph K.2. Transfer of Rights of Recovery Against Others To Us is deleted and replaced by the following:**

**2. Applicable to Businessowners Liability Coverage:**

We will waive the rights of recovery we would otherwise have had against another person or organization, for loss to which this insurance applies, provided the insured has waived their rights of recovery against such person or organization in a contract or agreement that is executed before such loss.

To the extent that the insured's rights to recover all or part of any payment made under this Coverage Part have not been waived prior to loss as stated above, those rights are automatically transferred to us.



The insured must do nothing after loss to impair these rights. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce these rights. We may pursue our own right of subrogation against a third party without regard to whether the insured is made whole by any recovery. This condition does not apply to Medical Expenses Coverage.

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

## **LIMITATION OF COVERAGE TO DESIGNATED PREMISES, PROJECT OR OPERATION**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

### **SCHEDULE**

<p><b>A. Premises:</b> All premises listed in the policy declarations</p>
<p><b>B. Project Or Operation:</b></p>
<p>Information required to complete this Schedule, if not shown above, will be shown in the Declarations.</p>

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

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

- (1) To "bodily injury" and "property damage" caused by an "occurrence" that takes place in the "coverage territory" only if:
  - (a) The "bodily injury" or "property damage":
    - (i) Occurs on the premises shown in the Schedule or the grounds and structures appurtenant to those premises; or
    - (ii) Arises out of the project or operation shown in the Schedule;
  - (b) The "bodily injury" or "property damage" occurs during the policy period; and

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

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

- (2) To "personal and advertising injury" caused by an offense committed in the "coverage territory" but only if:
  - (a) The offense arises out of your business:
    - (i) Performed on the premises shown in the Schedule; or



- (ii) In connection with the project or operation shown in the Schedule; and
- (b) The offense was committed during the policy period.

However, with respect to Paragraph **A.1.b.(2)(a)(i)**, if the "personal and advertising injury" is caused by:

- (a) False arrest, detention or imprisonment; or
- (b) 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;

then such offense must arise out of your business performed on the premises shown in the Schedule and the offense must have been committed on the premises shown in the Schedule or the grounds and structures appurtenant to those premises.

**C. Paragraph A.2.a. Medical Expenses** is replaced by the following:

a. We will pay medical expenses as described below for "bodily injury" caused by an accident that takes place in the "coverage territory" if the "bodily injury":

- (1) Occurs on the premises shown in the Schedule or the grounds and structures appurtenant to those premises; or
- (2) Arises out of the project or operation shown in the Schedule;

provided that:

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

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****ORDINANCE OR LAW COVERAGE**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

**SCHEDULE**

<b>Premises Number</b>	<b>Building Number</b>	<b>Coverage 1 (Check if applies)</b>	<b>Coverage 2 Limit Of Insurance</b>	<b>Coverage 3 Limit Of Insurance</b>	<b>Coverages 2 And 3 Combined Limit Of Insurance*</b>
1	1	x	\$	\$	250,000
<b>Premises Number</b>	<b>Building Number</b>	<b>Coverage 1 (Check if applies)</b>	<b>Coverage 2 Limit Of Insurance</b>	<b>Coverage 3 Limit Of Insurance</b>	<b>Coverages 2 And 3 Combined Limit Of Insurance*</b>
1	2	x	\$	\$	250,000
<b>Premises Number</b>	<b>Building Number</b>	<b>Coverage 1 (Check if applies)</b>	<b>Coverage 2 Limit Of Insurance</b>	<b>Coverage 3 Limit Of Insurance</b>	<b>Coverages 2 And 3 Combined Limit Of Insurance*</b>
1	3	x	\$	\$	250,000
<b>Premises Number</b>	<b>Building Number</b>	<b>Coverage 1 (Check if applies)</b>	<b>Coverage 2 Limit Of Insurance</b>	<b>Coverage 3 Limit Of Insurance</b>	<b>Coverages 2 And 3 Combined Limit Of Insurance*</b>
1	4	x	\$	\$	250,000
<b>Premises Number</b>	<b>Building Number</b>	<b>Coverage 1 (Check if applies)</b>	<b>Coverage 2 Limit Of Insurance</b>	<b>Coverage 3 Limit Of Insurance</b>	<b>Coverages 2 And 3 Combined Limit Of Insurance*</b>
1	5	x	\$	\$	250,000
<b>Premises Number</b>	<b>Building Number</b>	<b>Coverage 1 (Check if applies)</b>	<b>Coverage 2 Limit Of Insurance</b>	<b>Coverage 3 Limit Of Insurance</b>	<b>Coverages 2 And 3 Combined Limit Of Insurance*</b>
1	6	x	\$	\$	250,000
<b>Premises Number</b>	<b>Building Number</b>	<b>Coverage 1 (Check if applies)</b>	<b>Coverage 2 Limit Of Insurance</b>	<b>Coverage 3 Limit Of Insurance</b>	<b>Coverages 2 And 3 Combined Limit Of Insurance*</b>
1	7	x	\$	\$	250,000
<b>Premises Number</b>	<b>Building Number</b>	<b>Coverage 1 (Check if applies)</b>	<b>Coverage 2 Limit Of Insurance</b>	<b>Coverage 3 Limit Of Insurance</b>	<b>Coverages 2 And 3 Combined Limit Of Insurance*</b>
1	8	x	\$	\$	250,000



Premises Number	Building Number	Coverage 1 (Check if applies)	Coverage 2 Limit Of Insurance	Coverage 3 Limit Of Insurance	Coverages 2 And 3 Combined Limit Of Insurance*
1	9	x	\$	\$	250,000

**Business Income And Extra Expense Optional Coverage** (Enter Yes or No): No

**Number Of Hours' Waiting Period For Period Of Restoration Applicable To Business Income And Extra Expense Optional Coverage:** See Declarations Page

\*Do **not** enter a Combined Limit of Insurance if individual Limits of Insurance are selected for Coverages **2** and **3**, or if one of these Coverages is not applicable. See Declarations Page

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



Section I – Property is amended as follows:

**A.** Each Coverage – Coverage 1, Coverage 2 and Coverage 3 – is provided under this endorsement only if that Coverage(s) is chosen by entry in the above Schedule and then only with respect to the building identified for the Coverage(s) in the Schedule.

**B.** Application Of Coverage(s)

The Coverage(s) provided by this endorsement applies only if both B.1. and B.2. are satisfied and are then subject to the qualifications set forth in B.3.

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

**2.** The building sustains direct physical damage:

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

**3.** In the situation described in B.2.b. above, we will not pay the full amount of loss otherwise payable under the terms of Coverages 1, 2 and/or 3 of this endorsement. Instead, we will pay a

proportion of such loss, meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

(Section H. of this endorsement provides an example of this procedure.)

However, if the covered direct physical damage alone would have resulted in a requirement to comply with the ordinance or law, then we will pay the full amount of loss otherwise payable under terms of Coverages 1, 2 and/or 3 of this endorsement.

**C.** We will not pay under Coverage 1, 2 or 3 of this endorsement for:

- 1.** Enforcement of or compliance with any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungi", wet rot or dry rot; or
- 2.** The costs associated with the enforcement of or compliance with any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungi", wet rot or dry rot.

**D.** Coverage

**1.** Coverage 1 – Coverage For Loss To The Undamaged Portion Of The Building

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



**2. Coverage 2 – Demolition Cost Coverage**

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

Paragraph E.5.d. Loss Payment Property Loss Condition does not apply to Demolition Cost Coverage.

**3. Coverage 3 – 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 that building, whether or not demolition is required;

when the increased cost is a consequence of a requirement to comply with the minimum standards 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.

Paragraph E.5.d. Loss Payment Property Loss Condition does not apply to the Increased Cost Of Construction Coverage.

**E. Loss Payment**

- 1. All following loss payment Provisions E.2. through E.5. are subject to the apportionment procedure set forth in Section B.3. of this endorsement:
- 2. When there is a loss in value of an undamaged portion of a building to which Coverage 1 applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:
  - a. If the property is repaired or replaced on the same or another premises, we will not pay more than the lesser of:

- (1) The amount you 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; or
  - (2) The Limit Of Insurance shown in the Declarations as applicable to the covered building.
- b. If the property is not repaired or replaced, we will not pay more than the lesser of:
    - (1) The actual cash value of the building at the time of loss; or
    - (2) The Limit Of Insurance shown in the Declarations as applicable to the covered building.
3. Unless Paragraph E.5. applies, loss payment under Coverage 2 – Demolition Cost Coverage will be determined as follows:
- We will not pay more than the lesser of the following:
- a. The amount you actually spend to demolish and clear the site of the described premises; or
  - b. The applicable Limit Of Insurance shown for Coverage 2 in the Schedule above.
4. Unless Paragraph E.5. applies, loss payment under Coverage 3 – Increased Cost Of Construction Coverage will be determined as follows:
- a. We will not pay under Coverage 3:
    - (1) Until the property is actually repaired or replaced, at the same or another premises; and



- (2) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
- b. If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage 3 is the lesser of:
  - (1) The increased cost of construction at the same premises; or
  - (2) The applicable Limit Of Insurance shown for Coverage 3 in the Schedule above.
- c. If the ordinance or law requires relocation to another premises, the most we will pay under Coverage 3 is the lesser of:
  - (1) The increased cost of construction at the new premises; or
  - (2) The applicable Limit Of Insurance shown for Coverage 3 in the Schedule above.
- 5. If a Combined Limit Of Insurance is shown for Coverages 2 and 3 in the Schedule above, Paragraphs E.2. and E.3. of this endorsement do not apply with respect to the building property that is subject to the Combined Limit, and the following loss payment provisions apply instead:
 

The most we will pay, for the total of all covered losses for Demolition Cost and Increased Cost Of Construction, is the Combined Limit Of Insurance shown for Coverages 2 and 3 in the Schedule above. Subject to this Combined Limit of Insurance, the following loss payment provisions apply:

  - a. For Demolition Cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.
  - b. With respect to the Increased Cost Of Construction:
    - (1) We will not pay for the increased cost of construction:
      - (a) Until the property is actually repaired or replaced, at the same or another premises; and
      - (b) Unless the repair or replacement is made as soon as reasonably possible after the loss or

- damage, not to exceed two years. We may extend this period in writing during the two years.
- (2) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.
- (3) If the ordinance or law requires relocation to another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the new premises.
- F. The terms of this endorsement apply separately to each building to which this endorsement applies.
- G. Under this endorsement, 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.
- H. Example of Proportionate Loss Payment for Ordinance or Law Coverage Losses (procedure as set forth in Section B.3. of this endorsement).
 

Assume:

  - Wind is a Covered Cause of Loss. Flood is an excluded Cause of Loss;
  - The building has a value of \$200,000;
  - Total direct physical damage to building: \$100,000;
  - The ordinance or law in this jurisdiction is enforced when building damage equals or exceeds 50% of the building's value;
  - Portion of direct physical damage that is covered (caused by wind): \$30,000;
  - Portion of direct physical damage that is not covered (caused by flood): \$70,000; and
  - Loss under Ordinance or Law Coverage 3 of this endorsement: \$60,000.

Step 1: Determine the proportion that the covered direct physical damage bears to the total direct physical damage.  
 $\$30,000 \text{ divided by } \$100,000 = .30$

Step 2: Apply that proportion to the Ordinance or Law loss.



\$60,000 x .30 = \$18,000

In this example, the most we will pay under this endorsement for the Coverage 3 loss is \$18,000, subject to the applicable Limit of Insurance and any other applicable provisions.

NOTE: The same procedure applies to losses under Coverages 1 and 2 of this endorsement.

**I.** If shown as applicable in the Schedule of this endorsement, the following applies:

**Business Income And Extra Expense Optional Coverage**

**1.** If a Covered Cause of Loss occurs to property at the premises described in the Declarations, coverage is extended to include the amount of actual and necessary loss you sustain during the increased period of suspension of your "operations" caused by or resulting from a requirement to comply with any ordinance or law that:

- a.** Regulates the construction or repair of any property;
- b.** Requires the tearing down of parts of any property not damaged by a Covered Cause of Loss; and
- c.** Is in force at the time of loss.

However, coverage is not extended under this endorsement to include loss caused by or resulting from the enforcement of or compliance with any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

**2.** Paragraph H.9. Period Of Restoration Definition is replaced by the following:

**9.** "Period of restoration" means the period of time that:

- a.** Begins:
  - (1)** 72 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises, unless a lesser number of hours is shown in the Schedule of this endorsement; or
  - (2)** Immediately after the time of the 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 repaired, 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" includes any increased period required to repair or reconstruct the property to comply with the minimum standards of any ordinance or law, in force at the time of loss, that regulates the construction or repair, or requires the tearing down of any property.

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



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

**TOTAL POLLUTION EXCLUSION WITH A BUILDING  
HEATING EQUIPMENT EXCEPTION AND A  
HOSTILE FIRE EXCEPTION**

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS COVERAGE FORM**

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

This insurance does not apply to:

**f. Pollution**

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

This exclusion does not apply to:

(a) "Bodily injury" if sustained within a building which is or was at any time owned or occupied by, or rented or loaned to, any insured 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.

(b) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire" unless that "hostile fire" occurred or originated:

(i) At 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; or

(ii) At 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 to test for, monitor, clean up, remove, contain, treat, detoxify, 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".





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

# **TWO OR MORE COVERAGE PARTS OR POLICIES ISSUED BY US**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

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

The following condition is added to **E. Liability And Medical Expenses General Conditions**:

**Two Or More Coverage Parts Or Policies Issued By Us**

If this policy and any other coverage part, form, endorsement, or policy issued to you by us, or any company affiliated with us, apply to the same professional incident, claim, "suit", "occurrence", offense, accident, "wrongful act" or loss, the maximum Limit of Insurance under all such coverage parts, forms, endorsements or policies combined shall not exceed the highest applicable Limit of Insurance under any one coverage part, form, endorsement or policy.

This condition does not apply to any Excess or Umbrella Policy issued by us, or any company affiliated with us, specifically to apply as excess insurance over this policy.



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

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

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

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

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

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

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

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**  
**WATER BACK-UP AND SUMP OVERFLOW**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

**SCHEDULE**

<b>Premises Number</b>	<b>Covered Property Annual Aggregate Limit Of Insurance</b>	<b>Business Income And Extra Expense Annual Aggregate Limit Of Insurance</b>
1	\$100,000	\$100,000

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



A. We will pay for direct physical loss or damage to Covered Property, covered under Section I – Property, caused by or resulting from:

1. Water or waterborne material which backs up through or overflows or is otherwise discharged from a sewer or drain; or
2. Water or waterborne material which overflows or is otherwise discharged from a sump, sump pump or related equipment, even if the overflow or discharge results from mechanical breakdown of a sump pump or its related equipment.

However, with respect to Paragraph A.2., we will not pay the cost of repairing or replacing a sump pump or its related equipment in the event of mechanical breakdown.

B. The coverage described in Paragraph A. of this endorsement does not apply to loss or damage resulting from:

1. An insured's failure to keep a sump pump or its related equipment in proper working condition;
2. An insured's failure to perform the routine maintenance or repair necessary to keep a sewer or drain free from obstructions; or
3. Sump pump failure which is caused by or results from failure of power, unless this policy is endorsed to cover power failure affecting the described premises.

C. The most we will pay for the coverage provided under this endorsement for all direct physical loss or damage to Covered Property is the Covered Property Annual Aggregate Limit of Insurance. That limit is \$5,000 per location, unless a different Covered Property Annual Aggregate Limit Of Insurance is indicated in the Schedule of this endorsement.

The applicable Covered Property Annual Aggregate Limit of Insurance is the most we will pay under this endorsement for the total of all direct physical loss or damage sustained in any one policy year, regardless of the number of occurrences that cause or result in loss or damage to Covered Property. If loss payment for the first such occurrence does not exhaust the applicable Limit of Insurance, then the balance of that limit 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.

D. The following provisions apply to **Section I – Property** and supersede any provisions to the contrary:

The most we will pay under:

1. Paragraph A.5.f. Business Income Additional Coverage for all loss of Business Income you sustain due to the necessary suspension of your "operations" caused by direct physical loss or damage to Covered Property as described in Paragraph A. of this endorsement; and
2. Paragraph A.5.g. Extra Expense Additional Coverage for all necessary Extra Expense you incur and that you would not have incurred if there had been no direct physical loss or damage to Covered Property as described in Paragraph A. of this endorsement;

is the Business Income And Extra Expense Annual Aggregate Limit of Insurance. That limit is \$5,000 per location, unless a different Business Income And Extra Expense Annual Aggregate Limit Of Insurance is shown in the Schedule.

The applicable Business Income And Extra Expense Annual Aggregate Limit of Insurance is the most we will pay under this endorsement for the total of all loss of Business Income you sustain and Extra Expense you incur in any one policy year, regardless of the number of occurrences that cause or result in loss or damage to Covered Property as described in Paragraph A. of this endorsement. If loss payment during an earlier "period of restoration" in the policy year does not exhaust the applicable Limit of Insurance, then the balance of that limit is available for loss of Business Income you sustain or Extra Expense you incur during a subsequent "period of restoration" beginning in, but not after, that policy year. With respect to a "period of restoration" which begins in one policy year and continues in a subsequent policy year(s), all loss of Business Income you sustain or Extra Expense you incur is deemed to be sustained or incurred in the policy year in which the "period of restoration" began.



- E. With respect to the coverage provided under this endorsement, the **Water Exclusion** in **Section I – Property** is replaced by the following:

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

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

But if any of the above, in Paragraphs 1. through 4., results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

- F. For the purposes of this endorsement, the term drain includes a roof drain and related fixtures.



Payment Processing Center  
 P.O. Box 26488  
 Salt Lake City, UT 84126-0488

(800) 446-2667 or (385) 351-8030  
 Fax (385) 351-8111  
 finance@wcf.com



**BOP Premium Invoice**

Garland Meadows Homeowners Association  
 Po Box 2215  
 Hailey, ID 83333

**ACCOUNT NUMBER**  
246084

**POLICY PERIOD**  
07/07/2025 to 07/07/2026

**ISSUE DATE**  
06/18/2025

**INVOICE NUMBER**  
8155918

**DUE DATE**  
07/07/2025

DESCRIPTION	AMOUNT
Scheduled premium payment due	\$1,281.11

WCF Mutual, WCF National, and WCF Select Insurance Companies - wcf.com/about-us

663sch ..... Page 1 of 1 .....

Account Number: 246084  
 Invoice Number: 8155918  
 Amount Due: \$1,281.11  
 Due Date: 07/07/2025

Garland Meadows Homeowners Association  
 Po Box 2215  
 Hailey, ID 83333

**Preferred Payment Option:**  
**Pay online at wcf.com/finance-center/**  
 Alternate payment option:  
 Check is enclosed (\$20 service charge for returned items.)  
 Detach coupon and return with your remittance to above address.  
 Make check payable to:  
 WCF National Insurance Company

5130008008155918024608421741552190001281113



## ELECTRONIC FUND TRANSFER AGREEMENT AND DISCLOSURE

This agreement and disclosure (“Agreement”) is made in compliance with federal law regulating electronic funds transfer (“EFT”) services. An EFT is an electronically initiated transfer of money involving an account at your financial or banking institution (“account holding financial institution” or “financial institution”). The following disclosures set forth your rights and our rights and responsibilities concerning an EFT. In this Agreement, the words “you” and “your” mean individuals, businesses, or individuals who are authorized to initiate an electronic fund transfer between your account holding financial institution and us. The words “we”, “us” and “our” mean WCF Mutual Insurance Company, WCF National Insurance Company, and/or WCF Select Insurance Company (collectively “WCF Insurance”).

**SCOPE OF AGREEMENT.** This agreement applies to all appropriately authorized EFT transactions between your account holding financial institution and us.

**CONSUMER LIABILITY.** Tell us, AT ONCE, if you believe that an electronic fund transfer has been made on your WCF Insurance account without your permission. Telephoning is the best way of keeping your possible losses down.

Also, tell us at once if your periodic statement shows transfers that you did not make or authorize, including those made by debit card or other means. If you do not tell us of unauthorized transfers within 60 days after the statement was mailed to you that documented the alleged fraudulent transfer(s), you may not get back any money you lost after the 60 days if we can prove that we could have stopped someone from initiating the unauthorized transfers if you had told us in time. If a good reason kept you from telling us, we may, in our discretion, extend the time periods.

**CONTACT IN THE EVENT OF UNAUTHORIZED TRANSFER.** If you believe an unauthorized transfer has occurred involving your WCF Insurance account, please call the WCF Insurance accounting department at 385-351-8030. You can also write to us with any concerns at 100 West Towne Ridge Parkway, Sandy, Utah, 84070 or email us at [finance@wcf.com](mailto:finance@wcf.com).

**BUSINESS DAYS.** For purposes of these disclosures, our business days are Monday through Friday. Legal federal holidays are not included.

**FEES.** We generally do not charge for electronic fund transfers. However, authorized debit card transactions may be assessed a fee at the time you authorize the transaction and will be charged by a third-party payment processor.

**CONFIDENTIALITY.** We will disclose information to third parties about your account or the transfers you make:

- (i) Where it is necessary to complete a transfer to us authorized by you or
- (ii) In order to comply with government agency or court orders, or



(iii) If you give us your written permission.

## DOCUMENTATION

**Periodic statements.** You will get a monthly statement regarding your WCF Insurance account if you have authorized EFT payments on the account unless there are no transfers in a particular month. In any case you will get the statement at least quarterly.

## PREAUTHORIZED PAYMENTS

**(1) Right to stop payment and procedure for doing so.** If you have authorized us in advance to make regular EFT payments out of your financial institution account, you can stop any of these payments. Here's how:

Call us at 385-351-8030 in time for us to receive your request 3 business days or more before the payment is scheduled to be made. If you call, we may also require you to put your request in writing and get it to us within 14 days after you call.

**(2) Notice of varying amounts.** If your regular EFT payments to us may vary in amount, we will tell you at least 10 days before each payment when it will be made and how much it will be. (You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.)

**(3) Liability for failure to stop payment of preauthorized transfer.** If you properly requested, as required by subsection (1) of this section, to stop one of these payments 3 business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages resulting from the failed or delayed transfer.

**WCF INSURANCE LIABILITY.** If we do not complete a transfer to or from your account holding financial institution on time or in the correct amount according to our agreement with you, we will be liable for your resulting losses or damages. However, there are some exceptions. We will not be liable, for instance:

(1) If, through no fault of ours, you do not have enough money in your account to make the transfer.

(2) If the EFT payment system was not working properly and you knew about the breakdown when you started the transfer.

(3) If circumstances beyond our control (such as fire, flood, or other technical problems) prevent the transfer, despite reasonable precautions that we have taken.

(4) There may be other exceptions stated in our agreement with you.

**NOTICES.** All notices from us will be effective when we have mailed (or emailed if you have signed up for electronic delivery) them to your last known address on our records. Notices from you will be effective when received by us at the telephone number, address,



or email specified in this Agreement. We reserve the right to change the terms and conditions upon which EFT services are offered. We will mail (or email if you have signed up for electronic delivery) notice to you at least 21 days before the effective date of any change, as required by law. Use of EFT services are subject to existing regulations governing your account holding financial or banking institution and any future changes to those regulations.

**ERROR RESOLUTION NOTICE**

In case of errors or questions about your electronic transfers, or if you think your periodic statement or receipt is wrong and need more information about it, please call us as soon as you can at 385-351-8030, write us at 100 West Towne Ridge Parkway, Sandy, Utah 84070 or email at [finance@wcf.com](mailto:finance@wcf.com). We must hear from you no later than 60 days after we sent the FIRST statement on which the alleged problem or error appeared.

1. Tell us your name and account number (if any).
2. Describe the error or the transfer you are unsure about and explain as clearly as you can why you believe it is an error or why you need more information.
3. Tell us the dollar amount of the suspected error.

If you tell us orally, we may require that you send us your complaint or question in writing within 10 business days. We will extend by a reasonable time the period in which we must receive a notice of error if a delay resulted from an initial attempt by you to notify your account holding financial institution.

We will determine whether an error occurred within 10 business days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days to investigate your complaint or question.

We will tell you the results within three business days after completing our investigation. If we decide that there was no error, we will send you a written explanation. You may ask for copies of the documents that we used in our investigation.



100 West Towne Ridge Parkway  
Sandy, UT 84070

INSURANCE (800) 446-2667 | [wcf.com](http://wcf.com)

Garland Meadows Homeowners Association  
Po Box 2215  
Hailey, ID 83333-2215



100 West Towne Ridge Parkway  
Sandy, UT 84070

INSURANCE (800) 446-2667 | wcf.com



06/18/2025

Re: Renewal Policy Packet

Insured: 4065704 - Garland Meadows Homeowners Association  
Account: 246084 - Garland Meadows Homeowners Association  
Line of Business: Businessowners Policy  
Insurance Company: WCF National Insurance Company NAIC No. 40517

Dear Policyholder,

Attached is a copy of a document related to the policy above. To view billing-related information or to make a payment, you can view your billing statement or visit [wcf.com](http://wcf.com).

If you have any questions or corrections, please contact your agent.

Thank you for your business.

CC: Sentry West Insurance Services  
(801) 272-8468  
P O BOX 9289 SALT LAKE CITY, UT 84109-0289



**Paperless delivery.**

It's faster and greener! Sign up to receive documents like this electronically at [wcf.com/paperless](http://wcf.com/paperless).



100 West Towne Ridge Parkway  
Sandy, UT 84070

INSURANCE (800) 446-2667 | wcf.com



06/18/2025

Garland Meadows Homeowners Association  
Po Box 2215  
Hailey, ID 83333-2215

RE: Garland Meadows Homeowners Association  
Policy Number: 4065704

Dear Policyholder,

Thank you for choosing WCF Insurance to provide your business insurance coverage. We encourage you to carefully read the contents in the enclosed policy packet as it contains the details about your policy's coverage.

We invite you to take advantage of the services we offer on our website at [wcf.com](http://wcf.com). You can pay your premium online, request certificates of insurance, find materials to help you operate a safe organization and protect your assets, and learn more about other WCF Insurance products.

Please contact your agent if you have any questions or concerns. For any additional support, please contact us at [customerservice@wcf.com](mailto:customerservice@wcf.com) or (800) 446-2667.

We appreciate and value your business.

Thank you .

Matt Lyon  
President