



We Keep Life Moving



SentryWest Insurance Services

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 801.308.2074

Certificates of Insurance:

HOA Requests eois@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





**SPECIALIZING IN
INSURANCE FOR
CONDOMINIUMS**

**COMMON POLICY
DECLARATIONS**

Acuity, A Mutual Insurance Company

First Named Insured and Address:

SUMMIT CONDOMINIUM PHASE II
PO BOX 2183
SUN VALLEY ID 83353

Agency Name and Number:

7427-AL (801)272-8468
SENTRYWEST INSURANCE SERVICES
3860 S 2300 E
PO BOX 9289
SALT LAKE CITY UT 84109

Policy Number: ZS7114

Policy Period: Effective Date: 10-01-23
Expiration Date: 10-01-24
12:01 A.M. standard time at
your mailing address shown
in the declarations

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

COVERAGE

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

Property	16,442.00
General Liability	557.00
Automobile	433.00
Excess Liability	501.00
Total Advance Premium	\$ 17,933.00

Secretary

President

MUTUAL POLICY CONDITIONS

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

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

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

Corporate Headquarters Address

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

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**COMMERCIAL PROPERTY
COVERAGE PART**

Declarations

First Named Insured and Address

SUMMIT CONDOMINIUM PHASE II
PO BOX 2183
SUN VALLEY ID 83353

Agency Name and Number

SENTRYWEST INSURANCE SERVICES
7427-AL

Policy Number: ZS7114

Policy Period: Effective Date: 10-01-23

Expiration Date: 10-01-24

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

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

COVERAGES PROVIDED AND COVERAGE PREMIUMS

Coverage is provided where a Limit of Insurance is shown.

Coverage Item	Premises Number	Building Number	Limit of Insurance	Covered Causes of Loss	Coinsurance Percentage	Premium
Building with Ordinance or Law Coverage A	001	001	\$8,850,000	Special	80%	\$9,297.00
Building with Ordinance or Law Coverage A	002	001	\$660,000	Special	80%	\$1,147.00
Building with Ordinance or Law Coverage A	003	001	\$1,690,000	Special	80%	\$2,531.00
Total Property Coverage Premium						\$12,975.00

COVERAGE FORMS AND ENDORSEMENTS APPLICABLE TO THIS COVERAGE PART

Form Number	Form Title	Premium
CP-0010R(9-20)	Building and Personal Property Coverage Form	
CP-0090F(7-88)	Commercial Property Conditions	
CP-0140F(7-06)	Exclusion of Loss Due to Virus or Bacteria	
CP-0405F(9-17)	Ordinance or Law Coverage	\$1,158.00
CP-1030F(9-20)	Causes of Loss - Special Form	
CP-1034F(10-12)	Exclusion of Loss Due to By-Products of Prod. or Proc. Ops (rental prop)	
CP-1075F(12-20)	Cyber Incident Exclusion	
CP-7062(8-10)	Water Backup and Sump Overflow	\$750.00
CP-7078(11-13)	Equipment Breakdown Coverage	\$615.00
CP-7102(9-20)	ACUITY Property Enhancements	\$400.00
IL-0017F(11-98)	Common Policy Conditions	

Form Number	Form Title	Premium
IL-0204F(3-14)	Idaho Changes - Cancellation and Nonrenewal	
IL-0935F(7-02)	Exclusion of Certain Computer-Related Losses	
IL-0995R(1-15)	Conditional Exclusion of Terrorism (Relating to Disposition of Federal Act)	
IL-7080(1-15)	Cap on Losses from Certified Acts of Terrorism	\$544.00
IL-7082(12-20)	Disclosure Pursuant to Terrorism Risk Insurance Act	
Total Endorsement Premium		\$3,467.00

Any premium shown for endorsement CP-0405F is for Coverage B and/or Coverage C only as the premium for Coverage A is included within the building premium.

PREMIUM SUMMARY

Total Property Coverage Premium	\$12,975.00
Total Endorsement Premium	\$3,467.00
Total Advance Premium	\$16,442.00

DESCRIPTION OF PREMISES

Premises Number	Building Number	Construction, Occupancy and Location
001	001	FRAME 6 UNIT CONDOMINIUM 2825 SUMMIT II CONDO DR SUN VALLEY ID 83353
002	001	FRAME 4 UNIT CONDOMINIUM 2831 SUMMIT II CONDO DR SUN VALLEY ID 83353
003	001	FRAME CONDOMINIUMS 2835 SUMMIT II CONDO DR SUN VALLEY ID 83353

MORTGAGEHOLDER NAME AND ADDRESS

NONE

OPTIONAL COVERAGES INCLUDED

Applicable only when entries are made in the schedule below:

Coverage Item	Premises Number	Building Number	Deductible	Agreed Value		Inflation Guard Percentage
				Expiration Date	Amount	
Building with Ordinance or Law Coverage A	001	001	\$5,000	10-01-24	\$8,850,000	8%
Building with Ordinance or Law Coverage A	002	001	\$5,000	10-01-24	\$660,000	8%

Coverage Item	Premises Number	Building Number	Deductible	Agreed Value		Inflation Guard Percentage
				Expiration Date	Amount	
Building with Ordinance or Law Coverage A	003	001	\$5,000	10-01-24	\$1,690,000	8%

Coverage Item	Premises Number	Building Number	Replacement Cost	Including Stock
Building with Ordinance or Law Coverage A	001	001	X	
Building with Ordinance or Law Coverage A	002	001	X	
Building with Ordinance or Law Coverage A	003	001	X	

ADDITIONAL NAMED INSUREDS

WHO IS AN INSURED includes the following Additional Named Insureds:

NONE

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

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BUILDING AND PERSONAL PROPERTY COVERAGE FORM

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

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

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

A. COVERAGE

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

1. Covered Property

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

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

- (1) Completed additions;
- (2) Fixtures, 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.
- (5) If not covered by other insurance:
 - (a) Additions under construction, alterations and repairs to the building or structure; and
 - (b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure.

b. Your Business Personal Property consists of the following property located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of

the building or structure or within 100 feet of the premises described in the Declarations, whichever is greater:

- (1) Furniture and fixtures;
- (2) Machinery and equipment;
- (3) *Stock*;
- (4) All other personal property owned by you and used in your business;
- (5) Labor, materials or services furnished or arranged by you on personal property of others;
- (6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
 - (a) Made a part of the building or structure you occupy but do not own; and
 - (b) You acquired or made at your expense but cannot legally remove.
- (7) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property Of Others.

c. Personal Property Of Others that is:

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

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

2. Property Not Covered

Covered Property does not include:

- a.** Accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities.
- b.** Animals, unless owned by others and boarded by you, or if owned by you, only as *stock* while inside of buildings;
- c.** Automobiles held for sale;
- d.** Bridges, roadways, walks, patios or other paved surfaces;

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

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

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

This paragraph does not apply to:

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

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

3. Covered Causes Of Loss

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

4. Additional Coverages

a. Debris Removal

- (1) Subject to paragraphs (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 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 Coverage Form;
 - (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 we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.
 - (b) Subject to (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage. 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 (4)(a) and/or (4)(b) applies, 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

The following examples assume that there is no Coinsurance penalty.

EXAMPLE #1

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

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

EXAMPLE #2

Limit of Insurance	\$90,000
Amount of Deductible	\$500
Amount of Loss	\$80,000
Amount of Loss Payable	\$79,500
	(\$80,000 - \$500)
Debris Removal Expense	\$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 or damage to that property:

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

We will not pay for any loss or damage under this Additional Coverage if the Covered Property was moved from the described premises to preserve it from

loss or damage by a cause of loss that is not a Covered Cause of Loss.

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000 for service at each premises described in the Declarations, unless a higher 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.

No Deductible applies to this Additional Coverage.

d. Pollutant Clean-up And Removal

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

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

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

e. Increased Cost Of Construction

- (1) This Additional Coverage applies only to buildings to which the Replacement Cost Optional Coverage applies.
- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with 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 e(3) through e(9) of this Additional Coverage.

- (3) The ordinance or law referred to in e(2) of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises, and is in force at the time of loss.
- (4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:
 - (a) You were required to comply with before the loss, even when the building was undamaged; and
 - (b) You failed to comply with.
- (5) Under this Additional Coverage, we will not pay for:
 - (a) Any costs associated with the enforcement of 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*, *fungus*, wet or dry rot or bacteria; or
 - (b) 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 *fungus*, wet or dry rot, or bacteria.
- (6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is \$10,000 or 5% of the Limit of Insurance applicable to that building, whichever is less. If a damaged building is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for that damaged building, is the lesser of: 10,000 or 5% times the value of the damaged building as of the time of loss times the applicable Coinsurance

percentage.

The amount payable under this Additional Coverage is additional insurance.

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

f. Electronic Data

- (1) Under this Additional Coverage, electronic data has the meaning described under Property Not

Covered, Electronic Data. This Additional Coverage 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.

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

or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.

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

5. Coverage Extensions

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

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

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

a. Newly Acquired Or Constructed Property

(1) Buildings

If this policy covers Building, 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 locations, other than the described premises, 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 under this Extension is \$250,000 at

each building.

(2) Your Business Personal Property

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

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

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

(b) This Extension does not apply to:

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

(3) Period of Coverage

With respect to insurance 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) Thirty days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

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

b. Personal Effects And Property Of Others

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

(1) Personal effects owned by you, your officers, your partners or members, your managers or your employees. This Extension does not apply to loss or damage by theft.

(2) Personal property of others in your care, custody or control.

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

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

(1) You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered, Electronic Data.

(2) If the Causes of Loss - Special Form applies, coverage under this Extension is limited to the *specified causes of loss* as defined in that Form, and Collapse as set forth in that Form.

(3) If the Causes of Loss - Broad Form applies, coverage under this Extension includes Collapse as set forth in that Form.

(4) Under this Extension, the most we will pay to replace or restore the lost information is \$2,500 at each described premises, unless a higher limit is shown in the Declarations. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.

d. Property Off-premises

(1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described

premises, if it is:

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

e. Outdoor Property

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

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

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

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.

f. Non-owned Detached Trailers

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage

to trailers that you do not own, provided that:

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

g. Business Personal Property Temporarily In Portable Storage Units

- (1) You may extend the insurance that applies to Your 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 building or structure described in the Declarations or within 100 feet of the premises described in the Declarations, whichever distance is greater.)
- (2) If the applicable Covered Causes of Loss form or endorsement contains a limitation or exclusion concerning loss or damage from sand, dust, sleet, snow, ice or rain to property in a structure, such limitation or exclusion 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 or 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. Such limit is part of, not in addition to, the applicable Limit of Insurance on Your Business Personal Property. Therefore, payment under this Extension will not increase the applicable Limit of Insurance on Your Business Personal Property.
- (5) This Extension does not apply to loss or damage otherwise covered under this Coverage Form or any endorsement to this Coverage Form or policy, and does not apply to loss or damage to the storage unit itself.

Each of these Extensions is additional insurance unless otherwise indicated. The Additional Condition, Coinsurance, does not apply to these Extensions.

B. EXCLUSIONS AND LIMITATIONS

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

C. LIMITS OF INSURANCE

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

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

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

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

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

D. DEDUCTIBLE

In any one occurrence of loss or damage (hereinafter referred to as loss), we will first reduce the amount of loss if required by the

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

When the occurrence involves loss to more than one item of covered property and separate Limits of Insurance apply, the losses will not be combined in determining application of the Deductible. But the Deductible will be applied only once per occurrence. The highest applicable Deductible shall apply in this situation.

EXAMPLE #1

(This example assumes there is no Coinsurance penalty.)

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

The amount of loss to Building 1 (\$60,100) is less than the sum (\$60,250) of the Limit of Insurance applicable to Building 1 plus the Deductible.

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

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

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

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

EXAMPLE #2

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

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

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

E. LOSS CONDITIONS

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

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

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

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

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

3. Duties In The Event Of Loss Or Damage

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

(4) Take all reasonable steps to protect the Covered Property from further damage and keep a record of your expenses reasonably incurred to protect the Covered Property. We will consider these expenses in the settlement of a claim, but this will not increase the applicable limit of insurance. However we will not consider any expenses incurred in order to protect the Covered Property from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damage property aside and in the best possible order for examination

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

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

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

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

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

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

4. Loss Payment

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

- (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to b below.

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

- b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.
- c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- d. We will not pay you more than your financial interest in the Covered Property.
- e. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss if you have complied with all of the terms of this Coverage Part and:
- (1) We have reached agreement with you on the amount of loss; or
- (2) An appraisal award has been made.
- h. A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance, the Valuation and Coinsurance Conditions and all other provisions of this Loss

Payment Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Transfer Of Rights Of Recovery Against Others To Us Condition in this policy.

5. Recovered Property

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

6. Vacancy

a. Description Of Terms

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

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

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

(i) Rented to a lessee or 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 b(1)(a) through b(1)(f) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%

7. Valuation

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

- a. At actual cash value as of the time of loss or damage, except as provided in b, c, d and e below.

- b. If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

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

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

- (1) Awnings or floor coverings;
 - (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
 - (3) Outdoor equipment or furniture.
- c. *Stock* you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.
 - d. Glass at the cost of replacement with safety-glazing material if required by law.
 - e. Tenants' Improvements and Betterments at:
 - (1) Actual cash value of the lost or damaged property if you make repairs promptly.

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

- (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and

- (b) Divide the amount determined in (a) 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.

- (3) Nothing if others pay for repairs or replacement.

F. ADDITIONAL CONDITIONS

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

1. Coinsurance

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

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

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

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

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

**EXAMPLE #1
(UNDERINSURANCE)**

When: The value of the property is \$250,000
 The Coinsurance percentage for it is 80%
 The Limit of Insurance for it is \$100,000
 The Deductible is \$250
 The amount of loss is \$40,000
 Step (1): $\$250,000 \times 80\%$ = \$200,000
 (the minimum amount of insurance to meet your
 Coinsurance requirements)
 Step (2): $\$100,000 \div \$200,000$ = .50
 Step (3): $\$40,000 \times .50$ = \$20,000
 Step (4): $\$20,000 - \250 = \$19,750
 We will pay no more than \$19,750. The
 remaining \$20,250 is not covered.

EXAMPLE #2 (ADEQUATE INSURANCE)

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

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

EXAMPLE #3

When:
 The value of the property is:
 Building at Location Number 1 \$75,000
 Building at Location Number 2 \$100,000
 Personal Property at Location Number 2
 \$75,000
 \$250,000
 The Coinsurance percentage for it is 90%
 The Limit of Insurance for Buildings and
 Personal Property at Location
 Numbers 1 and 2 are \$180,000
 The Deductible is \$1,000
 The amount of loss is:
 Building at Location Number 2 \$30,000

Personal Property at
 Location Number 2 \$20,000
 \$50,000
 Step (1): $\$250,000 \times 90\%$ = \$225,000
 (the minimum amount of insurance to meet your
 Coinsurance requirements and to avoid the
 penalty shown below)
 Step (2): $\$180,000 \div \$225,000$ = .80
 Step (3): $\$50,000 \times .80$ = \$40,000
 Step (4): $\$40,000 - \$1,000$ = \$39,000
 We will pay no more than \$39,000. The
 remaining \$11,000 is not covered.

2. Mortgageholders

- a. The term "mortgageholder" includes
 trustee.
- b. We will pay for covered loss of or
 damage to buildings or structures to
 each mortgageholder shown in the
 Declarations in their order of
 precedence, as interests may appear.
- c. The mortgageholder has the right to
 receive loss payment even if the
 mortgageholder has started foreclosure
 or similar action on the building or
 structure.
- d. If we deny your claim because of your
 acts or because you have failed to
 comply with the terms of this Coverage
 Part, the mortgageholder will still have
 the right to receive loss payment if the
 mortgageholder:
 - (1) Pays any premium due under this
 Coverage Part at our request if you
 have failed to do so;
 - (2) Submits a signed, sworn 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 Coverage Part will
 then apply directly to the
 mortgageholder.

- e. If we pay the mortgageholder for any
 loss or damage and deny payment to
 you because of your acts or because
 you have failed to comply with the terms
 of this Coverage Part:
 - (1) The mortgageholder's rights under
 the mortgage will be transferred to us
 to the extent of the amount we pay;
 and
 - (2) The mortgageholder's right to
 recover the full amount of the

mortgageholder's claim will not be impaired.

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

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

G. OPTIONAL COVERAGES

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

1. Agreed Value

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

2. Inflation Guard

- a. The Limit of Insurance for property to which this Optional Coverage applies will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase will be:
 - (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary

date or any other policy change amending the Limit of Insurance, times:

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

EXAMPLE:

If:

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

3. Replacement Cost

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

Under the terms of this Replacement Cost Optional Coverage, tenants' improvements and betterments are not considered to be the personal property of others.

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

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

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

- (3) If the conditions in d(1) and d(2) above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost, as set forth in the Valuation Loss Condition of this Coverage Form; and
 - (4) We will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement.
- e. We will not pay more for loss or damage on a replacement cost basis than the least of (1), (2) or (3), subject to f below.
 - (1) The Limit of Insurance applicable to the lost or damaged property;
 - (2) The cost to replace the lost or damaged property with other property:
 - (a) Of comparable material and quality; and
 - (b) Used for the same purpose; or
 - (3) The amount actually spent that is necessary to repair or replace the lost or damaged property.

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

- f. The cost of repair or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law

regulating the construction, use or repair of any property.

4. Extension Of Replacement Cost To Personal Property Of Others

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

If an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance.

H. DEFINITIONS

- 1. "*Fungus*" means any type or form of *fungus*, including mold or mildew, and any mycotoxins, spores, scents or byproducts produced or released by fungi.
- 2. "*Pollutants*" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 3. "*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.

COMMERCIAL PROPERTY CONDITIONS

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

A. CONCEALMENT, MISREPRESENTATION OR FRAUD

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

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

B. CONTROL OF PROPERTY

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

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

C. INSURANCE UNDER TWO OR MORE COVERAGES

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

D. LEGAL ACTION AGAINST US

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

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

E. LIBERALIZATION

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

F. NO BENEFIT TO BAILEE

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

G. OTHER INSURANCE

1. You may have other insurance subject to the

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

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

H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

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

I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

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

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

This will not restrict your insurance.

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CAUSES OF LOSS - SPECIAL FORM

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

A. COVERED CAUSES OF LOSS

Covered Special is shown in the Declarations, Covered Causes of Loss means Risks of Direct Physical Loss unless the loss is excluded or limited in this policy.

B. EXCLUSIONS

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

a. Ordinance Or Law

The enforcement of or compliance with any ordinance or law:

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

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

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

b. Earth Movement

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

ground surface.

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

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

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

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

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

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

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

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

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

d. Nuclear Hazard

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

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

e. Utility Services

The failure of power, communication,

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

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

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

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

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

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

f. War And Military Action

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

g. Water

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

through:

- (a) Foundations, walls, floors or paved surfaces;
 - (b) Basements, whether paved or not; or
 - (c) Doors, windows or other openings; or
- (5) Waterborne material carried or otherwise moved by any of the water referred to in paragraph (1), (3) or (4), or material carried or otherwise moved by mudslide or mudflow.

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

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

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

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

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

This exclusion does not apply:

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

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

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

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

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

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

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

damage caused by that *specified cause of loss* or building glass breakage.

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

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

- f. Continuous or repeated seepage or leakage of water or the presence or condensation of humidity, moisture or vapor that occurs over a period of 14 days or more.
- g. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
 - (1) You do your best to maintain heat in the building or structure; or
 - (2) You drain the equipment and shut off the supply if the heat is not maintained.
- h. Dishonest or criminal act (including theft) by you, any of your partners, members, officers, managers, employees (including temporary employees and leased workers), 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 employees and leased workers) or authorized representatives; but theft by employees (including temporary employees and leased workers) or authorized representatives is not covered.

- i. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- j. Rain, snow, ice or sleet to personal property in the open.
- k. Collapse, including any of the following conditions of property or any part of the property:
 - (1) An abrupt falling down or caving in;
 - (2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
 - (3) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to (1) or (2) above.

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

This exclusion, k, does not apply:

- (a) To the extent that coverage is provided under the additional Coverage - Collapse; or
- (b) To collapse caused by one or more of the following:
 - (i) The *specified causes of loss*;
 - (ii) Breakage of building glass;
 - (iii) Weight of rain that collects on a roof; or
 - (iv) Weight of people or personal property.
- l. Discharge, dispersal, seepage, migration, release or escape of *pollutants* unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the *specified causes of loss*. But if the discharge, dispersal, seepage, migration, release or escape of *pollutants* results in a *specified cause of loss*, we will pay for the loss or damage caused by that *specified cause of loss*.
This exclusion, l, does not apply to damage to glass caused by chemicals applied to the glass.
- m. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

- 3. We will not pay for loss or damage caused by or resulting from any of the following, 3a through 3c. But if an excluded cause of loss that is listed in 3a through 3c results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.
 - a. Weather Conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1 above to produce the loss or damage.
 - b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
 - c. Faulty, inadequate or defective:
 - (1) Planning, zoning, development, surveying, siting;
 - (2) Design, specifications, workmanship, repair, construction, renovations, remodeling, grading, compaction;
 - (3) Materials used in repair, construction, renovation or remodeling; or
 - (4) Maintenance;
 of part or all of any property on or off the described premises.

4. Special Exclusions

The following provisions apply only to the specified Coverage Forms.

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

We will not pay for:

- (1) Any loss caused by or resulting from:
 - (a) Damage or destruction of *finished stock*; or
 - (b) The time required to reproduce *finished stock*.
 This exclusion does not apply to Extra Expense.
- (2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.
- (3) Any increase of loss caused by or resulting from:
 - (a) Delay in rebuilding, repairing or replacing the property or resuming *operations*, to interference at the location of the rebuilding, repair or replacement

- by strikers or other persons; or
- (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the *suspension of operations*, we will cover such loss that affects your Business Income during the *period of restoration* and any extension of the *period of restoration* in accordance with the terms of the Extended Business Income Additional Coverage and the Extended Period of Indemnity Optional Coverage or any variation of these.
- (4) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the *period of restoration*.
- (5) Any other consequential loss.
- b. Leasehold Interest Coverage Form
 - (1) Paragraph B1a, Ordinance Or Law, does not apply to insurance under this Coverage Form.
 - (2) We will not pay for any loss caused by:
 - (a) Your canceling the lease;
 - (b) The suspension, lapse or cancellation of any license; or
 - (c) Any other consequential loss.
- c. Legal Liability Coverage Form
 - (1) The following Exclusions do not apply to insurance under this Coverage Form:
 - (a) Paragraph B1a, Ordinance or Law;
 - (b) Paragraph B1c, Governmental Action;
 - (c) Paragraph B1d, Nuclear Hazard;
 - (d) Paragraph B1e, Utility Services;
 - (e) Paragraph B1f, War and Military Action.
 - (2) The following additional exclusions apply to insurance under this Coverage Form:
 - (a) Contractual Liability

We will not defend any claim or *suit*, or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement. But this exclusion

does not apply to a written lease agreement in which you have assumed liability for building damage resulting from an actual or attempted burglary or robbery, provided that:

- (i) Your assumption of liability was executed prior to the accident; and
 - (ii) The building is Covered Property under this Coverage Form.
- (b) Nuclear Hazard

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

5. Additional Exclusion

The following provisions apply only to the specified property.

Loss or Damage to Products

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

C. LIMITATIONS

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

1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.
 - a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of

- combustion pass.
- b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
 - c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
 - (1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
 - (2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.
 - d. Building materials and supplies not attached as part of the building or structure, caused by or resulting from theft.

However, this limitation does not apply to:

 - (1) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or
 - (2) Business Income Coverage or Extra Expense Coverage.
 - e. 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.
 - f. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
 - g. Lawns, trees, shrubs or plants which are part of a vegetated roof, caused by or resulting from:
 - (1) Dampness or dryness of atmosphere or of soil supporting the vegetation;
 - (2) Changes in or extremes of temperature;
 - (3) Disease;
 - (4) Frost or hail; or
 - (5) Rain, snow, ice or sleet.
2. We will not pay for loss of or damage to the following types of property unless caused by the *specified causes of loss* or building glass breakage:
- a. Animals, and then only if they are killed or their destruction is made necessary.
 - b. Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:
 - (1) Glass; or
 - (2) Containers of property held for sale.
 - c. Builders' machinery, tools and equipment owned by you or entrusted to you, provided such property is Covered Property.

However, this limitation does not apply:

 - (1) If the property is located on or within 100 feet of the described premises, unless the premises is insured under the Builders' Risk Coverage Form; or
 - (2) To Business Income Coverage or to Extra Expense Coverage.
3. The special limit shown for each category, a through e, is the total limit for loss of or damage to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are (unless a higher limit is shown in the Declarations):
- a. \$2,500 for furs, fur garments and garments trimmed with fur.
 - b. \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
 - c. \$2,500 for patterns, dies, molds and forms.
 - d. \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.
 - e. \$10,000 for building materials and supplies not attached as part of the building or structure, caused by or resulting from theft.

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

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

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

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

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

D. ADDITIONAL COVERAGE COLLAPSE

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

1. For the purpose of this Additional Coverage - Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.
2. We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, if such collapse is caused by one or more of the following:
 - a. Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
 - b. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
 - c. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.
 - d. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:
 - (1) A cause of loss listed in 2a or 2b;
 - (2) One or more of the *specified causes of loss*;
 - (3) Breakage of building glass;
 - (4) Weight of people or personal

property; or

(5) Weight of rain that collects on a roof.

3. This Additional Coverage - Collapse does not apply to:
 - a. A building or any part of a building that is in danger of falling down or caving in;
 - b. A part of a building that is standing, even if it has separated from another part of the building; or
 - c. A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
4. With respect to the following property:
 - a. Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;
 - b. Awnings, gutters and downspouts;
 - c. Yard fixtures;
 - d. Outdoor swimming pools;
 - e. Fences;
 - f. Piers, wharves and docks;
 - g. Beach or diving platforms or appurtenances;
 - h. Retaining walls; and
 - i. Walks, roadways and other paved surfaces;

if an abrupt collapse is caused by a cause of loss listed in 2a through 2d, we will pay for loss or damage to that property only if:

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

The coverage stated in this paragraph 5

does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

6. This Additional Coverage - Collapse does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
7. This Additional Coverage - Collapse, will not increase the Limits of Insurance provided in this Coverage Part.
8. The term Covered Cause of Loss includes the Additional Coverage - Collapse as described and limited in D1 through D7.

E. ADDITIONAL COVERAGE - LIMITED COVERAGE FOR *FUNGUS*, WET ROT, DRY ROT AND BACTERIA

1. The coverage described in E2 and E6 only applies when the *fungus*, wet or dry rot or bacteria are the result of one or more of the following causes that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.
 - a. A Covered Cause Of Loss other than fire or lightning; or
 - b. Flood, if the Flood Coverage Endorsement applies to the affected premises.

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 *fungus*, wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:
 - a. Direct physical loss or damage to Covered Property caused by *fungus*, wet or dry rot or bacteria, including the cost of removal of the *fungus*, wet or dry rot or bacteria.
 - b. The cost to tear out and replace any part of the building or other property as needed to gain access to the *fungus*, wet or dry rot or bacteria; and
 - c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that *fungus*, wet or dry rot or bacteria are present.
3. The coverage described under E2 of this Limited Coverage is limited to \$15,000.

Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of Covered Causes Of Loss (other than fire or lightning) and Flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in *fungus*, wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the *fungus*, wet or dry rot or bacteria continues to be present or active, or recurs, in a later policy period.

4. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by *fungus*, wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property. If there is covered loss or damage to Covered Property, not caused by *fungus*, wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that *fungus*, wet or dry rot or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.
5. The terms of this Limited Coverage do not increase or reduce the coverage provided under paragraph F2 (Water Damage, Other Liquids, Powder or Molten Material Damage) of this Causes of Loss Form or under the Additional Coverage - Collapse.
6. The following 6a or 6b, applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the *suspension of operations* satisfies all terms and conditions of the applicable Business Income and/or Extra Expense Coverage Form.
 - a. If the loss which resulted in *fungus*, wet or dry rot or bacteria does not in itself necessitate a *suspension of operations*, but such *suspension* is necessary due to loss or damage to property caused by *fungus*, wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
 - b. If a covered *suspension of operations* was caused by loss or damage other

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

F. ADDITIONAL COVERAGE EXTENSIONS

1. Property In Transit

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

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

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

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

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

3. Glass

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

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

G. DEFINITIONS

1. "*Fungus*" means any type or form of *fungus*, including mold or mildew, and any mycotoxins, spores, scents or byproducts produced or released by fungi.
2. "*Specified causes of loss*" means the following: fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire-extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; or water damage.
 - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
 - (1) The cost of filling sinkholes; or
 - (2) Sinking or collapse of land into man-made underground cavities.
 - b. Falling objects does not include loss or damage to:
 - (1) Personal property in the open; or
 - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
 - c. Water damage means:
 - (1) Accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts) that is located on the described premises and contains water or steam; 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 caused by wear and tear when the pipe is located off the described premises and is connected to or is part of a potable water supply system or sanitary sewer system operated by a public or private utility service provider pursuant to authority granted by the state or governmental subdivision where the described premises are located.

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 under this policy 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 surface of the ground.

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

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

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

erage Part or Policy.

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

ORDINANCE OR LAW COVERAGE

CP-0405F(9-17)

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

CONDOMINIUM ASSOCIATION COVERAGE FORM

1. Each Coverage - Coverage A, Coverage B and Coverage C - is provided under this endorsement only if that Coverage(s) is chosen by entry in the Schedule and then only with respect to the building identified for that Coverage(s) in the Schedule.

2. **Application of Coverage(s)**

The Coverage(s) provided by this endorsement applies with respect to an ordinance or law that regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises, subject to the following:

- a. The requirements of the ordinance or law are in force at the time of loss. But if the Post-Loss Ordinance or Law Option is indicated in the Schedule as being applicable, then paragraph 2b applies instead of this paragraph 2a.
- b. The requirements of the ordinance or law are in force at the time of loss; or the ordinance of law is promulgated or revised after the loss but prior to commencement of reconstruction or repair and provided that such ordinance or law requires compliance as a condition precedent to obtaining a building permit or certificate of occupancy.
- c. 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.
- d. Coverage under this endorsement applies only if:
 - (1) The building sustains only direct physical damage that is covered under this policy and as a result of such damage, you are required to comply with the ordinance or law; or
 - (2) The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and as a result of the building damage in its entirety, you are required to comply with the ordinance or law.

However, there is no coverage under this endorsement if the building sustains direct physical damage that is not covered under

this policy, and such damage is the subject of the ordinance or law, even if the building has also sustained covered direct physical damage.

- e. If coverage applies under this endorsement based on the terms of paragraph 2d(2) we will not pay the full amount of loss otherwise payable under the terms of Coverages A, B and/or C of this endorsement. Instead, we will pay a proportion of such loss; meaning the proportion that the covered direct physical damages bears to the total direct physical damage.

(Paragraph 6 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 the terms of Coverages A, B and/or C of this endorsement.

- f. We will not pay under 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 *fungus*, wet or dry rot or bacteria; 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*, *fungus*, wet or dry rot or bacteria.
- g. We will not pay under this endorsement for any loss in value or any cost incurred due to an ordinance or law that you were required to comply with before the time of the current loss, even in the absence of building damage, if you failed to comply.

3. **Coverage**

- a. **Coverage A - Coverage for Loss to the Undamaged Portion of the Building**

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

the same building.

Coverage A is included within the Limit of Insurance applicable to such building as shown in the Declarations or addressed elsewhere in this policy. Coverage A does not increase the Limit of Insurance.

b. Coverage B - Demolition Cost Coverage

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

The Coinsurance Additional Condition does not apply to Demolition Cost Coverage.

c. Coverage C - Increased Cost of Construction Coverage

(1) With respect to the building that 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 requirements 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.

The Coinsurance Additional Condition does not apply to Increased Cost of Construction Coverage.

(2) When a building is damaged or destroyed and Coverage C applies to that building in accordance with 3c(1) above, coverage for the increased cost of construction also applies to repair or reconstruction of the following, subject to the same conditions stated in 3c(1):

- (a) The cost of excavations, grading, backfilling and filling;
- (b) Foundation of the building;

(c) Pilings; and

(d) Underground pipes, flues and drains.

The items listed in (2)(a) through (2)(d) above are deleted from Property Not Covered, but only with respect to the coverage described in this provision, c(2).

4. Loss Payment

a. All following loss payment Provisions, 4b through 4e, are subject to the apportionment procedures set forth in paragraph 2e of this endorsement.

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

(1) If the Replacement Cost Coverage Option applies and such building is being repaired or replaced, on the same or another premises, we will not pay more than the lesser of:

(a) The amount you would actually spend to repair, rebuild or reconstruct such 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

(b) The Limit of Insurance applicable to such building as shown in the Declarations or addressed elsewhere in this policy. (If this policy is endorsed to cover Earthquake and/or Flood as a Covered Cause of Loss, the Limit of Insurance applicable to the building in the event of damage by such Covered Cause of Loss may be lower than the Limit of Insurance that otherwise would apply).

(2) If the Replacement Cost Coverage Option applies and such building is not repaired or replaced, or if the Replacement Cost Coverage Option does not apply, we will not pay more than the lesser of:

(a) The actual cash value of such building at the time of loss; or

(b) The Limit of Insurance applicable to such building as shown in the Declarations or addressed elsewhere in this policy. (If this policy is endorsed to cover

Earthquake and/or Flood as a Covered Cause of Loss, the Limit of Insurance applicable to the building in the event of damage by such Covered Cause of Loss may be lower than the Limit of Insurance that otherwise would apply).

- c. Unless paragraph 4e applies, loss payment under Coverage B - Demolition Cost Coverage will be determined as follows:

We will not pay more than the lesser of the following:

- (1) The amount you actually spend to demolish and clear the site of the described premises; or
- (2) The applicable Limit of Insurance shown for Coverage B in the Schedule.

- d. Unless paragraph 4e applies, loss payment under Coverage C - Increased Cost of Construction Coverage will be determined as follows:

- (1) We will not pay under Coverage C:

- (a) Until the building is actually repaired or replaced, at the same or another premises; and
- (b) Unless the repairs 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 under Coverage C is the lesser of:

- (a) The increased cost of construction at the same premises; or
- (b) The applicable Limit of Insurance shown for Coverage C in the Schedule.

- (3) If the ordinance or law requires relocation to another premises, the most we will pay under Coverage C is the lesser of:

- (a) The increased cost of construction at the new premises; or
- (b) The applicable Limit of Insurance shown for Coverage C in the Schedule.

- e. If a Combined Limit of Insurance is shown for Coverages B and C in the Schedule, paragraphs 4c and 4d of this endorsement do not apply with respect to the building 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 B and C in the Schedule. Subject to this Combined Limit of Insurance, the following loss payment provisions apply:

- (1) For Demolition Cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.

- (2) With respect to the Increased Cost of Construction:

- (a) We will not pay for the increased cost of construction:

- (i) Until the building is actually repaired or replaced, at the same or another premises; and
- (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

- (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.

- (c) If the ordinance or law requires relocation to another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the new premises.

5. The terms of this endorsement apply separately to each building to which this endorsement applies.

6. Example of Proportionate Loss Payment for Ordinance or Law Coverage Losses (procedure as set forth in Section 2e of this endorsement)

Assume:

Wind is a Covered Cause of Loss

Flood is an excluded Cause of Loss

Value of the building: \$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

Loss under Ordinance or Law Coverage C of this endorsement: \$60,000

Step 1:

Determine the proportion that the covered direct physical damage bears to the total direct physical damage.

$$\$30,000 \div \$100,000 = .30$$

Step 2:

Apply that proportion to the Ordinance or Law loss.

$$\$60,000 \times .30 = \$18,000$$

In this example, the most we will pay under this endorsement for the Coverage C 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 A and B of this endorsement.

7. The following definition is added:

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

SCHEDULE			
<u>Premises Number</u>	<u>Building Number</u>	<u>Coverage A</u>	<u>Coverage B Limit of Insurance</u>
001	001	INCLUDED	
002	001	INCLUDED	
003	001	INCLUDED	

<u>Premises Number</u>	<u>Building Number</u>	<u>Coverage C Limit of Insurance</u>	<u>Coverages B and C Combined Limit of Insurance</u>
001	001		\$885,000
002	001		\$66,000
003	001		\$169,000

Post-Loss Ordinance or Law Option: Does Not Apply

EXCLUSION OF LOSS DUE TO BY-PRODUCTS OF PRODUCTION OR PROCESSING OPERATIONS (RENTAL PROPERTIES)

CP-1034F(10-12)

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM

EXTRA EXPENSE COVERAGE FORM

- A.** The terms of this endorsement apply to any rental unit(s), and to the building(s) in which such unit(s) is located, including any contents of such unit(s) and building(s), all of which constitute the described premises for the purpose of this endorsement.
- B.** We will not pay for loss or damage to the described premises, caused by or resulting from smoke, vapor, gas or any substance released in the course of production operations or processing operations performed at any rental unit(s). This exclusion applies regardless of whether such operations are:
 - 1.** Legally permitted or prohibited;
 - 2.** Permitted or prohibited under the terms of the

lease; or

- 3.** Usual to the intended occupancy of the premises.

This exclusion does not apply to loss or damage by fire or explosion that results from the release of a by-product of the production or processing operation.

- C.** If the loss or damage described in paragraph B results in Business Income loss or Extra Expense, there is no coverage for such loss or expense under the business income and/or extra expense forms listed in this endorsement, or under any other business interruption insurance if provided under this policy.
- D.** The conduct of any tenant's production or processing operations will not be considered to be vandalism of the rental premises regardless of whether such operations are:
 - 1.** Legally permitted or prohibited;
 - 2.** Permitted or prohibited under the terms of the lease; or
 - 3.** Usual to the intended occupancy of the premises.

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

- A.** The following exclusion is added to Paragraph B Exclusions:

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

Cyber Incident

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

B. Exceptions And Limitations**1. Fire Or Explosion**

If a cyber incident as described in Paragraphs A1 through A3 of this exclusion results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

2. Additional Coverage

The exclusion in Paragraph A does not apply to the extent that coverage is provided in the:

- a.** Additional Coverage - Electronic Data; or
- b.** Additional Coverage - Interruption Of Computer Operations.

3. Electronic Commerce Endorsement

The exclusion in Paragraph A does not apply to the Electronic Commerce (E-Commerce) endorsement when attached to your policy.

C. Vandalism

The following is added to Vandalism, if Vandalism coverage is not otherwise excluded under the Standard Property Policy or the Causes Of Loss - Basic, Broad or Special Forms and if applicable to the premises described in the Declarations:

Vandalism does not include a cyber incident as described in Paragraph A.

WATER BACKUP AND SUMP OVERFLOW

CP-7062(8-10)

This endorsement modifies insurance provided under the following:

- BUILDING AND PERSONAL PROPERTY COVERAGE FORM
- BUSINESS INCOME AND EXTRA EXPENSE COVERAGE FORM
- BUSINESS INCOME WITHOUT EXTRA EXPENSE COVERAGE FORM
- CONDOMINIUM ASSOCIATION COVERAGE FORM
- CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
- STANDARD PROPERTY POLICY

The following is added to Additional Coverages:

Water Backup and Sump Overflow

- a. We cover external risks of direct physical loss caused by sewer backup, meaning water which backs-up through sewers or drains or overflows from a sump.
- b. Exclusion 1g(3) does not apply to this additional coverage.
- c. We will not pay for loss or damage under this additional coverage until the amount of loss or damage in any one occurrence exceeds \$250.
- d. The most we will pay in the aggregate for all loss or damage caused by sewer backup in one

occurrence is the Aggregate Limit shown in the Schedule. This limit applies to the total of all coverage provided under:

- (1) Building and Personal Property Coverage Form including Additional Coverages and Coverage Extensions;
- (2) Condominium Association Coverage Form including Additional Coverages and Coverage Extensions;
- (3) Condominium Commercial Unit-Owners Coverage Form including Additional Coverages and Coverage Extensions;
- (4) Business Income and Extra Expense Coverage Form including Additional Coverages and Coverage Extensions;
- (5) Business Income Without Extra Expense Coverage Form including Additional Coverages and the Coverage Extension;
- (6) Standard Property Policy including Additional Coverages and Coverage Extensions; and
- (7) Any other endorsements included as part of this Coverage Part as shown on the Declarations.

SCHEDULE

Premises Number	Building Number	Aggregate Limit of Insurance
001	001	\$50,000
002	001	\$50,000
003	001	\$50,000

EQUIPMENT BREAKDOWN COVERAGE

CP-7078(11-13)

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

CAUSES OF LOSS - BASIC FORM

CAUSES OF LOSS - BROAD FORM

CAUSES OF LOSS - SPECIAL FORM

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

Additional Coverage - Equipment Breakdown

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

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

a. Expediting Expenses

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

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

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

b. Hazardous Substances

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

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

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

c. Spoilage

- (1) We will pay:

(a) For physical damage to *perishable goods* due to spoilage.

(b) For physical damage to *perishable goods* due to contamination from the release of refrigerant, including but not limited to ammonia.

(c) Any necessary expenses you incur to reduce the amount of loss under this coverage, to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

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

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

d. Data Restoration

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

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

e. Service Interruption

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

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

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

f. Business Income and Extra Expense

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

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

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

a. The following exclusions are modified:

- (1) If the Causes of Loss - Basic Form or Causes of Loss - Broad Form applies, the following is added to Exclusion B2:

Depletion, deterioration, corrosion, erosion, wear and tear or other gradually developing conditions. However, if an *accident* results, we will pay for the resulting loss, damage or expense caused by that *accident*.

- (2) The following is added to Exclusion B1g:

However, if electrical *covered equipment* requires drying out because of Water, we will pay for the direct expenses of such drying out subject to the applicable Limit of Insurance and deductible for Building or Business Personal Property, whichever applies.

- (3) If the Causes of Loss - Special Form applies, as respects this en-

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

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

b. The following exclusions are added:

- (1) We will not pay for loss, damage or expense caused by or resulting from:

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

- (b) Any of the following:

- (i) Defect, programming error, programming limitation, computer virus, malicious code, loss of *data*, loss of access, loss of use, loss of functionality or other condition within or involving *data* or *media* of any kind; or

- (ii) Misalignment, miscalibration, tripping off-line, or any condition which can be corrected by resetting, tightening, adjusting or cleaning, or by the performance of maintenance.

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

- (2) With respect to Service Interruption coverage, we will also not pay for an *accident* caused by or resulting from: fire; lightning; windstorm or hail; explosion (except as specifically provided in item (3) under the definition of *accident*); smoke; aircraft or vehicles; riot or civil commotion; vandalism; sprinkler leakage; falling objects; weight of snow, ice or sleet; freezing; collapse; flood or earth movement.

- (3) With respect to Business Income, Extra Expense and Service Interruption coverages, we will also not pay for any increase in loss resulting from an agreement between you and your customer or supplier.

- (4) We will not pay for loss, damage or

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

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

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

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

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

None of the following is *covered equipment*:

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

ceptible to loss or damage if the controlled conditions change.

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

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

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

- 1. Suspension

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

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

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

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

- 2. Jurisdictional Inspections

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

- 3. Environmental, Safety and Efficiency Improvements

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

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

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

CONDOMINIUM ASSOCIATION COVERAGE FORM

CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

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

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

B. Item b(2) under Preservation of Property Additional Coverage is replaced by the following:

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

C. The fire Department Service Charge Additional Coverage is replaced by the following:

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

1. Assumed by contract or agreement prior to loss; or
2. Required by ordinance.

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.

No deductible applies to this Additional Coverage.

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

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

E. The last paragraph of the Electronic Data Additional Coverage is replaced by the following:

(4) The most we will pay under this Additional Coverage - Electronic Data is \$10,000 for all loss or damage sustained in any one policy year, regardless of the number of

occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

F. The following are added to Additional Coverages under Section A, Coverage:

1. Extra Expense

a. We will pay the actual and necessary Extra Expense you sustain due to direct physical loss of or damage to property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 1,000 feet of such.

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

- (1) The portion of the building which you rent, lease or occupy;
- (2) The area within 1,000 feet of the building or within 1,000 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
- (3) 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. Extra Expense means necessary expenses you incur during the *period of restoration* to avoid or minimize the *suspension* of business and to continue *operations* as much as possible at the described premises, or at replacement premises or temporary locations. Extra Expense is the total of all expenses that exceed the normal operating expenses that would have been incurred during the

period of restoration if no direct physical loss or damage had occurred, and all necessary expenses that reduce the Extra Expense otherwise incurred. We will deduct from the total of such expenses the salvage value that remains of any property bought for temporary use during the *period of restoration* once operations are resumed.

- c. "Operations" mean your business activities occurring at the described premises.
- d. "Period of restoration" means the period of time that:
 - (1) Begins immediately after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and
 - (2) Ends on the earlier of:
 - (a) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (b) The date when business is resumed at a new permanent location.

Period of restoration does not include any increased period required due to the enforcement of 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*, fungus, wet or dry rot or bacteria; or
- (3) The enforcement of or compliance with any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling remediation of property due to contamination by *pollutants* or due to the presence, growth, proliferation, spread or any activity of *fungus*, wet or dry rot or bacteria.

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

- e. "Suspension" means the slowdown or cessation of your business activities.
- f. We will pay for the expenses incurred to repair or replace any property, or to research, replace or restore the lost

information on damaged valuable papers and records, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Additional Coverage. We will not pay for loss of business income or any other consequential loss.

- g. The most we will pay for loss in any one occurrence under this Additional Coverage is \$1,000. This limit is additional insurance.

2. Reward for Information Leading to Conviction

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

No deductible applies to this Additional Coverage.

3. Fire Extinguisher Systems Recharge Expense

a. We will pay:

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

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

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

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

d. No deductible applies to this Additional Coverage.

4. Lock Replacement

We will cover your costs to repair or replace door locks or tumblers of your described premises because of theft or loss of your

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

No deductible applies to this Additional Coverage.

5. Forgery and Alteration

- a. We will pay for loss resulting directly from forgery or alteration of, any check, draft, promissory note, bill of exchange or similar written promise of payment in money, that you or your agent has issued, or that was issued by someone who impersonates you or your agent.
- b. If you are sued for refusing to pay the check, draft, promissory note, bill of exchange or similar written promise of payment in money, on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur in that defense.
- c. The most we will pay for any loss, including legal expenses, under this Additional Coverage is \$25,000.

6. Outdoor Signs

- a. We will pay for direct physical loss of or damage to outdoor signs at the described premises:
 - (1) Owned by you; or
 - (2) Owned by others but in your care, custody or control.
- b. The Covered Causes of Loss and Exclusions Sections in the applicable Causes of Loss Form do not apply to this coverage, except for the following Exclusions:
 - (1) Paragraph 1c, Governmental Action;
 - (2) Paragraph 1d, Nuclear Hazard; and
 - (3) Paragraph 1f, War and Military Action.
- c. We will not pay for loss or damage caused by or resulting from:
 - (1) Wear and tear;
 - (2) Hidden or latent defect;
 - (3) Rust;
 - (4) Corrosion; or
 - (5) Mechanical breakdown.
- d. The most we will pay for loss or damage in any one occurrence is \$10,000.
- e. The second paragraph under Limits of Insurance is deleted.

7. Personal Computers, Electronic Data Processing Equipment

- a. We will pay for loss or damage caused by or resulting from a covered cause of loss to the following types of equipment:
 - (1) Your personal computers, telephones, electronic data processing and word processing equipment including their component parts owned by you within 1,000 feet of the described premises; and
Similar property of others that is in your control.
 - (2) We will pay for personal computers, telephones, electronic data processing and word processing equipment including their component parts you own while in the course of transit or temporarily at a premises you do not own, lease or operate.

We will not cover property rented or leased to others.

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

Covered equipment is valued at:

- (1) Replacement Cost if the Replacement Cost Optional Coverage applies to Your Business Personal Property; or
- (2) The least of the following amounts if the Replacement Cost Optional Coverage does not apply to Your Business Personal Property:
 - (a) The actual cash value of the equipment after deduction for depreciation;
 - (b) The cost of reasonably restoring the equipment to its condition immediately before the loss or damage; or
 - (c) The cost of replacing the equipment with substantially identical equipment.

b. Breakdown Coverage

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

- (1) Mechanical breakdown of the covered equipment;
- (2) Error or omission in design or faulty construction in development,

manufacture or installation of the covered equipment;

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

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

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

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

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

8. Ordinance or Law Coverage

a. Application of Coverage

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

- (1) The ordinance or law:
 - (a) Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
 - (b) Is in force at the time of loss.

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

- (2) Coverage provided applies only if:
 - (a) The building sustains only direct physical damage 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) The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and the building damage in its entirety results in enforcement of the ordinance or law.

However, there is no coverage if the building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law, even if the building has also sustained covered direct physical damage.

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

- (1) Enforcement of 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, or proliferation, spread of any activity of *fungus*, wet or dry rot or bacteria; 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*, *fungus*, wet or dry rot or bacteria.

- c. We will not pay for any loss in value or any cost incurred due to an ordinance or law that you were required to comply with before the time of the current loss, even in the absence of building damage, if you failed to comply.

d. Coverage

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

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

- (2) Coverage B - Demolition Cost Coverage

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

(3) Coverage C - Increased Cost of Construction Coverage

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

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

When the increased cost is a consequence of 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.
- (c) When a building is damaged or destroyed and Coverage C applies to that building in accordance with (3) above, coverage for the increased cost of construction also applies to repair or reconstruction of the following, subject to the same conditions stated in (3).
 - (i) The cost of excavations, grading, backfilling and filling;
 - (ii) Foundation of the building;
 - (iii) Pilings; and
 - (iv) Underground pipes, flues and drains.

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

e. Coverage Amounts

(1) Ordinance or Law Coverage Amount

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

Green requirements.

(2) Green Ordinance or Law Coverage Amount

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

f. Loss Payment

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

- (1) When there is a loss in value of an undamaged portion of a building to which Coverage A applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:
 - (a) If the Replacement Cost Coverage Option applies and such building is being repaired or replaced, on the same or another premises, we will not pay more than the amount you would actually spend to repair, rebuild or reconstruct such building, but not for more than the amount it would cost to restore such building on the same premises and to the same height, floor area, style and comparable quality of the original property insured.
 - (b) If the Replacement Cost Coverage Option applies and such building is not repaired or replaced, or if the Replacement Cost Coverage Option does not apply, we will not pay more than the actual cash value of such building at the time of loss.
- (2) Under Coverage B, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.
- (3) With respect to Coverage C:
 - (a) We will not pay under Coverage C:
 - (i) Until such building is actually repaired or replaced, at the same or another premises; and
 - (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not

to exceed two years. We may extend this period in writing during the two years.

- (b) If such building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage C is the increased cost of construction at the same premises.
 - (c) If the ordinance or law requires relocation to another premises, the most we will pay for under Coverage C is the increased cost of construction at the new premises.
- g.** The Coinsurance Additional Condition does not apply to this coverage.
- h.** This coverage is excess over any coverage available to you under the Ordinance or Law Coverage endorsement, if applicable.
- i.** The following definitions are added to Property Definitions:
- (1) "*Fungus*" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or by-products produced or released by fungi.
 - (2) "*Green*" means enhanced energy efficiency or use of environmentally preferable sustainable materials, products or methods in design, construction, manufacture or operation, as recognized by a *Green Standards-setter*.
 - (3) "*Green Standards-setter*" means an organization or governmental agency which produces and maintains guidelines related to *Green* products and practices. *Green Standards-setters* include but are not limited to:
 - (a) The Leadership in Energy and Environmental Design (LEED) program of the U.S. Green Building Council;
 - (b) ENERGY STAR, a joint program of the U.S. Environmental Protection Agency and the U.S. Department of Energy; and
 - (c) Green Globes™, program of the Green Building Initiative.

9. Portable Tools

We will pay for direct physical loss of or damage to covered portable tools caused by or resulting from a Covered Cause of Loss.

For the purposes of this Additional Coverage, a covered portable tool is one that is:

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

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

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

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

10. Fine Arts Coverage

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

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

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

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

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

Fine Arts includes paintings, etchings, pictures, tapestries, art glass windows, valuable rugs, statuary, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass, bric-a-brac, marble and bronze works of art and similar property

of rarity, historical value or artistic merit.

11. Cost to Prepare Inventory

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

We do not pay for:

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

12. Security After Loss

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

13. Employee Dishonesty

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

- (1) Cause you to sustain loss or damage: and also
- (2) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
 - (a) Any employee; or
 - (b) Any other person or organization.

b. We will not pay for loss or damage:

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

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

d. All loss or damage:

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

e. If any loss is covered:

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

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

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

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

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

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

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

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

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

i. The insurance under paragraph h above is part of, not in addition to, the Limit of

Insurance applying to this coverage and is limited to the lesser of the amount recoverable under:

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

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

Coverage Extensions

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

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

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

1. Newly Acquired or Constructed Property

a. Buildings

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

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

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

b. Your Business Personal Property

- (1) If this policy covers your Business Personal Property, you may extend that insurance to apply to:
 - (a) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;
 - (b) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or

- (c) Business personal property that you newly acquire, located at the described premises.

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

(2) This extension does not apply to:

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

c. Period of Coverage

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

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

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

2. Personal Effects and Property of Others

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

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

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

3. Valuable Papers And Records (Other Than Electronic Data)

- a.** You may extend the insurance that applies to Your Business Personal

Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered - Electronic Data.

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

4. Accounts Receivable

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

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

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

The most we will pay under this extension is

\$100,000 at each described premises.

5. Money and Securities

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

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

b. "*Money*" means:

- (1) Currency, coins and bank notes in current use and having a face value; and
- (2) Travelers checks, register checks and money orders held for sale to the public.

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

- (1) Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
- (2) Evidence of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include *money*.

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

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

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

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

- f. All loss:
 - (1) Caused by one or more persons; or
 - (2) Involving a single act or series of related acts;
 is considered one occurrence.
- g. You must keep records of all *money* and *securities* so we can verify the amount of any loss or damage.

6. Property Off-Premises

- a. You may extend the insurance provided by this Coverage Form to apply to your Covered Property, while it is away from the described premises, if it is:
 - (1) Temporarily at a location you do not own, lease or operate;
 - (2) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
 - (3) At any fair, trade show or exhibition.
- b. This extension does not apply to property in or on a vehicle.
- c. The most we will pay for loss or damage under this extension is \$25,000.

7. Outdoor Property

You may extend the insurance provided by this Coverage Form to pay for loss or damage to your outdoor fences, outdoor radio and television antennas (including satellite dishes), including their lead-in wiring, masts or towers; trees, shrubs and plants (other than trees, shrubs or plants which are part of a vegetated roof), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

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

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

Subject to all aforementioned terms and limitations of coverage, this 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.

8. Non-Owned Detached Trailers

- a. You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:
 - (1) The trailer is used in your business;
 - (2) The trailer is in your care, custody or control at the premises described in the Declarations; and
 - (3) You have a contractual responsibility to pay for loss or damage to the trailer.
- b. We will not pay for any loss or damage that occurs:
 - (1) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;
 - (2) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.
- c. The most we will pay for loss or damage under this extension is \$5,000, unless a higher limit is shown in the Declarations.
- d. This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

9. Power Failure and Changes in Temperature or Humidity

You may extend the insurance that applies to Your Business Personal Property to pay for loss or damage to that property that results from an interruption of power or a change in temperature or humidity caused by physical damage to equipment used for refrigerating, air conditioning, cooling, dehumidifying, heating, generating or converting power (including connections, supply or transmission lines and pipes), at the described premises. This extension applies only if loss or damage is caused by a Covered Cause of Loss.

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

10. Property in Transit

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

points in the coverage territory.

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

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

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

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

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

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

Recovered Property

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

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

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

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

A. CANCELLATION

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

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

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

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

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

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

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

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

B. CHANGES

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

C. EXAMINATION OF YOUR BOOKS AND RECORDS

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

D. INSPECTIONS AND SURVEYS

1. We have the right to:

a. Make inspections and surveys at any time;

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

c. Recommend changes.

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

a. Are safe or healthful; or

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

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

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

E. PREMIUMS

The First Named Insured shown in the Declarations:

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

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

F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

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

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

This endorsement modifies insurance provided under the following:

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

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

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

2. Policies In Effect

a. 60 Days Or Less

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

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

b. More Than 60 Days

If this policy has been in effect for more than 60 days, or is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:

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

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

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

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

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

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

NONRENEWAL

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

rata at the rates applicable to the expiring policy.

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

C. The following Condition is added:

PREMIUM OR COVERAGE CHANGES AT RENEWAL

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

before the expiration or anniversary date of the policy.

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

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

1. We will not pay for *loss* or damage caused directly or indirectly by the following. Such *loss* or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the *loss* or damage.
 - a. The failure, malfunction or inadequacy of:
 - (1) Any of the following, whether belonging to any insured or to others:
 - (a) Computer hardware, including micro-processors;
 - (b) Computer application software;
 - (c) Computer operating systems and related software;
 - (d) Computer networks;
 - (e) Microprocessors (computer chips) not part of any computer system; or
 - (f) Any other computerized or electronic equipment or components; or
 - (2) Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in paragraph 1a(1) of this endorsement;

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

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

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

we will pay only for the *loss* or damage caused by such *specified cause of loss*, elevator collision or Covered Cause of Loss.
 3. We will not pay for repair, replacement or modification of any items in 1a(1) or 1a(2) of this endorsement to correct any deficiencies or change any features.

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

IL-0995R(1-15)

This endorsement modifies insurance provided under the following:

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

A. Application Of The Provisions Of This Endorsement

1. The provisions of this endorsement will become applicable commencing on the date when any one or more of the following first occurs. But if your policy (meaning the policy period in which this endorsement applies) begins after such date, then the provisions of this endorsement become applicable on the date your policy begins.
 - a. The federal Terrorism Risk Insurance Program ("Program"), established by the Terrorism Risk Insurance Act, has terminated with respect to the type of insurance provided under this Coverage Part; or
 - b. A renewal, extension or replacement of the Program has become effective without a requirement to make terrorism coverage available to you and with revisions that:
 - (1) Increase our statutory percentage deductible under the Program for terrorism losses. (That deductible determines the amount of all certified terrorism losses we must pay in a calendar year, before the federal government shares in subsequent payment of certified terrorism losses.); or
 - (2) Decrease the federal government's statutory percentage share in potential terrorism losses above such deductible; or
 - (3) Redefine terrorism or make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other types of events or occurrences under this

policy.

2. If the provisions of this endorsement become applicable, such provisions:
 - a. Supersede any terrorism endorsement already endorsed to this policy that addresses *certified acts of terrorism* and/or *other acts of terrorism*, but only with respect to loss or damage from an incident(s) of terrorism (however defined) that occurs on or after the date when the provisions of this endorsement become applicable; and
 - b. Remain applicable unless we notify you of changes in these provisions, in response to federal law.
 3. If the provisions of this endorsement do NOT become applicable, any terrorism endorsement already endorsed to this policy, that addresses *certified acts of terrorism* and/or *other acts of terrorism*, will continue in effect unless we notify you of changes to that endorsement in response to federal law.
- B. The following definition is added and applies under this endorsement wherever the term terrorism is shown in italics.
- "Terrorism"* means activities against persons, organizations or property of any nature:
1. That involve the following or preparation for the following:
 - a. Use or threat of force or violence; or
 - b. Commission or threat of a dangerous act; or
 - c. Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
 2. When one or both of the following applies:
 - a. The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
 - b. It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.
- C. The following exclusion is added:
- EXCLUSION OF TERRORISM**
- We will not pay for loss or damage caused directly or indirectly by *terrorism*, including

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

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

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

D. Exception Covering Certain Fire Losses

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

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

E. Application Of Other Exclusions

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

SCHEDULE

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

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

State	Coverage Part or Coverage
Maine	Commercial Property Coverage Part Commercial Inland Marine Coverage Part
Missouri	Commercial Property Coverage Part Commercial Inland Marine Coverage Part
Oregon	Commercial Property Coverage Part Commercial Inland Marine Coverage Part
Wisconsin	Commercial Property Coverage Part Commercial Inland Marine Coverage Part

This endorsement modifies insurance provided under the following:

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

A. Cap On Certified Terrorism Losses

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

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

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

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

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

B. Application Of Exclusions

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

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

A. Disclosure Of Premium

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

B. Disclosure Of Federal Participation In Payment Of Terrorism Losses

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

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

C. Cap On Insurer Participation In Payment Of Terrorism Losses

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



**COMMERCIAL GENERAL LIABILITY
COVERAGE PART**

Declarations

First Named Insured and Address:

SUMMIT CONDOMINIUM PHASE II
PO BOX 2183
SUN VALLEY ID 83353

Agency Name and Number:

SENTRYWEST INSURANCE SERVICES
7427-AL

Policy Number: ZS7114

Policy Period: Effective Date: 10-01-23
Expiration Date: 10-01-24

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

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

COVERAGE FORMS AND ENDORSEMENTS APPLICABLE TO THIS COVERAGE PART

Form Number	Form Title	Premium
CG-0001R(12-11)	Commercial General Liability Coverage Form	
CG-0068F(5-09)	Recording and Distribution of Material or Info in Violation of Law Exclusion	
CG-2004F(11-85)	Additional Insured - Condominium Unit Owners	
CG-2106F(5-14)	Exclusion-Access of Confidential or Personal Info/Data with Limited BI	
CG-2109F(6-15)	Exclusion - Unmanned Aircraft	
CG-2144F(7-98)	Limitation of Coverage to Designated Premises or Project	
CG-2147F(12-07)	Employment - Related Practices Exclusion	
CG-2167F(12-04)	Fungi or Bacteria Exclusion	
CG-2187R(1-15)	Conditional Exclusion of Terrorism (Relating to Disposition of Federal Act)	
CG-2292F(12-07)	Snow Plow Operations Coverage	
CG-7301(12-19)	Acuity Enhancements - General Liability	\$150.00
CG-7321(1-15)	Cap on Losses from Certified Acts of Terrorism	\$4.00
CG-7323(1-15)	Exclusion of Punitive Damages Related to a Certified Act of Terrorism	
IL-0017F(11-98)	Common Policy Conditions	
IL-0021F(3-14)	Nuclear Energy Liability Exclusion - Broad Form	
IL-0204F(3-14)	Idaho Changes - Cancellation and Nonrenewal	
IL-7012(1-18)	Asbestos Exclusion	
IL-7082(12-20)	Disclosure Pursuant to Terrorism Risk Insurance Act	
Advance Endorsement Premium		\$154.00

PREMIUM SUMMARY

Advance Schedule Premium	\$403.00
Advance Endorsement Premium	\$154.00
Total Advance Premium	\$557.00

The Total Advance Premium shown above is based on the exposures you told us you would have when this coverage part began. We will audit this coverage part in accordance with Section IV - Conditions, item 5 Premium Audit at the close of the audit period.

LIMITS OF INSURANCE

General Aggregate Limit (Other Than Products-Completed Operations)	\$3,000,000
Products-Completed Operations Aggregate Limit	\$3,000,000
Personal and Advertising Injury Limit (Any One Person or Organization)	\$1,000,000
Each Occurrence Limit	\$1,000,000
Damage to Premises Rented to You Limit (Any one Premises)	\$300,000
Medical Expense Limit (Any One Person)	\$10,000
Acuity Enhancements - General Liability	See CG-7301

SCHEDULE OF LIABILITY CLASSIFICATIONS

Unit No.	Classification Description	Class Code	Premium Basis ¹		Rates		Advance Premium
					Premises	Products	
0001	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	9	UN	33.516	Included	\$302.00
0002	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1	UN	33.516	Included	\$34.00
0003	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	2	UN	33.516	Included	\$67.00
Advance Schedule Premium							\$403.00

¹ UN = Units - Rates Apply Per Unit

AUDIT PERIOD

Annual

FIRST NAMED INSURED IS:

ORGANIZATION OTHER THAN PARTNERSHIP, JOINT VENTURE OR LIMITED LIABILITY COMPANY

ADDITIONAL NAMED INSURED

WHO IS AN INSURED (Section II) includes the following Additional Named Insureds:

NONE

LOCATION OF ALL PREMISES YOU OWN, RENT OR OCCUPY:

2825 SUMMIT II CONDO DR
SUN VALLEY, ID 83353

2831 SUMMIT II CONDO DR
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2835 SUMMIT II CONDO DR
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COMMERCIAL GENERAL LIABILITY COVERAGE FORM

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COMMERCIAL GENERAL LIABILITY COVERAGE FORM

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

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we," "us" and "our" refer to the Company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II - Who Is an Insured.

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

SECTION I - COVERAGES

COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

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

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

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments - Coverages A and B.

- b. This insurance applies to *bodily injury* and *property damage* only if:

- (1) The *bodily injury* or *property damage* is caused by an *occurrence* that takes place in the *coverage territory*;
- (2) The *bodily injury* or *property damage* occurs during the policy period; and
- (3) Prior to the policy period, no insured listed under paragraph 1 of Section II - Who Is An Insured and no *employee* authorized by you to give or receive notice of an *occurrence* or claim, knew that the *bodily injury* or *property damage* had occurred, in whole or in part. If such a listed insured or authorized em-

ployee knew, prior to the policy period, that the *bodily injury* or *property damage* occurred, then any continuation, change or resumption of such *bodily injury* or *property damage* during or after the policy period will be deemed to have been known prior to the policy period.

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

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

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

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

2. Exclusions

This insurance does not apply to:

- a. Expected or Intended Injury

Bodily injury or *property damage* expected or intended from the standpoint of the insured. This exclusion does not apply to

bodily injury resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

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

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

c. Liquor Liability

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

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

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

d. Workers' Compensation and Similar Laws

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

e. Employer's Liability

Bodily Injury to:

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

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

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

f. Pollution

- (1) *Bodily injury* or *property damage* arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of *pollutants*:
 - (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
 - (i) *Bodily injury* if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
 - (ii) *Bodily injury* or *property damage* for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
 - (iii) *Bodily injury* or *property damage* arising out of heat, smoke or fumes from a *hostile fire*;

- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
 - (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
 - (i) Any insured; or
 - (ii) Any person or organization for whom you may be legally responsible; or
 - (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the *pollutants* are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
 - (i) *Bodily injury* or *property damage* arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of *mobile equipment* or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the *bodily injury* or *property damage* arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
 - (ii) *Bodily injury* or *property damage* sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
 - (iii) *Bodily injury* or *property damage* arising out of heat, smoke or fumes from a *hostile fire*;
 - (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of *pollutants*.
- (2) Any loss, cost or expense arising out of any:
- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of *pollutants*; or
 - (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of *pollutants*.
- However, this paragraph does not apply to liability for damages because of *property damage* that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or *suit* by or on behalf of a governmental authority.
- g. Aircraft, Auto or Watercraft
- Bodily injury* or *property damage* arising out of the ownership, maintenance, use or entrustment to others of any aircraft, *auto* or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and *loading or unloading*.
- This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the *occurrence* which caused the *bodily injury* or *property damage* involved the ownership, maintenance, use or entrustment to others of any aircraft, *auto* or watercraft that is owned or operated by or rented or loaned to any insured.
- This exclusion does not apply to:
- (1) A watercraft while ashore on premises you own or rent;

- (2) A watercraft you do not own that is:
 - (a) Less than 26 feet long; and
 - (b) Not being used to carry persons or property for a charge;
- (3) Parking an *auto* on, or on the ways next to, premises you own or rent, provided the *auto* is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any *insured contract* for the ownership, maintenance or use of aircraft or watercraft; or
- (5) *Bodily injury* or *property damage* arising out of:
 - (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of *mobile equipment* if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged; or
 - (b) The operation of any of the machinery or equipment listed in paragraph f(2) or f(3) of the definition of *mobile equipment*.

h. Mobile Equipment

Bodily injury or *property damage* arising out of:

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

i. War

Bodily injury or *property damage*, however caused, arising, directly or indirectly, out of:

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

j. Damage to Property

Property damage to:

- (1) Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person, organiza-

tion or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;

- (2) Premises you sell, give away or abandon, if the *property damage* arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the *property damage* arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because *your work* was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to *property damage* (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III - Limits Of Insurance.

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

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

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

k. Damage to Your Product

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

l. Damage to Your Work

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

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

m. Damage to Impaired Property or Property Not Physically Injured

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

- (1) A defect, deficiency, inadequacy or

dangerous condition in *your product* or *your work*; or

- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

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

n. Recall of Products, Work or Impaired Property

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

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

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

o. Personal and Advertising Injury

Bodily injury arising out of *personal and advertising injury*.

p. Lead

Bodily injury or *property damage* arising out of the actual, alleged or threatened ingestion, inhalation, absorption, exposure or presence of lead in any form or from any source.

Coverage also does not apply to any loss, cost, expense, fine or penalty arising out of any:

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

q. Electronic Data

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

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

r. Distribution of Material in Violation of Statutes

Bodily injury or *property damage* arising directly or indirectly out of any action or omission that violates or is alleged to violate:

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

Exclusions c through n and p do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III - Limits of Insurance.

COVERAGE B - PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

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

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

No other obligation or liability to pay sums

or perform acts or services is covered unless explicitly provided for under Supplementary Payments - Coverages A and B.

- b. This insurance applies to *personal and advertising injury* caused by an offense arising out of your business, but only if the offense was committed in the *coverage territory* during the policy period.

2. Exclusions

This insurance does not apply to:

a. Knowing Violation of Rights of Another

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

b. Material Published with Knowledge of Falsity

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

c. Material Published Prior to Policy Period

Personal and advertising injury arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.

d. Criminal Acts

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

e. Contractual Liability

Personal and advertising injury for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

f. Breach of Contract

Personal and advertising injury arising out of a breach of contract, except an implied contract to use another's advertising idea in your *advertisement*.

g. Quality or Performance of Goods - Failure to Conform to Statements

Personal and advertising injury arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your *advertisement*.

h. Wrong Description of Prices

Personal and advertising injury arising out of the wrong description of the price of goods, products or services stated in your *advertisement*.

i. Infringement of Copyright, Patent, Trademark or Trade Secret

Personal and advertising injury arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your *advertisement*.

However, this exclusion does not apply to infringement, in your *advertisement*, of copyright, trade dress or slogan.

j. Insureds in Media and Internet Type Business

Personal and advertising injury committed by an insured whose business is:

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

However, this exclusion does not apply to paragraphs 14a, b and c of *personal and advertising injury* under the Definitions Section; or

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

k. Electronic Chatrooms or Bulletin Boards

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

l. Unauthorized Use of Another's Name or Product

Personal and advertising injury arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

m. Pollution

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

n. Pollution-Related

Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up,

remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of *pollutants*; or

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

o. Lead

Personal and advertising injury arising out of the actual, alleged or threatened ingestion, inhalation, absorption, exposure or presence of lead in any form or from any source.

Coverage also does not apply to any loss, cost, expense, fine or penalty arising out of any:

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

p. War

Personal and advertising injury, however caused, arising, directly or indirectly, out of:

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

q. Distribution of Material in Violation of Statutes

Personal and advertising injury arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or

- (3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

COVERAGE C - MEDICAL PAYMENTS

1. Insuring Agreement

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

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

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

- b. We will make these payments regardless of fault. These payments will not exceed the applicable Limit of Insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions

We will not pay expenses for *bodily injury*:

- a. Any insured.
To any insured, except *volunteer workers*.
- b. Hired Person
To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- c. Injury on Normally Occupied Premises
To a person injured on that part of premises you own or rent that the person normally occupies.
- d. Workers' Compensation and Similar Laws
To a person, whether or not an *employee* of any insured, if benefits for the *bodily injury* are payable or must be provided under a workers' compensation or disability

- benefits law or a similar law.
- e. Athletics Activities
To a person injured while practicing, instructing or participating in any physical exercises or games, sports or athletic contests.
- f. Products-Completed Operations Hazard
Included within the *products-completed operations hazard*.
- g. Coverage A Exclusions
Excluded under Coverage A.

SUPPLEMENTARY PAYMENTS - COVERAGES A AND B

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

These payments will not reduce the Limits of Insurance.
2. If we defend an insured against a *suit* and an indemnitee of the insured is also named as a party to the *suit*, we will defend that indemnitee if all of the following conditions are met:
 - a. The *suit* against the indemnitee seeks dam-

- ages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an *insured contract*;
- b. This insurance applies to such liability assumed by the insured;
- c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same *insured contract*;
- d. The allegations in the *suit* and the information we know about the *occurrence* are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
- e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such *suit* and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- f. The indemnitee:
 - (1) Agrees in writing to:
 - (a) Cooperate with us in the investigation, settlement or defense of the *suit*;
 - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the *suit*;
 - (c) Notify any other insurer whose coverage is available to the indemnitee; and
 - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
 - (2) Provides us with written authorization to:
 - (a) Obtain records and other information related to the *suit*; and
 - (b) Conduct and control the defense of the indemnitee in such *suit*.

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of paragraph 2b(2) of Section I - Coverage A - Bodily Injury and Property Damage Liability, such payments will not be deemed to be damages for *bodily injury* and *property damage* and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the ap-

plicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement

described in paragraph f above, are no longer met.

SECTION II - WHO IS AN INSURED

1. If you are designated in the Declarations as:
 - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
 - b. A partnership or joint venture, you are an insured. Your members, your partners and their spouses are also insureds, but only with respect to the conduct of your business.
 - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
 - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your *executive officers* and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
 - e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.
2. Each of the following is also an insured:
 - a. Your *volunteer workers* only while performing duties related to the conduct of your business, or your *employees*, other than either your *executive officers* (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these *employees* or *volunteer workers* are insureds for:
 - (1) *Bodily injury* or *personal and advertising injury*:
 - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a *co-employee* in the course of his or her employment or performing duties related to the conduct of your business, or to your other *volunteer workers* while performing duties related to the conduct of your business.
 - (b) To the spouse, child, parent, brother or sister of that *co-employee* or *volunteer worker* as a consequence of paragraph (a) above;
 - (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in paragraphs (a) or (b) above; or
 - (d) Arising out of his or her providing or failing to provide professional health care services.
 - (2) *Property damage* to property:
 - (a) Owned, occupied or used by;
 - (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by; you, any of your *employees*, or *volunteer workers*, any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).
 - b. Any person (other than your *employee*) or *volunteer worker* or any organization while acting as your real estate manager.
 - c. Any person or organization having proper temporary custody of your property if you die, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) Until your legal representative has been appointed.
 - d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
 - a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;

- b. Coverage A does not apply to *bodily injury* or *property damage* that occurred before you acquired or formed the organization; and
- c. Coverage B does not apply to *personal and advertising injury* arising out of an offense

committed before you acquired or formed the organization.

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

SECTION III - LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or *suits* brought; or
 - c. Persons or organizations making claims or bringing *suits*.
2. The General Aggregate Limit is the most we will pay for:
 - a. The sum of:
 - (1) Medical expenses under Coverage C; and
 - (2) Damages under Coverage A, except damages because of *bodily injury* or *property damage* included in the *products-completed operations hazard*.

With respect to the above items, the General Aggregate Limit applies separately to:

 - (1) Each location owned by or rented to you. A location is a premises involving the same or connecting lots, or a premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad, and
 - (2) Each of your projects away from a location owned by or rented to you; or
 - b. Damages under Coverage B.
3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of *bodily injury* and *property damage* included in the *products-completed operations hazard*.

4. Subject to paragraph 2 above, the Personal and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all *personal and advertising injury* sustained by any one person or organization.
5. Subject to paragraph 2 or 3 above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
 - a. Damages under Coverage A; and
 - b. Medical expenses under Coverage C; because of all *bodily injury* and *property damage* arising out of any one *occurrence*.
6. Subject to paragraph 5 above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of *property damage* to any one premises, while rented to you for a period of 7 or fewer consecutive days or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
7. Subject to paragraph 5 above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of *bodily injury* sustained by any one person.

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

SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.
2. Duties in the Event of Occurrence, Offense, Claim or Suit
 - a. You must see to it that we are notified as soon as practicable of an *occurrence* or an offense which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the *occurrence*

or offense took place;

- (2) The names and addresses of any injured persons and witnesses; and
 - (3) The nature and location of any injury or damage arising out of the *occurrence* or offense.
- b. If a claim is made or *suit* is brought against any insured, you must:
- (1) Immediately record the specifics of the claim or *suit* and the date received; and
 - (2) Notify us as soon as practicable.

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

- c. You and any other involved insured must:
- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or *suit*;
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation or settlement of the claim or defense against the *suit*; and
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us

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

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

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

4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when paragraph b below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in paragraph c below.

b. Excess Insurance

- (1) This insurance is excess over:
 - (a) Any of the other insurance, whether

primary, excess, contingent or on any other basis:

- (i) That is Fire, Extended Coverage, Builders' Risk, Installation Risk or similar coverage for *your work*;
- (ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
- (iii) That is insurance purchased by you to cover your liability as a tenant for *property damage* to premises rented to you or temporarily occupied by you with permission of the owner; or
- (iv) If the loss arises out of the maintenance or use of aircraft, *autos* or watercraft to the extent not subject to Exclusion g of Section I - Coverage A - Bodily Injury and Property Damage Liability.

- (b) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations for which you have been added as an additional insured by attachment of an endorsement.

- (2) When this insurance is excess, we will have no duty under Coverage A or B to defend the insured against any *suit* if any other insurer has a duty to defend the insured against that *suit*. If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

- (3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (b) The total of all deductible and self-insured amounts under all of the other insurance.

- (4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

- c. Method of Sharing
If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable Limit of Insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable Limit of Insurance to the total applicable Limits of Insurance of all insurers.

5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period, we will compute the earned premium for that period and send notice to the First Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the First Named Insured.
- c. The First Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

7. Separation of Insureds

Except with respect to the Limits of Insurance and any rights or duties specifically assigned in this Coverage Part to the First Named Insured, this insurance applies:

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

8. Transfer of Rights of Recovery Against Others to Us

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

9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the First Named Insured shown in the Declarations, written notice of nonrenewal not less than 30 days before the expiration date.

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

SECTION V - DEFINITIONS

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

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

2. "*Auto*" means:

- a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or

- b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

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

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

4. "*Coverage territory*" means:

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

- b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places not included in paragraph a above; or

- c. All other parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you in the territory described in paragraph a above;
 - (2) The activities of a person whose home is in the territory described in paragraph a above, but is away for a short time on your business; or
 - (3) *Personal and advertising injury* offenses that take place through the Internet or similar electronic means of communication;

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

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

if such property can be restored to use by the repair, replacement, adjustment or removal of *your product* or *your work* or your fulfilling the terms of the contract or agreement.

- 9. "*Insured contract*" means:
 - a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an *insured contract*;
 - b. A sidetrack agreement;
 - c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
 - d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
 - e. An elevator maintenance agreement; or
 - f. That part of any other contract or agreement pertaining to your business (including

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

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

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

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

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

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

12. "*Mobile equipment*" means any of the following

types of land vehicles, including any attached machinery or equipment:

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

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

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

However, *mobile equipment* does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered *autos*.

13. "*Occurrence*" means an accident, including

continuous or repeated exposure to substantially the same general harmful conditions.

14. "*Personal and advertising injury*" means injury, including consequential *bodily injury*, arising out of one or more of the following offenses:
 - a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;
 - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
 - d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
 - f. The use of another's advertising idea in your *advertisement*; or
 - g. Infringing upon another's copyright, trade dress or slogan in your *advertisement*.
15. "*Pollutants*" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.
16. "*Products-completed operations hazard*:"
 - a. Includes all *bodily injury* and *property damage* occurring away from premises you own or rent and arising out of *your product* or *your work* except:
 - (1) Products that are still in your physical possession; or
 - (2) Work that has not yet been completed or abandoned. However, *your work* will be deemed completed at the earliest of the following times:
 - (a) When all of the work called for in your contract has been completed.
 - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
 - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.
 - b. Does not include *bodily injury* or *property*

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

damage arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the *loading or unloading* of that vehicle by any insured;
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
- (3) Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Aggregate Limit.

17. "*Property damage*" means:

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

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

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

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

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

19. "*Temporary worker*" means a person who is furnished to you to substitute for a permanent *employee* on leave or to meet seasonal or

short-term workload conditions.

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

21. "*Your product*:"

a. Means:

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

b. Includes:

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

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

22. "*Your work*:"

a. Means:

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

b. Includes:

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

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. Exclusion r of paragraph 2 Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability is replaced by the following:

2. Exclusions

This insurance does not apply to:

- r. Recording And Distribution Of Material Or Information In Violation Of Law

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

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

- B. Exclusion q of paragraph 2 Exclusions of Section I - Coverage B - Personal And Advertising Injury Liability is replaced by the following:

2. Exclusions

This insurance does not apply to:

- q. Recording And Distribution Of Material Or Information In Violation Of Law

Personal and advertising injury arising directly or indirectly out of any action or omission that violates or is alleged to violate:

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

ADDITIONAL INSURED - CONDOMINIUM UNIT-OWNERS

CG-2004F(11-85)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Section II - Who Is an Insured is amended to include as an insured each individual unit-owner of the in-

sured condominium, but only with respect to liability arising out of the ownership, maintenance or repair of that portion of the premises which is not reserved for that unit-owner's exclusive use or occupancy.

EXCLUSION - ACCESS OR DISCLOSURE OF CONFIDENTIAL OR
PERSONAL INFORMATION AND DATA-RELATED LIABILITY - WITH
LIMITED BODILY INJURY EXCEPTION

CG-2106F(5-14)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. Exclusion 2q of Section I - Coverage A - Bodily Injury And Property Damage Liability is replaced by the following:

2. Exclusions

This insurance does not apply to:

- q. Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability

Damages arising out of:

- (1) Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2) The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in paragraph (1) or (2) above.

However, unless paragraph (1) above applies, this exclusion does not apply to

damages because of *bodily injury*.

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

- B. The following is added to paragraph 2 Exclusions of Section I - Coverage B - Personal And Advertising Injury Liability:

2. Exclusions

This insurance does not apply to:

Access Or Disclosure Of Confidential Or Personal Information

Personal and advertising injury arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

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

EXCLUSION - UNMANNED AIRCRAFT

CG-2109F(6-15)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. Exclusion 2g Aircraft, Auto Or Watercraft under Section I - Coverage A - Bodily Injury And Property Damage Liability is replaced by the following:

2. Exclusions

This insurance does not apply to:

g. Aircraft, Auto Or Watercraft

(1) Unmanned Aircraft

Bodily injury or property damage arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an *unmanned aircraft*. Use includes operation and *loading or unloading*.

This paragraph g(1) applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the *occurrence* which caused the *bodily injury or property damage* involved the ownership, maintenance, use or entrustment to others of any aircraft that is an *unmanned aircraft*.

(2) Aircraft (Other Than Unmanned Aircraft), Auto Or Watercraft

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

This paragraph g(2) applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the *occurrence* which caused the *bodily injury or property damage* involved the ownership, maintenance, use or entrustment to others of any aircraft (other than *unmanned aircraft*), *auto* or watercraft that is owned or operated by or rented or loaned to any insured.

This paragraph g(2) does not apply to:

- (a) A watercraft while ashore on premises you own or rent;
- (b) A watercraft you do not own that is:
 - (i) Less than 26 feet long; and
 - (ii) Not being used to carry persons or property for a charge;
- (c) Parking an *auto* on, or on the ways next to, premises you own or rent, provided the *auto* is not owned by or rented or loaned to you or the insured;
- (d) Liability assumed under any *insured contract* for the ownership, maintenance or use of aircraft or watercraft; or
- (e) *Bodily injury or property damage* arising out of:
 - (i) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of *mobile equipment* if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged; or
 - (ii) The operation of any of the machinery or equipment listed in paragraph f(2) or f(3) of the definition of *mobile equipment*.

B. The following exclusion is added to paragraph 2 Exclusions of Coverage B - Personal And Advertising Injury Liability:

2. Exclusions

This insurance does not apply to:

Unmanned Aircraft

Personal and advertising injury arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an *unmanned aircraft*. Use includes operation and *loading or unloading*.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the offense which caused the *personal and advertising injury* involved the ownership, maintenance, use or entrust-

ment to others of any aircraft that is an *unmanned aircraft*.

This exclusion does not apply to:

- (1) The use of another's advertising idea in your *advertisement*; or
- (2) Infringing upon another's copyright, trade dress or slogan in your *advertisement*.

C. The following definition is added to the Definitions section:

"Unmanned aircraft" means an aircraft that is not:

- (1) Designed;
- (2) Manufactured; or
- (3) Modified after manufacture;

to be controlled directly by a person from within or on the aircraft.

LIMITATION OF COVERAGE TO DESIGNATED PREMISES OR PROJECT

CG-2144F(7-98)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

This insurance applies only to *bodily injury, property damage, personal and advertising injury* and medical

expenses arising out of:

1. The ownership, maintenance or use of the premises shown in the Schedule and operations necessary or incidental to those premises; or
2. The project shown in the Schedule.

SCHEDULE

**Designation of
Premises or Project**

2825 SUMMIT II CONDO DR
SUN VALLEY ID 83353

2831 SUMMIT II CONDO DR
SUN VALLEY ID 83353

2835 SUMMIT II CONDO DR
SUN VALLEY ID 83353

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

1. The following exclusion is added to paragraph 2 Exclusions, of Section I - Coverage A - Bodily Injury and Property Damage Liability:

This insurance does not apply to:

Bodily injury to:

- a. A person arising out of any:
 - (1) Refusal to employ that person;
 - (2) Termination of that person's employment; or
 - (3) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- b. The spouse, child, parent, brother or sister of that person as a consequence of *bodily injury* to that person at whom any of the employment-related practices described in paragraphs (1), (2) or (3) above is directed.

This exclusion applies:

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

because of the injury.

2. The following exclusion is added to paragraph 2 Exclusions of Section I - Coverage B - Personal and Advertising Injury Liability:

This insurance does not apply to:

Personal and advertising injury to:

- a. A person arising out of any:
 - (1) Refusal to employ that person;
 - (2) Termination of that person's employment; or
 - (3) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- b. The spouse, child, parent, brother or sister of that person as a consequence of *personal and advertising injury* to that person at whom any of the employment-related practices described in paragraphs (1), (2) or (3) above is directed.

This exclusion applies:

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

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

1. The following exclusion is added to Paragraph 2, Exclusions of Section I - Coverage A - Bodily Injury and Property Damage Liability:

Fungi or Bacteria

- a. *Bodily injury* or *property damage* which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any *fungi* or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
- b. Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, *fungi* or bacteria, by any insured or by any other person or entity.

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

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

Fungi or Bacteria

- a. *Personal and advertising injury* which would not have taken place, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any *fungi* or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury.
 - b. Any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, *fungi* or bacteria, by any insured or by any other person or entity.
3. The following definition is added to the Definitions Section:

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

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

A. Applicability Of The Provisions Of This Endorsement

1. The provisions of this endorsement will become applicable commencing on the date when any one or more of the following first occurs. But if your policy (meaning the policy period in which this endorsement applies) begins after such date, then the provisions of this endorsement become applicable on the date your policy begins.
 - a. The federal Terrorism Risk Insurance Program ("Program"), established by the Terrorism Risk Insurance Act, has terminated with respect to the type of insurance provided under this Coverage Part or Policy; or
 - b. A renewal, extension or replacement of the Program has become effective without a requirement to make terrorism coverage available to you and with revisions that:
 - (1) Increase our statutory percentage deductible under the Program for terrorism losses. (That deductible determines the amount of all certified terrorism losses we must pay in a calendar year, before the federal government shares in subsequent payment of certified terrorism losses.); or
 - (2) Decrease the federal government's statutory percentage share in potential terrorism losses above such deductible; or
 - (3) Redefine terrorism or make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other types of events or occurrences under this policy.
2. If the provisions of this endorsement become applicable, such provisions:
 - a. Supersede any terrorism endorse-

ment already endorsed to this policy that addresses *certified acts of terrorism* and/or *other acts of terrorism*, but only with respect to an incident(s) of terrorism (however defined) which results in injury or damage that occurs on or after the date when the provisions of this endorsement become applicable (for claims made policies, such an endorsement is superseded only with respect to an incident of terrorism (however defined) that results in a claim for injury or damage first being made on or after the date when the provisions of this endorsement become applicable); and

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

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

B. The following definitions are added and apply under this endorsement wherever the term terrorism, or the phrase any injury or damage, are shown in italics:

1. "*Terrorism*" means activities against persons, organizations or property of any nature:
 - a. That involve the following or preparation for the following:
 - (1) Use or threat of force or violence; or
 - (2) Commission or threat of a dangerous act; or
 - (3) Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
 - b. When one or both of the following applies:
 - (1) The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
 - (2) It appears that the intent is to intimidate or coerce a government, or to further political, ideological, reli-

gious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

2. "Any injury or damage" means any injury or damage covered under any Coverage Part or Policy to which this endorsement is applicable, and includes but is not limited to *bodily injury, property damage, personal and advertising injury, injury or environmental damage* as may be defined in any applicable Coverage Part or Policy.

C. The following exclusion is added:

EXCLUSION OF TERRORISM

We will not pay for *any injury or damage* caused directly or indirectly by *terrorism*, including action in hindering or defending against an actual or expected incident of *terrorism*. *Any injury or damage* is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such injury or damage. But this exclusion applies only when one or more of the following are attributed to an incident of *terrorism*:

1. The *terrorism* is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
2. Radioactive material is released, and it appears that one purpose of the *terrorism* was to release such material; or
3. The *terrorism* is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the *terrorism* was to release such materials; or
5. The total of insured damage to all types of property exceeds \$25,000,000. In determin-

ing whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the *terrorism* and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or

6. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
 - a. Physical injury that involves a substantial risk of death; or
 - b. Protracted and obvious physical disfigurement; or
 - c. Protracted loss of or impairment of the function of a bodily member or organ.

Multiple incidents of *terrorism* which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the thresholds in Paragraphs C5 or C6 are exceeded.

With respect to this Exclusion, Paragraphs C5 and C6 describe the threshold used to measure the magnitude of an incident of *terrorism* and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of *terrorism*, there is no coverage under this Coverage Part or Policy.

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

SNOW PLOW OPERATIONS COVERAGE

CG-2292F(12-07)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Within the *products-completed operations hazard*,

Exclusion g under Section I - Coverage A - Bodily Injury And Property Damage Liability does not apply to any *auto* used for snow plow operations.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

A. Extended Non-Owned Watercraft

Exclusion g Exception (2)(a) of Coverage A - Bodily Injury and Property Damage Liability is replaced by the following:

(a) Less than 51 feet long; and

B. Increased Bail Bond Amount

The limit shown in paragraph 1b of Supplementary Payments - Coverages A and B is increased to \$1,000.

C. Increased Reasonable Expenses Incurred by the Insured

The limit shown in paragraph 1d of Supplementary Payments - Coverages A and B is increased to \$350.

D. Newly Acquired Organizations

Item 3a of Section II - Who Is An Insured is replaced by the following:

- a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier;

E. Tenants Legal Liability

Paragraphs (1), (3) and (4) of the Damage to Property Exclusion under Section I - Coverages 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 8 or more consecutive days.

The most we will pay under this coverage for damages because of *property damage* to any one premises is \$10,000. A \$250 deductible applies.

F. Knowledge of Claim or Suit

The following is added to paragraph 2, Duties in the Event of Occurrence, Offense, Claim or Suit of Section IV - Commercial General Liability Conditions:

Knowledge of an *occurrence*, claim or *suit* by your agent, servant or *employee* shall not in itself constitute knowledge of the Named Insured unless an officer of the Named Insured has received such notice from the agent, servant or *employee*.

G. Unintentional Failure to Disclose Hazard

The following is added to the Representations Condition under Section IV - Commercial General Liability Conditions:

Based on our dependence upon your representations as to existing hazards, if unintentionally you should fail to disclose all such hazards at the inception date of your policy, we

will not reject coverage under this policy based solely on such failure.

H. Waiver of Subrogation for Written Contracts

The following is added to the Transfer of Rights of Recovery Against Others to Us Condition under Section IV - Commercial General Liability Conditions:

We waive any right of recovery we may have against a person or organization because of payments we make for injury or damage arising out of your ongoing operations or *your work* done under a contract with that person or organization and included in the *products-completed operations hazard*.

The waiver applies only to:

1. Any person or organization with whom you have a written contract or agreement in which you are required to waive rights of recovery under this policy. Such contract or agreement must have been executed prior to the *occurrence* causing injury or damage; and
2. Any other person or organization you are required to add as an additional insured under the contract or agreement described in paragraph 1 above.

I. Liberalization

The following is added to Section IV - Commercial General Liability Conditions:

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.

J. Broadened Bodily Injury

The Definition of *Bodily Injury* is amended to include mental anguish.

K. Electronic Data Liability

1. Exclusion 2q of Coverage A - Bodily Injury And Property Damage Liability in Section I - Coverages is replaced by the following:

2. Exclusions

This insurance does not apply to:

- q. **Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability**

Damages arising out of:

- (1) Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial

information, credit card information, health information or any other type of nonpublic information; or

- (2) The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate *electronic data* that does not result from physical injury to tangible property.

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*.

2. The following paragraph is added to Section III - Limits of Insurance:

Subject to paragraph 5 above, \$10,000 is the most we will pay under Coverage A for *property damage* because of all loss of *electronic data* arising out of any one *occurrence*.

3. The following definition is added to Section V - Definitions:

"Electronic data" means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software (including systems and application software), hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

4. For the purposes of this coverage, the definition of *"property damage"* in Section V - Definitions is replaced by the following:

"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;
- 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; or
- c. Loss of, loss of use of, damage to, corruption of, inability to access, or inability to properly manipulate *electronic data*, resulting from physical injury to tangible property. All such loss of *electronic data*

shall be deemed to occur at the time of the *occurrence* that caused it.

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

L. Employee Benefits Liability Coverage

1. The following is added to Section I - Coverages:

Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of any act, error or omission, of the insured, or of any other person for whose acts the insured is legally liable, to which this coverage 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 to which this coverage does not apply. We may, at our discretion, investigate any report of an act, error or omission and settle any *claim* or *suit* that may result. But:

- (1) The amount we will pay for damages is limited as described in paragraph 5 of this coverage; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

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

- b. This coverage applies to damages only if:

- (1) The act, error or omission, is negligently committed in the *administration* of your *employee benefit program*;
- (2) The act, error or omission, did not take place before the original inception date of this coverage nor after the end of the policy period; and
- (3) A *claim* for damages, because of an act, error or omission, is first made against any insured, in accordance with paragraph c below, during the policy period or an Extended Reporting Period we provide under paragraph 6 of this coverage.

- c. A *claim* seeking damages will be deemed to have been made at the earlier of the following times:

- (1) When notice of such *claim* is

received and recorded by any insured or by us, whichever comes first; or

- (2) When we make settlement in accordance with paragraph a above.

A *claim* received and recorded by the insured within 60 days after the end of the policy period will be considered to have been received within the policy period, if no subsequent policy is available to cover the claim.

- d. All *claims* for damages made by an *employee* because of any act, error or omission, or a series of related acts, errors or omissions, including damages claimed by such *employee's* dependents and beneficiaries, will be deemed to have been made at the time the first of those *claims* is made against any insured.

Exclusions

This coverage does not apply to:

a. Dishonest, Fraudulent, Criminal Or Malicious Act

Damages arising out of any intentional, dishonest, fraudulent, criminal or malicious act, error or omission, committed by any insured, including the willful or reckless violation of any statute.

b. Bodily Injury, Property Damage, Or Personal And Advertising Injury

Bodily injury, property damage or personal and advertising injury.

c. Failure To Perform A Contract

Damages arising out of failure of performance of contract by any insurer.

d. Insufficiency Of Funds

Damages arising out of an insufficiency of funds to meet any obligations under any plan included in the *employee benefit program*.

e. Inadequacy Of Performance Of Investment/Advice Given With Respect To Participation

Any *claim* based upon:

- (1) Failure of any investment to perform;
(2) Errors in providing information on past performance of investment vehicles; or
(3) Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the *employee benefit program*.

f. Workers' Compensation And Similar Laws

Any *claim* arising out of your failure to comply with the mandatory provisions of any workers' compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.

g. ERISA

Damages for which any insured is liable because of liability imposed on a fiduciary by the Employee Retirement Income Security Act of 1974, as now or hereafter amended, or by any similar federal, state or local laws.

h. Available Benefits

Any *claim* for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the insured, from the applicable funds accrued or other collectible insurance.

i. Taxes, Fines Or Penalties

Taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state or local law.

j. Employment-Related Practices

Damages arising out of wrongful termination of employment, discrimination, or other employment-related practices.

2. For the purposes of the coverage provided:

a. All references to Supplementary Payments - Coverages A and B are replaced by Supplementary Payments - Coverages A, B and Employee Benefits Liability.

b. Paragraphs 1b and 2 of the Supplementary Payments provision do not apply.

3. For the purposes of the coverage provided, paragraphs 2 and 3 of Section II - Who Is An Insured are replaced by the following:

2. Each of the following is also an insured:

a. Each of your *employees* who is or was authorized to administer your *employee benefit program*.

b. Any persons, organizations or *employees* having proper temporary authorization to administer your *employee benefit program* if you die, but only until your legal representative is appointed.

c. Your legal representative if you die, but only with respect to duties as

such. That representative will have all your rights and duties under this coverage.

3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if no other similar insurance applies to that organization. However:
 - a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier.
 - b. Coverage under this provision does not apply to any act, error or omission that was committed before you acquired or formed the organization.
4. For the purposes of the coverage provided, Section III - Limits Of Insurance is replaced by the following:

Limits Of Insurance

- a. The Limits of Insurance shown in d below and the rules below fix the most we will pay regardless of the number of:
 - (1) Insureds;
 - (2) *Claims* made or *suits* brought;
 - (3) Persons or organizations making *claims* or bringing *suits*;
 - (4) Acts, errors or omissions; or
 - (5) Benefits included in your *employee benefit program*.
- b. The Aggregate Limit is the most we will pay for all damages because of acts, errors or omissions negligently committed in the *administration* of your *employee benefit program*.
- c. Subject to the Aggregate Limit, the Each Employee Limit is the most we will pay for all damages sustained by any one *employee*, including damages sustained by such *employee's* dependents and beneficiaries, as a result of:
 - (1) An act, error or omission; or
 - (2) A series of related acts, errors or omissions negligently committed in the *administration* of your *employee benefit program*.

However, the amount paid under this coverage shall not exceed, and will be subject to, the limits and restrictions that apply to the payment of benefits in any

plan included in the *employee benefit program*.

d. Limits of Insurance

Each Employee Limit: \$250,000

Aggregate Limit: \$250,000

The Limits of Insurance of this coverage 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 of the policy to which this coverage is attached, 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.

Deductible

- a. Our obligation to pay damages on behalf of the insured applies only to the amount of damages in excess of the deductible amount stated in e below as applicable to Each Employee. The limits of insurance shall not be reduced by the amount of this deductible.
- b. The deductible amount stated in e below applies to all damages sustained by any one *employee*, including such *employee's* dependents and beneficiaries, because of all acts, errors or omissions to which this coverage applies.
- c. The terms of this coverage, including those with respect to:
 - (1) Our right and duty to defend any *suits* seeking those damages; and
 - (2) Your duties, and the duties of any other involved insured, in the event of an act, error or omission, or *claim*apply irrespective of the application of the deductible amount.
- d. We may pay any part or all of the deductible amount to effect settlement of any *claim* or *suit* and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as we have paid.

e. Deductible

Each Employee Deductible: \$1,000

5. For the purposes of the coverage provided, Conditions 2 and 4 of Section IV - Conditions are replaced by the following:

2. Duties In The Event Of An Act, Error Or Omission, Or Claim Or Suit

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

- (1) What the act, error or omission was and when it occurred; and
- (2) The names and addresses of anyone who may suffer damages as a result of the act, error or omission.

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.

c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the *claim* or *suit*;
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the *claim* or defense against the *suit*; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of an act, error or omission to which this coverage 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 without our consent.

e. The requirements to notify us can be satisfied by notifying our agent. Notice can be by any means of communication.

4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under this coverage, our obligations are limited as follows:

a. Primary Insurance

This coverage is primary except when paragraph b below applies. If this coverage 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 coverage is excess over any of the other insurance, whether primary, excess, contingent or on any other basis that is effective prior to the beginning of the policy period shown in the Declarations of this insurance and that applies to an act, error or omission on other than a claims-made basis, if the other insurance has a policy period which continues after the original inception date of this coverage.

(2) When this coverage 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 coverage is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of the total amount that all such other insurance would pay for the loss in absence of this coverage; and the total of all deductible and self-insured amounts under all that other insurance.

(4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in paragraph 5d of this coverage.

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 Limits of Insurance to the total applicable Limits of Insurance of all insurers.

6. For the purposes of the coverage provided, the following Extended Reporting Period provisions are added, or, if this coverage is attached to a claims-made Coverage Part, replaces any similar Section in that Coverage Part:

EXTENDED REPORTING PERIOD

- a. You will have the right to purchase an Extended Reporting Period, as described below, if:
- (1) This coverage is canceled or not renewed; or
 - (2) We renew or replace this coverage with insurance that:
 - (a) Has an inception date later than the original inception date of this coverage; or
 - (b) Does not apply to an act, error or omission on a claims-made basis.
- b. The Extended Reporting Period does not extend the policy period or change the scope of coverage provided. It applies only to *claims* for acts, errors or omissions that were first committed before the end of the policy period but not before the original inception date of this coverage. Once in effect, the Extended Reporting Period may not be canceled.
- c. An Extended Reporting Period of five years is available, but only by an endorsement and for an extra charge.

You must give us a written request for the endorsement within 60 days after the end of the policy period. The Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due.

We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:

- (1) The *employee benefit programs* insured;
- (2) Previous types and amounts of insurance;
- (3) Limits of insurance available under this coverage for future payment of damages; and

- (4) Other related factors.

The additional premium will not exceed \$100.

The Extended Reporting Period endorsement applicable to this coverage shall set forth the terms, not inconsistent with this Section, applicable to the Extended Reporting Period, including a provision to the effect that the coverage afforded for *claims* first received during such period is excess over any other valid and collectible insurance available under policies in force after the Extended Reporting Period starts.

- d. If the Extended Reporting Period is in effect, we will provide an extended reporting period aggregate limit of insurance described below, but only for claims first received and recorded during the Extended Reporting Period.

The extended reporting period aggregate limit of insurance will be equal to the dollar amount shown in paragraph 5d of this coverage under Limits of Insurance.

Paragraph 5b of this coverage will be amended accordingly. The Each Employee Limit shown in paragraph 5d will then continue to apply as set forth in paragraph 5c.

7. For the purposes of the coverage provided, the following definitions are added to the Definitions Section:

- a. "*Administration*" means:

- (1) Providing information to *employees*, including their dependents and beneficiaries, with respect to eligibility for or scope of *employee benefit programs*;
- (2) Handling records in connection with the *employee benefit program*; or
- (3) Effecting, continuing or terminating any *employee's* participation in any benefit included in the *employee benefit program*.

However, *administration* does not include handling payroll deductions.

- b. "*Cafeteria plans*" means plans authorized by applicable law to allow employees to elect to pay for certain benefits with pre-tax dollars.

- c. "*Claim*" means any demand, or *suit*, made by an *employee* or an *employee's* dependents and beneficiaries, for damages as the result of an act, error or omission.

- d. "Employee benefit program" means a program providing some or all of the following benefits to *employees*, whether provided through a *cafeteria plan* or otherwise:
- (1) Group life insurance; group accident or health insurance; dental, vision and hearing plans; and flexible spending accounts; provided that no one other than an *employee* may subscribe to such benefits and such benefits are made generally available to those *employees* who satisfy the plan's eligibility requirements;
 - (2) Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans and stock subscription plans, provided that no one other than an *employee* may subscribe to such benefits and such benefits are made generally available to all *employees* who are eligible under the plan for such benefits;
 - (3) Unemployment insurance, social security benefits, workers' compensation and disability benefits;
 - (4) Vacation plans, including buy and sell programs; leave of absence programs, including military, maternity, family, and civil leave; tuition assistance plans; transportation and health club subsidies; and
 - (5) Any other similar benefits added thereto by endorsement.
8. For the purposes of the coverage provided, the following Definitions in the Definitions Section are replaced by the following:
- a. "Employee" means a person actively employed, formerly employed, on leave of absence or disabled, or retired. *Employee* includes a *leased worker*. *Employee* does not include a *temporary worker*.
 - b. "Suit" means a civil proceeding in which damages because of an act, error or omission to which this coverage applies are alleged. *Suit* includes:
 - (1) An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
 - (2) Any other alternative dispute resolution proceeding in which such damages are claimed and to which

the insured submits with our consent.

M. Voluntary Property Damage

1. With respect to the insurance provided under this coverage, paragraph 2 Exclusions of Coverage A - Bodily Injury and Property Damage Liability under Section I - Coverages is modified as followed:
 - a. Exclusion 2j(4) is replaced by the following:
 - (4) Personal property of others:
 - (a) Held by the insured for servicing, repair, storage or sale at premises owned, occupied or rented to the insured.
 - (b) Caused by the ownership, maintenance, use, loading or unloading of any auto, watercraft or transportation of property by any means.
 - b. Exclusion 2j(5) is deleted.
2. The insurance provided by this coverage is subject to the following provisions:
 - a. We will pay for *property damage* at your request even if you are not legally liable, if it is otherwise subject to this coverage.
 - b. *Property damage* does not include loss of use if personal property of others is not physically injured.
 - c. **Limits**
The most we will pay for an *occurrence* under this coverage is \$2,500.
The most we will pay for the sum of all amounts paid under this coverage is an aggregate of \$2,500.
The General Aggregate Limit and Each Occurrence Limit under Section III - Limits of Insurance do not apply to the insurance provided under this coverage.
 - d. **Settlement**
If you make any repairs to damaged property, at our request, we will pay the larger of your actual cost or 75% of your usual charge for the necessary labor and materials. Any property paid for or replaced by us may become our property at our option. Any payment made under this coverage shall not be interpreted as an admission of liability by the insured or the company.
 - e. **Deductible**
Our obligation to pay for a covered loss applies only to the amount of loss in

excess of \$200.

f. Other Insurance

The insurance provided by this coverage is excess over any other insurance carried by the insured which applies to a loss covered by this coverage.

N. Increased Limits of Insurance

1. The General Aggregate Limit is increased to three times the Each Occurrence Limit.

2. The Products-Completed Operations Aggregate Limit is increased to three times the Each Occurrence Limit.
3. The Damage To Premises Rented To You Limit is increased to \$250,000.
4. The Medical Expense Limit is increased to \$10,000.

The Limits of Insurance shown here do not replace and are not in addition to the Limits of Insurance shown in the Declarations.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE FORM
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY
COVERAGE FORM
POLLUTION LIABILITY COVERAGE FORM
PRODUCTS/COMPLETED OPERATIONS LIABILITY COV-
ERAGE FORM
RAILROAD PROTECTIVE LIABILITY COVERAGE FORM

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

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in

accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a *certified act of terrorism* include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
 2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- B. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

This endorsement modifies insurance provided under the following:

- COMMERCIAL GENERAL LIABILITY COVERAGE PART
- LIQUOR LIABILITY COVERAGE FORM
- OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM
- POLLUTION LIABILITY COVERAGE FORM
- PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE FORM
- RAILROAD PROTECTIVE LIABILITY COVERAGE FORM

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM PUNITIVE DAMAGES

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

B. The following definition is added:

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of

terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a *certified act of terrorism* include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
 2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- C. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

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

A. CANCELLATION

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

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

- a. Ten days before the effective date of cancellation if we cancel for nonpayment of premium; or
- b. Thirty days before the effective date of cancellation if we cancel for any other reason.

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

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

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

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

B. CHANGES

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

C. EXAMINATION OF YOUR BOOKS AND RECORDS

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

D. INSPECTIONS AND SURVEYS

1. We have the right to:

- a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and
- c. Recommend changes.

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

- a. Are safe or healthful; or
- b. Comply with laws, regulations, codes or standards.

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

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

E. PREMIUMS

The First Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

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

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

This endorsement modifies insurance provided under the following:

- COMMERCIAL AUTO COVERAGE PART
- COMMERCIAL GENERAL LIABILITY COVERAGE PART
- DIRECTORS' AND OFFICERS' LIABILITY COVERAGE PART
- EMPLOYEE BENEFITS LIABILITY COVERAGE PART
- ERRORS AND OMISSIONS COVERAGE PART
- FARM COVERAGE PART
- LIQUOR LIABILITY COVERAGE FORM
- OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM
- POLLUTION LIABILITY COVERAGE FORM
- PRODUCT WITHDRAWAL COVERAGE PART
- PRODUCTS-COMPLETED OPERATIONS LIABILITY COVERAGE FORM
- RAILROAD PROTECTIVE LIABILITY COVERAGE FORM

1. The insurance does not apply:
 - a. Under any Liability Coverage to *bodily injury* or *property damage*:
 - (1) With respect to which an *insured* under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
 - (2) Resulting from the *hazardous properties* of *nuclear material* and with respect to which:
 - (a) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954 or any law amendatory thereof; or
 - (b) The insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
 - b. Under any Medical Payments coverage, to expenses incurred with respect to *bodily injury* resulting from the *hazardous properties* of *nuclear material* and arising out of the operation of a *nuclear facility* by any person or organization.
 - c. Under any Liability Coverage, to *bodily injury* or *property damage* resulting from the *hazardous properties* of *nuclear material*, if:
 - (1) The *nuclear material*:

- (a) Is at any *nuclear facility* owned by, or operated by or on behalf of, an *insured*; or
 - (b) Has been discharged or dispersed therefrom.
- (2) The *nuclear material* is contained in *spent fuel* or *waste* at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an *insured*; or
 - (3) The *bodily injury* or *property damage* arises out of the furnishing by an *insured* of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any *nuclear facility*, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to *property damage* to such *nuclear facility* and any property thereat.
2. As used in this endorsement:
 - a. "*Hazardous properties*" include radioactive, toxic or explosive properties.
 - b. "*Nuclear material*" means *source material*, *special nuclear material* or *byproduct material*.
 - c. "*Source material*," "*special nuclear material*" and "*byproduct material*" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.
 - d. "*Spent fuel*" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a *nuclear reactor*.
 - e. "*Waste*" means any waste material:
 - (1) Containing *byproducts material* other than the tailings or *wastes* produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its *source material* content; and
 - (2) Resulting from the operation by any person or organization of any *nuclear facility* included under the first two paragraphs of the definition of *nuclear facility*.
 - f. "*Nuclear facility*" means:
 - (1) Any *nuclear reactor*;
 - (2) Any equipment or device designed or used for:
 - (a) Separating the isotopes of uranium or plutonium;
 - (b) Processing or utilizing *spent fuel*; or

- (c) Handling, processing or packaging *waste*.
- (3) Any equipment or device used for the processing, fabricating or alloying of *special nuclear material* if at any time the total amount of such material in the custody of the *insured* at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235.
- (4) Any structure, basin, excavation, prem-

ises or place prepared or used for the storage or disposal of *waste*;

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

- g. "*Nuclear reactor*" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.
- h. "*Property damage*" includes all forms of radioactive contamination of property.

This endorsement modifies insurance provided under the following:

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

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

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

2. Policies In Effect

a. 60 Days Or Less

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

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

b. More Than 60 Days

If this policy has been in effect for more than 60 days, or is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:

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

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

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

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

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

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

NONRENEWAL

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

rata at the rates applicable to the expiring policy.

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

C. The following Condition is added:

PREMIUM OR COVERAGE CHANGES AT RENEWAL

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

before the expiration or anniversary date of the policy.

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

ASBESTOS EXCLUSION

IL-7012(1-18)

This endorsement modifies insurance provided under the following:

- BIS-PAK® BUSINESS LIABILITY AND MEDICAL EXPENSE COVERAGE FORM
- COMMERCIAL AUTO COVERAGE PART
- COMMERCIAL GENERAL LIABILITY COVERAGE PART
- DIRECTORS' AND OFFICERS' LIABILITY COVERAGE PART
- EMPLOYEE BENEFITS LIABILITY COVERAGE PART
- ERRORS AND OMISSIONS COVERAGE PART
- GARAGE COVERAGE FORM
- LIQUOR LIABILITY COVERAGE FORM
- OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM
- POLLUTION LIABILITY COVERAGE FORM
- PRODUCT WITHDRAWAL COVERAGE PART

- PRODUCTS-COMPLETED OPERATIONS LIABILITY COVERAGE FORM
- RAILROAD PROTECTIVE LIABILITY COVERAGE FORM
- RESIDENTIAL CARE FACILITY LIABILITY COVERAGE PART

The following exclusion is added:

Asbestos

This insurance does not apply to any *bodily injury* or *property damage* arising out of activities related to, but not limited to, manufacture, mining, storage, distribution, installation, sale, use, exposure to, service, testing for, repair, containment or removal of asbestos, asbestos fibers, asbestos dust, or products containing asbestos.

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

A. Disclosure Of Premium

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

B. Disclosure Of Federal Participation In Payment Of Terrorism Losses

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

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

C. Cap On Insurer Participation In Payment Of Terrorism Losses

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



Business Auto Declarations

Item One

First Named Insured and Address:

SUMMIT CONDOMINIUM PHASE II
PO BOX 2183
SUN VALLEY ID 83353

Agency Name and Number:

SENTRYWEST INSURANCE SERVICES
7427-AL

Policy Number: ZS7114

Policy Period: Effective Date: 10-01-23

Expiration Date: 10-01-24

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

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

NOTICE

The type of Underinsured Motorist coverage provided by this policy is Difference in Limits, otherwise known as Offset. With Offset Underinsured Motorist on the policy, your coverage decreases by any payments from another party's coverage.

Item Two: SCHEDULE OF COVERAGES AND COVERED AUTOS

Each of these coverages apply only to those *autos* shown as covered *autos* by the entry of one or more of the symbols from the Covered Autos section of the Business Auto Coverage Form next to the name of the coverage.

Coverages	Covered Auto Symbols	Limit of Insurance	Premium
Bodily Injury Liability	8, 9	\$1,000,000 each person \$1,000,000 each <i>accident</i>	\$378.00
Property Damage Liability	8, 9	\$1,000,000 each <i>accident</i>	Included
Uninsured Motorists Bodily Injury	8, 9	\$1,000,000 each person \$1,000,000 each <i>accident</i>	\$15.00
Underinsured Motorists	8, 9	\$1,000,000 each person \$1,000,000 each <i>accident</i>	\$40.00

Estimated Schedule Premium

\$433.00

PREMIUM SUMMARY

Estimated Schedule Premium

\$433.00

Estimated Endorsement Premium

\$0.00

Estimated Advance Premium

\$433.00

COVERAGE FORMS AND ENDORSEMENTS APPLICABLE TO THIS COVERAGE PART

Form Number	Form Title	Premium
CA-0001F(8-19)	Business Auto Coverage Form	
CA-0118F(11-13)	Idaho Changes	
CA-2102F(11-06)	Split Bodily Injury Uninsured Motorists Coverage Limits	
CA-2151F(10-13)	Split Bodily Injury Underinsured Motorists Coverage Limits	
CA-2345F(11-16)	Public or Livery Passenger Conveyance and On-Demand Delivery Services Exclusion	
CA-2384F(10-13)	Exclusion of Terrorism	
CA-3115F(3-06)	Idaho Uninsured Motorists Coverage	
CA-3118F(12-11)	Idaho Underinsured Motorists Coverage	
CA-7176(12-93)	Split Limits of Insurance - Business Auto, Motor Carrier and Truckers	
IL-0017F(11-98)	Common Policy Conditions	
IL-0021F(3-14)	Nuclear Energy Liability Exclusion - Broad Form	
IL-0204F(3-14)	Idaho Changes - Cancellation and Nonrenewal	
IL-7012(1-18)	Asbestos Exclusion	

Estimated Endorsement Premium**Item Four: HIRED AUTO COVERAGE**

Unit 0001	Non Trucking Hired Auto Estimated Cost of Hire ² : \$0	Class: 500000 State: ID Zip: 83353
Coverage	Limits/Deductible	Premium
Bodily Injury Liability	\$1,000,000 each person \$1,000,000 each <i>accident</i>	\$164.00
Property Damage Liability	\$1,000,000 each <i>accident</i>	Included
Uninsured Motorists Bodily Injury	\$1,000,000 each person \$1,000,000 each <i>accident</i>	\$10.00
Underinsured Motorists	\$1,000,000 each person \$1,000,000 each <i>accident</i>	\$10.00
Total Premium		\$184.00

Item Five: NONOWNED AUTO COVERAGE

Unit 0002	Rating Basis: Number of Employees	Number: 5	Class: 600000 State: ID Zip: 83353
Coverage	Limits/Deductible	Premium	
Bodily Injury Liability	\$1,000,000 each person \$1,000,000 each <i>accident</i>	\$214.00	
Property Damage Liability	\$1,000,000 each <i>accident</i>	Included	
Uninsured Motorists Bodily Injury	\$1,000,000 each person \$1,000,000 each <i>accident</i>	\$5.00	
Underinsured Motorists	\$1,000,000 each person \$1,000,000 each <i>accident</i>	\$30.00	
Total Premium		\$249.00	

² Cost of hire means the total amount you incur for the hire of *autos* you do not own (not including *autos* you borrow or rent from your partners or *employees* or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.

ADDITIONAL NAMED INSUREDS

WHO IS AN INSURED includes the following Additional Named Insureds:

NONE

FIRST NAMED INSURED IS:

ORGANIZATION OTHER THAN PARTNERSHIP, JOINT VENTURE OR LIMITED LIABILITY COMPANY

BUSINESS AUTO COVERAGE FORM

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BUSINESS AUTO COVERAGE FORM

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

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

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

SECTION I - COVERED AUTOS

Item Two of the Declarations shows the *autos* that are covered *autos* for each of your coverages. The following numerical symbols describe the *autos* that may be covered *autos*. The symbols entered next to a coverage on the Declarations designate the only *autos* that are covered *autos*.

A. DESCRIPTION OF COVERED AUTO DESIGNATION SYMBOLS

SYMBOL DESCRIPTION

- | | | | | | | | | |
|-----------------------|--|--|---|--|--|---|---|---|
| 1 = ANY <i>AUTO</i> . | 2 = OWNED <i>AUTOS</i> ONLY. Only those <i>autos</i> you own (and for Liability Coverage any <i>trailers</i> you do not own while attached to power units you own). This includes those <i>autos</i> you acquire ownership of after the policy begins. | 3 = OWNED PRIVATE PASSENGER <i>AUTOS</i> ONLY. Only the private passenger <i>autos</i> you own. This includes those private passenger <i>autos</i> you acquire ownership of after the policy begins. | 4 = OWNED <i>AUTOS</i> OTHER THAN PRIVATE PASSENGER <i>AUTOS</i> ONLY. Only those <i>autos</i> you own that are not of the private passenger type (and for Liability Coverage any <i>trailers</i> you do not own while attached to power units you own). This includes those <i>autos</i> not of the private passenger type you acquire ownership of after the policy begins. | 5 = OWNED <i>AUTOS</i> SUBJECT TO NO-FAULT. Only those <i>autos</i> you own that are required to have no-fault benefits in the state where they are licensed or principally garaged. This includes those <i>autos</i> you acquire ownership of after the policy begins provided they are required to have no-fault benefits in the state where they are licensed or principally garaged. | 6 = OWNED <i>AUTOS</i> SUBJECT TO A COMPULSORY UNINSURED MOTORISTS LAW. Only those <i>autos</i> you own that because of the law in the state where they are licensed or principally garaged, are required to have and cannot reject Uninsured Motorists Coverage. This includes those <i>autos</i> you acquire ownership of after the policy begins provided they are subject to the same state uninsured motorists requirement. | 7 = SPECIFICALLY DESCRIBED <i>AUTOS</i> . Only those <i>autos</i> described in Item Three of the Declarations for which a premium charge is shown (and for Liability Coverage any <i>trailers</i> you do not own while attached to any power unit described in Item Three). | 8 = HIRED <i>AUTOS</i> ONLY. Only those <i>autos</i> you lease, hire, rent or borrow. This does not include any <i>auto</i> you lease, hire, rent or borrow from any of your <i>employees</i> or partners or members of their households. | 9 = NONOWNED <i>AUTOS</i> ONLY. Only those <i>autos</i> you do not own, lease, hire, rent or borrow that are used in connection with your business. This includes <i>autos</i> owned by your <i>employees</i> , partners (if you are a partnership), members (if you are a limited liability company) or members of their households but only while used in your business or your personal affairs. |
|-----------------------|--|--|---|--|--|---|---|---|

19 = MOBILE EQUIPMENT SUBJECT TO COMPULSORY OR FINANCIAL RESPONSIBILITY OR OTHER MOTOR VEHICLE INSURANCE LAW ONLY. Only those *autos* that are land vehicles and that would qualify under the definition of *mobile equipment* under this policy if they were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where they are licensed or principally garaged.

B. OWNED AUTOS YOU ACQUIRE AFTER THE POLICY BEGINS

1. If symbols 1, 2, 3, 4, 5, 6 or 19 are entered next to a coverage in Item Two of the Declarations, then you have coverage for *autos* that you acquire of the type described for the remainder of the policy period.
2. But, if symbol 7 is entered next to a coverage in Item Two of the Declarations, an *auto* you acquire will be a covered *auto* for that coverage only if:
 - a. We already cover all *autos* that you own for that coverage or it replaces an *auto* you previously owned that had that coverage; and

- b. You tell us within 30 days after you acquire it that you want us to cover it for that coverage.

C. CERTAIN TRAILERS, MOBILE EQUIPMENT AND TEMPORARY SUBSTITUTE AUTOS

If Liability Coverage is provided by this coverage form, the following types of vehicles are also covered *autos* for Liability Coverage:

1. *Trailers* with a load capacity of 2,000 pounds or less designed primarily for travel on public roads.
2. *Mobile equipment* while being carried or towed by a covered *auto*.
3. Any *auto* you do not own while used with the permission of its owner as a temporary substitute for a covered *auto* you own that is out of service because of its:
 - a. Breakdown;
 - b. Repair;
 - c. Servicing;
 - d. *Loss*; or
 - e. Destruction.

SECTION II - LIABILITY COVERAGE

A. COVERAGE

We will pay all sums an *insured* legally must pay as damages because of *bodily injury* or *property damage* to which this insurance applies, caused by an *accident* and resulting from the ownership, maintenance or use of a covered *auto*.

We will also pay all sums an *insured* legally must pay as a *covered pollution cost or expense* to which this insurance applies, caused by an *accident* and resulting from the ownership, maintenance or use of covered *autos*. However, we will only pay for the *covered pollution cost or expense* if there is either *bodily injury* or *property damage* to which this insurance applies that is caused by the same *accident*.

We have the right and duty to defend any *insured* against a *suit* asking for such damages or a *covered pollution cost or expense*. However, we have no duty to defend any *insured* against a *suit* seeking damages for *bodily injury* or *property damage* or a *covered pollution cost or expense* to which this insurance does not apply. We may investigate and settle any claim or *suit* as we consider appropriate. Our duty to defend or settle ends when the Liability Coverage Limit of Insurance has been exhausted by payment of judgments or settlements.

1. Who Is an Insured

The following are *insureds*:

- a. You for any covered *auto*.
- b. Anyone else while using with your permission a covered *auto* you own, hire or borrow except:
 - (1) The owner or anyone else from whom you hire or borrow a covered *auto*. This exception does not apply if the covered *auto* is a *trailer* connected to a covered *auto* you own.
 - (2) Your *employee* if the covered *auto* is owned by that *employee* or a member of his or her household.
 - (3) Someone using a covered *auto* while he or she is working in a business of selling, servicing, repairing, parking or storing *autos* unless that business is yours.
 - (4) Anyone other than your *employees*, partners (if you are a partnership), members (if you are a limited liability company) or a lessee or borrower or any of their *employees*, while moving property to or from a covered *auto*.

(5) A partner (if you are a partnership) or a member (if you are a limited liability company) for a covered *auto* owned by him or her or a member of his or her household.

c. Anyone liable for the conduct of an *insured* described above but only to the extent of that liability.

2. Coverage Extensions

a. Supplementary Payments

We will pay for the *insured*:

- (1) All expenses we incur.
- (2) Up to \$2,000 for cost of bail bonds (including bonds for related traffic law violations) required because of an *accident* we cover. We do not have to furnish these bonds.
- (3) The cost of bonds to release attachments in any *suit* against the *insured* we defend, but only for bond amounts within our Limit of Insurance.
- (4) All reasonable expenses incurred by the *insured* at our request, including actual loss of earnings up to \$250 a day because of time off from work.
- (5) All court costs taxed against the *insured* in any *suit* against the *insured* we defend. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the *insured*.
- (6) All interest on the full amount of any judgment that accrues after entry of the judgment in any *suit* against the *insured* we defend; but our duty to pay interest ends when we have paid, offered to pay or deposited in court the part of the judgment that is within our Limit of Insurance.

These payments will not reduce the Limit of Insurance.

b. Out of State Coverage Extensions

While a covered *auto* is away from the state where it is licensed we will:

- (1) Increase the Limit of Insurance for Liability Coverage to meet the limit or limits specified by a compulsory or financial responsibility law in the jurisdiction where the covered *auto* is being used. This extension does not apply to the limit or limits specified by any law governing motor carriers of passengers or property.

(2) Provide the minimum amounts and types of other coverages, such as no-fault, required of out of state vehicles by the jurisdiction where the covered *auto* is being used.

We will not pay anyone more than once for the same elements of *loss* because of these extensions.

B. EXCLUSIONS

This insurance does not apply to any of the following:

1. Expected or Intended Injury

Bodily injury or *property damage* expected or intended from the standpoint of the *insured*.

2. Contractual

Liability assumed under any contract or agreement. But this exclusion does not apply to liability for damages:

- a. Assumed in a contract or agreement that is an *insured contract*, provided the *bodily injury* or *property damage* occurs subsequent to the execution of the contract or agreement; or
- b. That the *insured* would have in the absence of the contract or agreement.

3. Workers' Compensation

Any obligation for which the *insured* or the *insured's* insurer may be held liable under any workers' compensation law, disability benefits law or unemployment compensation law or any similar law.

4. Employee Indemnification and Employer's Liability

Bodily injury to:

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

This exclusion applies:

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

But this exclusion does not apply to *bodily injury* to domestic *employees* not entitled to workers' compensation benefits or to liability assumed by the *insured* under an *insured contract*. For the purposes of the coverage form, a domestic *employee* is a person engaged in household or domestic work performed principally in connection with a residence premises.

5. Fellow Employee

Bodily injury to:

- a. Any fellow *employee* of the *insured* arising out of and in the course of the fellow *employee's* employment or while performing duties related to the conduct of your business; or
- b. The spouse, child, parent, brother or sister of that fellow *employee* as a consequence of paragraph a above.

6. Care, Custody or Control

Property damage to or *covered pollution cost or expense* involving property owned or transported by the *insured* or in the *insured's* care, custody or control. But this exclusion does not apply to liability assumed under a sidetrack agreement.

7. Handling of Property

Bodily injury or *property damage* resulting from the handling of property:

- a. Before it is moved from the place where it is accepted by the *insured* for movement into or onto the covered *auto*; or
- b. After it is moved from the covered *auto* to the place where it is finally delivered by the *insured*.

8. Movement of Property by Mechanical Device

Bodily injury or *property damage* resulting from the movement of property by a mechanical device (other than a hand truck) unless the device is attached to the covered *auto*.

9. Operations

Bodily injury or *property damage* arising out of the operation of:

- a. Any equipment listed in paragraphs 6b and 6c of the definition of *mobile equipment*; or

- b. Machinery or equipment that is on, attached to, or part of, a land vehicle that would qualify under the definition of *mobile equipment* if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

10. Completed Operations

Bodily injury or *property damage* arising out of your work after that work has been completed or abandoned.

In this exclusion, your work means:

- a. Work or operations performed by you or on your behalf; and
- b. Materials, parts or equipment furnished in connection with such work or operations.

Your work includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in paragraphs a or b above.

Your work will be deemed completed at the earliest of the following times:

- a. When all of the work called for in your contract has been completed;
- b. When all of the work to be done at the site has been completed if your contract calls for work at more than one site; or
- c. When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

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

11. Pollution

Bodily injury or *property damage* arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of *pollutants*:

- a. That are, or that are contained in any property that is:
 - (1) Being transported or towed by, handled, or handled for movement into, onto or from, the covered *auto*;
 - (2) Otherwise in the course of transit by or on behalf of the *insured*; or
 - (3) Being stored, disposed of, treated or processed in or upon the covered *auto*.

- b. Before the *pollutants* or any property in which the *pollutants* are contained are moved from the place where they are accepted by the *insured* for movement into or onto the covered *auto*; or
- c. After the *pollutants* or any property in which the *pollutants* are contained are moved from the covered *auto* to the place where they are finally delivered, disposed of or abandoned by the *insured*.

Paragraph a above does not apply to fuels, lubricants, fluids, exhaust gases or other similar *pollutants* that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered *auto* or its parts, if:

- (1) The *pollutants* escape, seep, migrate, or are discharged, dispersed or released directly from an *auto* part designed by its manufacturer to hold, store, receive or dispose of such *pollutants*; and
- (2) The *bodily injury, property damage or covered pollution cost or expense* does not arise out of the operation of any equipment listed in paragraphs 6b and 6c of the definition of *mobile equipment*.

Paragraphs b and c above of this exclusion do not apply to *accidents* that occur away from premises owned by or rented to an *insured* with respect to *pollutants* not in or upon a covered *auto* if:

- (1) The *pollutants* or any property in which the *pollutants* are contained are upset, overturned or damaged as a result of the maintenance or use of a covered *auto*; and
- (2) The discharge, dispersal, seepage, migration, release or escape of the *pollutants* is caused directly by such upset, overturn or damage.

12. War

Bodily injury or property damage arising directly or indirectly out of:

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

13. Racing

Covered *autos* while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply while that covered *auto* is being prepared for such a contest or activity.

C. LIMIT OF INSURANCE

Regardless of the number of covered *autos, insureds, premiums paid, claims made or vehicles involved in the accident, the most we will pay for the total of all damages and covered pollution cost or expense* combined resulting from any one *accident* is the Limit of Insurance for Liability Coverage shown in the Declarations.

All *bodily injury, property damage and covered pollution cost or expense* resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one *accident*.

No one will be entitled to receive duplicate payments for the same elements of *loss* under this coverage form and any Medical Payments Coverage endorsement, Uninsured Motorists Coverage endorsement or Underinsured Motorists Coverage endorsement attached to this Coverage Part.

SECTION III - PHYSICAL DAMAGE COVERAGE

A. COVERAGE

- 1. We will pay for *loss* to a covered *auto* or its equipment under:
 - a. Comprehensive Coverage
 - From any cause except:
 - (1) The covered *auto's* collision with another object; or
 - (2) The covered *auto's* overturn.

b. Specified Causes of Loss Coverage

Caused by:

- (1) Fire, lightning or explosion;
- (2) Theft;
- (3) Windstorm, hail or earthquake;
- (4) Flood;
- (5) Mischief or vandalism; or

- (6) The sinking, burning, collision or derailment of any conveyance transporting the covered *auto*.
- c. Collision Coverage
Caused by:
 - (1) The covered *auto's* collision with another object; or
 - (2) The covered *auto's* overturn.

2. Towing

We will pay up to the limit shown in the Declarations for towing and labor costs incurred each time a covered *auto* of the private passenger type is disabled. However, the labor must be performed at the place of disablement.

3. Glass Breakage - Hitting a Bird or Animal - Falling Objects or Missiles

If you carry Comprehensive Coverage for the damaged covered *auto*, we will pay for the following under Comprehensive Coverage:

- a. Glass breakage;
- b. *Loss* caused by hitting a bird or animal; and
- c. *Loss* caused by falling objects or missiles.

However, you have the option of having glass breakage caused by a covered *auto's* collision or overturn considered a *loss* under Collision Coverage.

4. Coverage Extensions

a. Transportation Expenses

We will also pay up to \$20 per day to a maximum of \$600 for temporary transportation expense incurred by you because of the total theft of a covered *auto* of the private passenger type. We will pay only for those covered *autos* for which you carry either Comprehensive or Specified Causes of Loss Coverage. We will pay for temporary transportation expenses incurred during the period beginning 48 hours after the theft and ending, regardless of the policy's expiration, when the covered *auto* is returned to use or we pay for its *loss*.

b. Loss of Use Expenses

For Hired Auto Physical Damage, we will pay expenses for which an *insured* becomes legally responsible to pay for loss of use of a vehicle rented or hired without a driver under a written rental contract or agreement. We will pay for loss of use expenses if caused by:

- (1) Other than collision only if the Declarations indicate that Comprehensive Coverage is provided for any covered *auto*;
- (2) Specified Causes of Loss only if the Declarations indicate that Specified Causes of Loss Coverage is provided for any covered *auto*; or
- (3) Collision only if the Declarations indicate that Collision Coverage is provided for any covered *auto*.

However, the most we will pay for any expenses for loss of use is \$20 per day, to a maximum of \$600.

B. EXCLUSIONS

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

a. Nuclear Hazard

- (1) The explosion of any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination, however caused.

b. War or Military Action

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

- 2. We will not pay for *loss* to any covered *auto* while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. We will also not pay for *loss* to any covered *auto* while that covered *auto* is being prepared for such a contest or activity.

3. We will not pay for *loss* due and confined to:
 - a. Wear and tear, freezing, mechanical or electrical breakdown.

- b. Blowouts, punctures or other road damage to tires.

This exclusion does not apply to such *loss* resulting from the total theft of a covered *auto*.

4. We will not pay for *loss* to any of the following:
 - a. Tapes, records, discs or other similar audio, visual or data electronic devices designed for use with audio, visual or data electronic equipment.
 - b. Any device designed or used to detect speed-measuring equipment, such as radar or laser detectors, and any jamming apparatus intended to elude or disrupt speed-measuring equipment.
 - c. Any electronic equipment, without regard to whether this equipment is permanently installed, that reproduces, receives or transmits audio, visual or data signals.
 - d. Any accessories used with the electronic equipment described in paragraph c above.
5. Exclusions 4c and 4d do not apply to equipment designed to be operated solely by use of the power from the *auto's* electrical system that, at the time of *loss*, is:
 - a. Permanently installed in or upon the covered *auto*;
 - b. Removable from a housing unit which is permanently installed in or upon the covered *auto*;
 - c. An integral part of the same unit housing any electronic equipment described in paragraphs a and b above; or
 - d. Necessary for the normal operation of the covered *auto* or the monitoring of the covered *auto's* operating system.

6. We will not pay for *loss* to a covered *auto* due to *diminution in value*.

C. LIMIT OF INSURANCE

1. The most we will pay for *loss* to any one covered *auto* is the lesser of:
 - a. The actual cash value of the damaged or stolen property as of the time of the *loss*; or
 - b. The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality.
2. The most we will pay for all electronic equipment that reproduces, receives or transmits audio, visual or data signals in any one *loss* is \$1,000, if, at the time of *loss*, such electronic equipment is:
 - a. Permanently installed in or upon the covered *auto* in a housing, opening or other location that is not normally used by the *auto* manufacturer for the installation of such equipment;
 - b. Removable from a permanently installed housing unit as described in paragraph 2a above; or
 - c. An integral part of such equipment as described in paragraphs 2a and 2b above.
3. An adjustment for depreciation and physical condition will be made in determining actual cash value in the event of a total *loss*.
4. If a repair or replacement results in better than like kind or quality, we will not pay for the amount of the betterment.

D. DEDUCTIBLE

For each covered *auto*, our obligation to pay for, repair, return or replace damaged or stolen property will be reduced by the applicable deductible shown in the Declarations. Any Comprehensive Coverage deductible shown in the Declarations does not apply to *loss* caused by fire or lightning.

SECTION IV - BUSINESS AUTO CONDITIONS

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

A. LOSS CONDITIONS

1. Appraisal for Physical Damage Loss

If you and we disagree on the amount of *loss*, either may demand an appraisal of the *loss*. In this event, each party will select a competent appraiser. The two appraisers will select a competent and impartial umpire. The appraisers will state separately the actual cash value and amount of *loss*. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and

- b. Bear the other expenses of the appraisal and umpire equally.
If we submit to an appraisal, we will still retain our right to deny the claim.

2. Duties in the Event of Accident, Claim, Suit or Loss

We have no duty to provide coverage under this policy unless there has been full compliance with the following duties:

- a. In the event of *accident*, claim, *suit* or *loss*, you must give us or our authorized representative prompt notice of the *accident* or *loss*. Include:
 - (1) How, when and where the *accident* or *loss* occurred;
 - (2) The *insured's* name and address; and
 - (3) To the extent possible, the names and addresses of any injured persons and witnesses.
- b. Additionally, you and any other involved *insured* must:
 - (1) Assume no obligation, make no payment or incur no expense without our consent, except at the *insured's* own cost.
 - (2) Immediately send us copies of any request, demand, order, notice, summons or legal paper received concerning the claim or *suit*.
 - (3) Cooperate with us in the investigation or settlement of the claim or defense against the *suit*.
 - (4) Authorize us to obtain medical records or other pertinent information.
 - (5) Submit to examination, at our expense, by physicians of our choice, as often as we reasonably require.
- c. If there is *loss* to a covered *auto* or its equipment, you must also do the following:
 - (1) Promptly notify the police if the covered *auto* or any of its equipment is stolen.
 - (2) Take all reasonable steps to protect the covered *auto* from further damage. Also keep a record of your expenses for consideration in the settlement of the claim.
 - (3) Permit us to inspect the covered *auto* and records proving the *loss* before its repair or disposition.
 - (4) Agree to examinations under oath at our request and give us a signed statement of your answers.

3. Legal Action Against Us

No one may bring a legal action against us under this coverage form until:

- a. There has been full compliance with all the terms of this coverage form; and
 - b. Under Liability coverage, we agree in writing that the *insured* has an obligation to pay or until the amount of that obligation has finally been determined by judgment after trial. No one has the right under this policy to bring us into an action to determine the *insured's* liability.
4. Loss Payment - Physical Damage Coverages

At our option, we may:

- a. Pay for, repair or replace damaged or stolen property;
- b. Return the stolen property at our expense. We will pay for any damage that results to the *auto* from the theft; or
- c. Take all or any part of the damaged or stolen property at an agreed or appraised value.

If we pay for the *loss*, our payment will include the applicable sales tax for the damaged or stolen property.

5. Transfer of Rights of Recovery Against Others to Us

If any person or organization to or for whom we make payment under this coverage form has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after *accident* or *loss* to impair them.

B. GENERAL CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the *insured* or the *insured's* estate will not relieve us of any obligations under this coverage form.

2. Concealment, Misrepresentation or Fraud

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

- a. This coverage form;
- b. The covered *auto*;
- c. Your interest in the covered *auto*; or
- d. A claim under this coverage form.

3. Liberalization

If we revise this coverage form to provide more coverage without additional premium charge, your policy will automatically provide the additional coverage as of the day the revision is effective in your state.

4. No Benefit to Bailee - Physical Damage Coverages

We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this coverage form.

5. Other Insurance

a. For any covered *auto* you own, this coverage form provides primary insurance. For any covered *auto* you do not own, the insurance provided by this coverage form is excess over any other collectible insurance. However, while a covered *auto* which is a *trailer* is connected to another vehicle, the Liability Coverage this coverage form provides for the *trailer* is:

- (1) Excess while it is connected to a motor vehicle you do not own; or
- (2) Primary while it is connected to a covered *auto* you own.

b. For Hired Auto Physical Damage Coverage, any covered *auto* you lease, hire, rent or borrow is deemed to be a covered *auto* you own. However, any *auto* that is leased, hired, rented or borrowed with a driver is not a covered *auto*.

c. Regardless of the provisions of paragraph a above, this coverage form's Liability Coverage is primary for any liability assumed under an *insured contract*.

d. When this coverage form and any other coverage form or policy covers on the same basis, either excess or primary, we will pay only our share. Our share is the proportion that the Limit of Insurance of our coverage form bears to the total of the limits of all the coverage forms and policies covering on the same basis.

6. Premium Audit

a. The estimated premium for this coverage form is based on the exposures you told us you would have when this policy began. We will compute the final premium due when we determine your actual exposures. The estimated total premium will be credited against the final premium due and the First Named Insured will be billed for the balance, if any. The due date for the final premium or retrospective premium is the date shown as the due date on the bill. If the estimated total premium exceeds the final premium due, the First Named Insured will get a refund.

b. If this policy is issued for more than one year, the premium for this coverage form will be computed annually based on our rates or premiums in effect at the beginning of each year of the policy.

7. Policy Period, Coverage Territory

a. Under this coverage form, we cover *accidents* and *losses* occurring:

- (1) During the policy period shown in the Declarations; and
- (2) Within the coverage territory.

b. The coverage territory is:

- (1) The United States of America;
- (2) The territories and possessions of the United States of America;
- (3) Puerto Rico;
- (4) Canada; and
- (5) Anywhere in the world if a covered *auto* of the private passenger type is leased, hired, rented or borrowed without a driver for a period of 30 days or less,

provided that the *insured's* responsibility to pay damages is determined in a *suit* on the merits, in the United States of America, the territories and possessions of the United States of America, Puerto Rico, or Canada or in a settlement we agree to.

c. We also cover *loss* to, or *accidents* involving, a covered *auto* while being transported between any of these places.

8. Two or More Coverage Forms or Policies Issued by Us

If this coverage form and any other coverage form or policy issued to you by us or any company affiliated with us applies to the same *accident*, the aggregate maximum Limit of Insurance under all the coverage forms or policies shall not exceed the highest applicable Limit of Insurance under any one coverage form or policy. This condition does not apply to any coverage form or policy issued by us or an affiliated company specifically to apply as excess insurance over this coverage form.

SECTION V - DEFINITIONS

A. "Accident" includes continuous or repeated exposure to the same conditions resulting in *bodily injury* or *property damage*.

B. "Auto" means:

- 1. A land motor vehicle, *trailer* or semitrailer designed for travel on public roads; or
- 2. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

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

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

D. "Covered pollution cost or expense" means any cost or expense arising out of:

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

Covered pollution cost or expense does not include any cost or expense arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of *pollutants*:

- a. That are, or that are contained in any property that is:
 - (1) Being transported or towed by, handled, or handled for movement into, onto or from the covered *auto*;

(2) Otherwise in the course of transit by or on behalf of the *insured*; or

(3) Being stored, disposed of, treated or processed in or upon the covered *auto*;

b. Before the *pollutants* or any property in which the *pollutants* are contained are moved from the place where they are accepted by the *insured* for movement into or onto the covered *auto*; or

c. After the *pollutants* or any property in which the *pollutants* are contained are moved from the covered *auto* to the place where they finally are delivered, disposed of or abandoned by the *insured*.

Paragraph a above does not apply to fuels, lubricants, fluids, exhaust gases or other similar *pollutants* that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered *auto* or its parts, if:

(1) The *pollutants* escape, seep, migrate, or are discharged, dispersed or released directly from an *auto* part designed by its manufacturer to hold, store, receive or dispose of such *pollutants*; and

(2) The *bodily injury*, *property damage* or *covered pollution cost or expense* does not arise out of the operation of any equipment listed in paragraphs 6b or 6c of the definition of *mobile equipment*.

Paragraphs b and c above do not apply to *accidents* that occur away from premises owned by or rented to an *insured* with respect to *pollutants* not in or upon a covered *auto* if:

(1) The *pollutants* or any property in which the *pollutants* are contained are upset, overturned or damaged as a result of the maintenance or use of a covered *auto*; and

(2) The discharge, dispersal, seepage, migration, release or escape of the *pollutants* is caused directly by such upset, overturn or damage.

- E. "*Diminution in value*" means the actual or perceived loss in market value or resale value which results from a direct or accidental *loss*.
- F. "*Employee*" includes a *leased worker*. *Employee* does not include a *temporary worker*.
- G. "*Insured*" means any person or organization qualifying as an *insured* in the Who Is an Insured provision of the applicable coverage. Except with respect to the Limit of Insurance, the coverage afforded applies separately to each *insured* who is seeking coverage or against whom a claim or *suit* is brought.
- H. "*Insured contract*" means:
1. A lease of premises;
 2. A sidetrack agreement;
 3. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
 4. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
 5. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another to pay for *bodily injury* or *property damage* to a third party or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement; or
 6. That part of any contract or agreement entered into, as part of your business, pertaining to the rental or lease, by you or any of your *employees*, of any *auto*. However, such contract or agreement shall not be considered an *insured contract* to the extent that it obligates you or any of your *employees* to pay for *property damage* to any *auto* rented or leased by you or any of your *employees*.
- An *insured contract* does not include that part of any contract or agreement:
1. That indemnifies a railroad for *bodily injury* or *property damage* arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
 2. That pertains to the loan, lease or rental of an *auto* to you or any of your *employees*, if the *auto* is loaned, leased or rented with a driver; or
3. That holds a person or organization engaged in the business of transporting property by *auto* for hire harmless for your use of a covered *auto* over a route or territory that person or organization is authorized to serve by public authority.
- I. "*Leased worker*" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm to perform duties related to the conduct of your business. *Leased worker* does not include a *temporary worker*.
- J. "*Loss*" means direct and accidental loss or damage.
- K. "*Mobile equipment*" means any of the following types of land vehicles, including any attached machinery or equipment:
1. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
 2. Vehicles maintained for use solely on or next to premises you own or rent;
 3. Vehicles that travel on crawler-treads;
 4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - a. Power cranes, shovels, loaders, diggers or drills; or
 - b. Road construction or resurfacing equipment such as graders, scrapers or rollers;
 5. Vehicles not described in paragraph 1, 2, 3 or 4 above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - a. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well-servicing equipment; or
 - b. Cherry pickers and similar devices used to raise or lower workers; or
 6. Vehicles not described in paragraph 1, 2, 3 or 4 above maintained primarily for purposes other than the transportation of persons or cargo. However, self-propelled vehicles with the following types of permanently attached equipment are not *mobile equipment* but will be considered *autos*:
 - a. Equipment designed primarily for:
 - (1) Snow removal;
 - (2) Road maintenance, but not construction or resurfacing; or
 - (3) Street cleaning.

- b. Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- c. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting or well-servicing equipment.

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

- L. "*Pollutants*" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- M. "*Property damage*" means damage to or loss of use of tangible property.

N. "*Suit*" means a civil proceeding in which:

1. Damages because of *bodily injury* or *property damage*; or
2. A *covered pollution cost or expense*; to which this insurance applies are alleged.

Suit includes:

1. An arbitration proceeding in which such damages or *covered pollution costs or expenses* are claimed and to which the *insured* must submit or does submit with our consent; or
2. Any other alternative dispute resolution proceeding in which such damages or *covered pollution costs or expenses* are claimed and to which the *insured* submits with our consent.

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

P. "*Trailer*" includes semitrailer.

For a covered *auto* licensed or principally garaged in, or *garage operations* conducted in, Idaho, this endorsement modifies insurance provided under the following.

BUSINESS AUTO COVERAGE PART
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. Changes in Physical Damage Condition

When this Physical Damage Coverage applies to a *loaned vehicle* that you do not own, the following applies with respect to such *loaned vehicle*:

1. The Limits Of Insurance Provision in paragraph C1 of the Business Auto Coverage Form and the Garage Coverage Form and paragraphs C1 and C2 of the Motor Carrier Coverage Form is replaced by the following:
 - a. The most we will pay for:
 - (1) *Loss* to a covered *loaned vehicle* is the lesser of:
 - (a) The reasonable cost of repairing the *loaned vehicle* with other property of like kind and quality; or
 - (b) The owner's actual cost to replace the *loaned vehicle* with other property of like kind and quality.
2. The Limits Of Insurance Provision in paragraph C2 of the Business Auto and Garage Coverage Form and in paragraph C3 of the Motor Carrier Coverage Form does not apply to a *loaned vehicle*.

B. Changes In Conditions

The Other Insurance Condition in the Business Auto and Garage Coverage Forms and the Other Insurance - Primary And Excess Insurance Provisions in the Truckers Endorsement and Motor Carrier Coverage Form are revised by the addition of the following:

1. When this coverage form and any other coverage form or policy providing liability and/or physical damage insurance apply with respect to an *accident* or *loss* involving a *loaned vehicle* and:
 - a. One provides coverage to a licensed seller or dealer that owns the *loaned vehicle*; and
 - b. The other provides coverage to the operator of the *loaned vehicle*; and
 - c. At the time of such *accident* or *loss*, the operator's liability and/or physical damage insurance as described in paragraph b is primary and the licensed seller or dealer's liability and/or physical damage insurance described in paragraph a is excess over any insurance available to that operator.

C. Additional Definitions

As used in this endorsement:

"*Loaned vehicle*" means a motor vehicle which is provided for temporary use without charge to the operator by a licensed seller or dealer for the purpose of demonstrating the vehicle to the operator as a prospective purchaser, or as a convenience to the operator during the repairing or servicing of a motor vehicle for the operator, regardless of whether such repair or service is performed by the owner of the loaned vehicles or by some other person or business.

This endorsement modifies insurance provided under the following:

UNINSURED MOTORISTS COVERAGE

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

Paragraph 1 of the Limit Of Insurance provision in the Uninsured Motorists Coverage endorsement applicable to *bodily injury* is replaced by the following:

1. Regardless of the number of covered *autos*, *insureds*, premiums paid, claims made or vehicles involved in the *accident*, the limit of insurance is as follows:
 - a. The most we will pay for all damages resulting from *bodily injury* to any one person caused by any one *accident*, including all damages claimed by any person or organization for care, loss of services or death resulting from the *bodily injury*, is the limit of *Bodily Injury* shown in the Declarations for each person.
 - b. Subject to the limit for each person, the most we will pay for all damages resulting from *bodily injury* caused by any one *accident* is the limit of *Bodily Injury* shown in the Declarations for each *accident*.

SPLIT BODILY INJURY UNDERINSURED MOTORISTS
COVERAGE LIMITS

CA-2151F(10-13)

This endorsement modifies insurance provided under the following:

UNDERINSURED MOTORISTS COVERAGE

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by this endorsement.

Paragraph 1 of the Limit of Insurance provision in the Underinsured Motorists Coverage endorsement applicable to *bodily injury* is replaced by the following:

1. Regardless of the number of covered *autos, insureds*, premiums paid, claims made or vehicles involved in the *accident*, the limit of insurance is as follows:

- a. The most we will pay for all damages resulting from *bodily injury* to any one person caused by any one *accident*, including all damages claimed by any person or organization for care, loss of services or death resulting from the *bodily injury*, is the limit of *Bodily Injury* shown in the Declarations for each person.
- b. Subject to the limit for each person, the most we will pay for all damages resulting from *bodily injury* caused by any one *accident* is the limit of *Bodily Injury* shown in the Declarations for each *accident*.

PUBLIC OR LIVERY PASSENGER CONVEYANCE AND
ON-DEMAND DELIVERY SERVICES EXCLUSION

CA-2345F(11-16)

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. Changes In Liability Coverage

The following exclusion is added:

Public Or Livery Passenger Conveyance
And On-demand Delivery Services

This insurance does not apply to any covered *auto* while being used:

1. As a public or livery conveyance for passengers. This includes, but is not limited to, any period of time a covered *auto* is being used by an *insured* who is logged into a *transportation network platform* as a driver, whether or not a passenger is *occupying* the covered *auto*; or
2. By an *insured* who is logged into a *transportation network platform* or *delivery network platform* as a driver to provide *delivery services*, whether or not the goods, items or products to be delivered are in the covered *auto*.

B. Changes In Physical Damage Coverage

The following exclusion is added:

We will not pay for *loss* to any covered *autos* while being used:

1. As a public or livery conveyance for passengers. This includes, but is not limited to, any period of time a covered *auto* is being used by an *insured* who is logged into a *transportation network platform* as a driver, whether or not a passenger is *occupying* the covered *auto*; or
2. By an *insured* who is logged into a *transportation network platform* or *delivery network platform* as a driver to provide *delivery services*, whether or not the goods, items or products to be delivered are in the covered *auto*.

C. Changes In Auto Medical Payments

If Auto Medical Payments Coverage is attached, then the following exclusion is added:

Public Or Livery Passenger Conveyance and
On-demand Delivery Services

This insurance does not apply to:

Bodily injury sustained by an *insured* *occupying* a covered *auto* while it is being used:

1. As a public or livery conveyance for passengers. This includes, but is not limited to, any period of time a covered *auto* is being used by an *insured* who is logged into a *transportation network platform* as a driver, whether or not a passenger is *occupying* the covered *auto*; or
2. By an *insured* who is logged into a *transportation network platform* or *delivery network platform* as a driver to provide *delivery services*, whether or not the goods, items or products to be delivered are in the covered *auto*.

D. Changes In Uninsured And/Or Underinsured Motorists Coverage

1. If Uninsured and/or Underinsured Motorists Coverage is attached, and:
 - a. Contains, in whole or in part, a public or livery exclusion, then the following exclusion in Paragraph 2 does not apply.
 - b. Does not contain a public or livery exclusion, then the following exclusion in Paragraph 2 is added.

2. Public Or Livery Passenger Conveyance
And On-demand Delivery Services

This insurance does not apply to any covered *auto* while being used:

- a. As a public or livery conveyance for passengers. This includes, but is not limited to, any period of time a covered *auto* is being used by an *insured* who is logged into a *transportation network platform* as a driver, whether or not a passenger is *occupying* the covered *auto*; or
- b. By an *insured* who is logged into a *transportation network platform* or *delivery network platform* as a driver to provide *delivery services*, whether or not the goods, items or products to be delivered are in the covered *auto*.

E. Changes In Personal Injury Protection Coverage

1. If Personal Injury Protection, no-fault or other similar coverage is attached, and:
 - a. Contains, in whole or in part, a public or livery exclusion, then the following exclusion in Paragraph 2 does not apply.
 - b. Does not contain a public or livery exclusion, then the following exclusion in Paragraph 2 is added.
2. Public Or Livery Passenger Conveyance
And On-demand Delivery Services

This insurance does not apply to any covered *auto* while being used:

- a. As a public or livery conveyance for passengers. This includes, but is not limited to, any period of time a covered *auto* is being used by an *insured* who is logged into a *transportation network platform* as a driver, whether or not a passenger is *occupying* the covered *auto*; or
- b. By an *insured* who is logged into a *transportation network platform* or *delivery network platform* as a driver to provide *delivery services*, whether or not the goods, items or products to be delivered are in the covered *auto*.

F. Additional Definitions

As used in this endorsement:

1. "*Delivery network platform*" means an on-

line-enabled application or digital network, used to connect customers:

- a. With drivers; or
 - b. With local vendors using drivers;
- for the purpose of providing prearranged *delivery services* for compensation. A *delivery network platform* does not include a *transportation network platform*.
2. "*Delivery services*" includes courier services.
 3. "*Occupying*" means in, upon, getting in, on, out or off.
 4. "*Transportation network platform*" means an online-enabled application or digital network used to connect passengers with drivers using vehicles for the purpose of providing prearranged transportation services for compensation.

EXCLUSION OF TERRORISM

CA-2384F(10-13)

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. The following definitions are added and apply under this endorsement wherever the term terrorism, or the phrase any injury, damage, loss or expense, is shown in italics:

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

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

- (1) Use or threat of force or violence; or
- (2) Commission or threat of a dangerous act; or
- (3) Commission or threat of an act that interferes with or disrupts an electronic, communication, information or mechanical system; and

b. When one or both of the following apply:

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

2. "*Any injury, damage, loss or expense*" means any injury, damage, loss or expense covered under any Coverage Form or Policy to which this endorsement is applicable, and includes but is not limited to *bodily injury, property damage, personal injury, personal and advertising injury, loss, loss of use, rental reimbursement after loss or covered pollution cost or expense*, as may be defined under this Coverage Form, Policy or any applicable endorsement.

B. Except with respect to Physical Damage Coverage, Trailer Interchange Coverage, Garagekeepers Coverage or Garagekeepers Coverage - Customers' Sound Receiving Equipment, the

following exclusion is added:

Exclusion Of Terrorism

We will not pay for *any injury, damage, loss or expense* caused directly or indirectly by *terrorism*, including action in hindering or defending against an actual or expected incident of *terrorism*. *Any injury, damage, loss or expense* is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such injury, damage, loss or expense. But this exclusion applies only when one or more of the following are attributed to an incident of *terrorism*:

1. The *terrorism* is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
2. Radioactive material is released, and it appears that one purpose of the *terrorism* was to release such material; or
3. The *terrorism* is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the *terrorism* was to release such materials; or
5. The total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the *terrorism* and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or
6. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
 - a. Physical injury that involves a substantial risk of death; or
 - b. Protracted and obvious physical disfigurement; or
 - c. Protracted loss of or impairment of the function of a bodily member or organ.

Multiple incidents of *terrorism* which occur within a 72-hour period and appear to be carried

out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the thresholds in Paragraphs B5 and B6 are exceeded.

With respect to this exclusion, Paragraphs B5 and B6 describe the thresholds used to measure the magnitude of an incident of *terrorism* and the circumstances in which the threshold will apply, for the purpose of determining whether this exclusion will apply to that incident. When the exclusion applies to an incident of *terrorism*, there is no coverage under this Coverage Form, Policy or any applicable endorsement.

- C. With respect to Physical Damage Coverage, Trailer Interchange Coverage, Garagekeepers Coverage or Garagekeepers Coverage - Customers' Sound Receiving Equipment, the following exclusion is added:

Exclusion Of Terrorism

We will not pay for any *loss*, loss of use or rental reimbursement after *loss* caused directly or indirectly by *terrorism*, including action in hindering or defending against an actual or expected incident of *terrorism*. But this exclusion applies only when one or more of the following are attributed to an incident of *terrorism*:

1. The *terrorism* is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
2. Radioactive material is released, and it appears that one purpose of the *terrorism* was to release such material; or
3. The *terrorism* is carried out by means of the dispersal or application of pathogenic or poi-

sonous biological or chemical materials; or

4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the *terrorism* was to release such materials; or
5. The total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the *terrorism* and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions.

Multiple incidents of *terrorism* which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the threshold in Paragraph C5 is exceeded.

With respect to this exclusion, Paragraph C5 describes the threshold used to measure the magnitude of an incident of *terrorism* and the circumstances in which the threshold will apply, for the purpose of determining whether this exclusion will apply to that incident. When the exclusion applies to an incident of *terrorism*, there is no coverage under this Coverage Form, Policy or any applicable endorsement.

- D. In the event of any incident of *terrorism* that is not subject to the exclusion in Paragraph B or C, coverage does not apply to *any injury, damage, loss or expense* that is otherwise excluded under this Coverage Form, Policy or any applicable endorsement.

For a covered *auto* licensed or principally garaged in, or *garage operations* conducted in, Idaho, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. COVERAGE

1. We will pay all sums the *insured* is legally entitled to recover as compensatory damages from the owner or driver of an *uninsured motor vehicle*. The damages must result from *bodily injury* sustained by the *insured* caused by an *accident*. The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the *uninsured motor vehicle*.
2. Any judgment for damages arising out of a *suit* brought without our written consent is not binding on us.

B. WHO IS AN INSURED

If the Named Insured is designated in the Declarations as:

1. An individual, then the following are *insureds*:
 - a. The Named Insured and any *family members*.
 - b. Anyone else *occupying* a covered *auto* or a temporary substitute for a covered *auto*. The covered *auto* must be out of service because of its breakdown, repair, servicing, *loss* or destruction.
 - c. Anyone for damages he or she is entitled to recover because of *bodily injury* sustained by another *insured*.
2. A partnership, limited liability company, corporation or any other form of organization, then the following are *insureds*:
 - a. Anyone *occupying* a covered *auto* or a temporary substitute for a covered *auto*. The covered *auto* must be out of service because of its breakdown, repair, servicing, *loss* or destruction.
 - b. Anyone for damages he or she is entitled to recover because of *bodily injury* sustained by another *insured*.

C. EXCLUSIONS

This insurance does not apply to any of the following:

1. Any claim settled without our consent, if the settlement or judgment prejudices our right to recover payment.
2. The direct or indirect benefit of any insurer or self-insurer under any workers' compensation, disability benefits or similar law.
3. *Bodily injury* sustained by:
 - a. An individual Named Insured while *occupying* or when struck by any vehicle owned by that Named Insured that is not a covered *auto* for Uninsured Motorists Coverage under this Coverage Form;
 - b. Any *family member* while *occupying* or when struck by any vehicle owned by that *family member* that is not a covered *auto* for Uninsured Motorists Coverage under this Coverage Form; or
 - c. Any *family member* while *occupying* or when struck by any vehicle owned by the Named Insured that is insured for Uninsured Motorists Coverage on a primary basis under any other Coverage Form or policy.
4. Any *insured* using a vehicle without a reasonable belief that the person is entitled to do so.
5. Punitive or exemplary damages.
6. *Bodily injury* arising directly or indirectly out of:
 - a. War, including undeclared or civil war;
 - b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
 - c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

D. LIMIT OF INSURANCE

1. Regardless of the number of covered *autos*, *insureds*, premiums paid, claims made or vehicles involved in the *accident*, the most we will pay for all damages resulting from any one *accident* is the Limit of Insurance for Uninsured Motorists Coverage shown in the Declarations.
2. No one will be entitled to receive duplicate payments for the same elements of *loss*

under this Coverage and any Liability Coverage Form, Medical Payments Coverage Endorsement or Underinsured Motorists Coverage Endorsement.

We will not make a duplicate payment under this Coverage for any element of *loss* for which payment has been made by or for anyone who is legally responsible.

We will not pay for any element of *loss* if a person is entitled to receive payment for the same element of *loss* under any workers' compensation, disability benefits or similar law.

E. CHANGES IN CONDITIONS

The conditions are changed for Idaho Uninsured Motorists Coverage as follows:

1. Other Insurance in the Business Auto and Garage Coverage Forms and Other Insurance - Primary And Excess Insurance Provisions in the Truckers and Motor Carrier Coverage Forms are replaced by the following:

If there is other applicable insurance available under one or more policies or provisions of coverage:

- a. The maximum recovery under all coverage forms or policies combined may equal but not exceed the highest applicable limit for any one vehicle under any coverage form or policy providing coverage on either a primary or excess basis.
- b. Any insurance we provide with respect to a vehicle the Named Insured does not own shall be excess over any other collectible uninsured motorists insurance providing coverage on a primary basis.
- c. If the coverage under this coverage form is provided:

- (1) On a primary basis, we will pay only our share of the loss that must be paid under insurance providing coverage on a primary basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on a primary basis.

- (2) On an excess basis, we will pay only our share of the loss that must be paid under insurance providing coverage on an excess basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on an excess basis.

2. Duties In The Event Of Accident, Claim,

Suit Or Loss is changed by adding the following:

- a. Promptly notify the police if a hit-and-run driver is involved, and
 - b. Promptly send us copies of the legal papers if a *suit* is brought.
3. Transfer Of Rights Of Recovery Against Others To Us is changed by adding the following:

If we make any payment and the *insured* recovers from another party, the *insured* shall hold the proceeds in trust for us and pay us back the amount we have paid.

4. The following condition is added:

Arbitration

- a. If we and an *insured* disagree whether the *insured* is legally entitled to recover damages from the owner or driver of an *uninsured motor vehicle* or do not agree as to the amount of damages that are recoverable by that *insured*, then the matter may be arbitrated. However, disputes concerning coverage under this endorsement may not be arbitrated. Both parties must agree to arbitration. If so agreed, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction. Each party will pay the expenses it incurs and bear the expenses of the third arbitrator equally.
- b. Unless both parties agree otherwise, arbitration will take place in the county in which the *insured* lives. Local rules of law as to arbitration procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding.

F. ADDITIONAL DEFINITIONS

As used in this endorsement:

1. "*Family member*" means a person related to an individual Named Insured by blood, marriage or adoption who is a resident of such Named Insured's household, including a ward or foster child.
2. "*Occupying*" means in, upon, getting in, on, out or off.
3. "*Uninsured motor vehicle*" means a land motor vehicle or *trailer*:
 - a. For which no liability bond or policy at the time of an *accident* provides at least the amounts required by the applicable law where a covered *auto* is principally garaged;
 - b. For which an insuring or bonding com-

pany denies coverage or is or becomes insolvent; or

- c. That is a hit-and-run vehicle and neither the driver nor owner can be identified. The vehicle must hit an *insured*, a covered *auto* or a vehicle an *insured* is occupying.

However, *uninsured motor vehicle* does not include any vehicle:

- a. Owned or operated by a self-insurer

under any applicable motor vehicle law, except a self-insurer who is or becomes insolvent and cannot provide the amounts required by that motor vehicle law;

- b. Owned by a governmental unit or agency; or
- c. Designed for use mainly off public roads while not on public roads.

For a covered *auto* licensed or principally garaged in, or *garage operations* conducted in, Idaho, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the coverage form apply unless modified by the endorsement.

A. COVERAGE

1. We will pay all sums the *insured* is legally entitled to recover as compensatory damages from the owner or driver of an *underinsured motor vehicle*. The damages must result from *bodily injury* sustained by the *insured* caused by an *accident*. The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the *underinsured motor vehicle*.
2. Any judgment for damages arising out of a *suit* brought without our written consent is not binding on us.

B. WHO IS AN INSURED

If the Named Insured is designated in the Declarations as:

1. An individual, then the following are *insureds*:
 - a. The Named Insured and any *family members*.
 - b. Anyone else *occupying* a covered *auto* or a temporary substitute for a covered *auto*. The covered *auto* must be out of service because of its breakdown, repair, servicing, *loss* or destruction.
 - c. Anyone for damages he or she is entitled to recover because of *bodily injury* sustained by another *insured*.
2. A partnership, limited liability company, corporation or any other form of organization, then the following are *insureds*:
 - a. Anyone *occupying* a covered *auto* or a temporary substitute for a covered *auto*. The covered *auto* must be out of service because of its breakdown, repair, servicing, *loss* or destruction.
 - b. Anyone for damages he or she is entitled to recover because of *bodily injury* sustained by another *insured*.

C. EXCLUSIONS

This insurance does not apply to any of the following:

1. The direct or indirect benefit of any insurer or self-insurer under any workers' compensation, disability benefits or similar law.
2. *Bodily injury* sustained by:
 - a. An individual Named Insured while *occupying* or when struck by any vehicle owned by that Named Insured that is not a covered *auto* for Underinsured Motorists Coverage under this coverage form;
 - b. Any *family member* while *occupying* or when struck by any vehicle owned by that *family member* that is not a covered *auto* for Underinsured Motorists Coverage under this coverage form; or
 - c. Any *family member* while *occupying* or when struck by any vehicle owned by the Named Insured that is insured for Underinsured Motorists Coverage on a primary basis under any other coverage form or policy.
3. Any *insured* using a vehicle without a reasonable belief that the person is entitled to do so.
4. Punitive or exemplary damages.
5. *Bodily injury* arising directly or indirectly out of:
 - a. War, including undeclared or civil war;
 - b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
 - c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

D. LIMIT OF INSURANCE

1. Regardless of the number of covered *autos*, *insureds*, premiums paid, claims made or vehicles involved in the *accident*, the most we will pay for all damages resulting from any one *accident* is the Limit of Insurance for Underinsured Motorists Coverage shown in the Declarations.
2. No one will be entitled to receive duplicate payments for the same elements of *loss* under this coverage and any Liability Coverage Form, Medical Payments Coverage Endorsement or Uninsured Motorists Coverage Endorsement.

We will not make a duplicate payment under this coverage for any element of *loss* for which payment has been made by or for

anyone who is legally responsible.

We will not pay for any element of *loss* if a person is entitled to receive payment for the same element of *loss* under any workers' compensation, disability benefits or similar law.

3. We will reduce the *insured's* total damages by any amount available to that *insured* under any bodily injury liability bonds or policies applicable to the *underinsured motor vehicle* that such *insured* did not recover as a result of a settlement between that *insured* and the insurer of an *underinsured motor vehicle*. However, any reduction of the *insured's* total damages will not reduce the limit of liability for this coverage.

E. CHANGES IN CONDITIONS

The Conditions are changed for Idaho Underinsured Motorists Coverage as follows:

1. Other Insurance in the Business Auto and Garage Coverage Forms and Other Insurance - Primary And Excess Insurance Provisions in the Truckers and Motor Carrier Coverage Forms are replaced by the following:

If there is other applicable insurance available under one or more policies or provisions of coverage:

- a. The maximum recovery under all coverage forms or policies combined may equal but not exceed the highest applicable limit for any one vehicle under any coverage form or policy providing coverage on either a primary or excess basis.
- b. Any insurance we provide with respect to a vehicle the Named Insured does not own shall be excess over any other collectible underinsured motorists insurance providing coverage on a primary basis.
- c. If the coverage under this coverage form is provided:
 - (1) On a primary basis, we will pay only our share of the loss that must be paid under insurance providing coverage on a primary basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on a primary basis.
 - (2) On an excess basis, we will pay only our share of the loss that must be paid under insurance providing coverage on an excess basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for cov-

erage on an excess basis.

2. Duties In The Event Of Accident, Claim, Suit Or Loss is changed by adding the following:

- a. Promptly notify the police if a hit-and-run driver is involved, and
- b. Promptly send us copies of the legal papers if a *suit* is brought; and
- c. A person seeking Underinsured Motorists Coverage must also promptly notify us in writing of a tentative settlement between the *insured* and the insurer of the *underinsured motor vehicle* and allow us to advance payment to that *insured* in an amount equal to the tentative settlement within 30 days after receipt of notification to preserve our rights against the insurer, owner or operator of such *underinsured motor vehicle*.

3. Transfer Of Rights Of Recovery Against Others To Us is changed by adding the following:

If we make any payment and the *insured* recovers from another party, the *insured* shall hold the proceeds in trust for us and pay us back the amount we have paid.

Our rights do not apply under this provision with respect to damages caused by an *accident* with an *underinsured motor vehicle* if we:

- a. Have been given prompt written notice of a tentative settlement between an *insured* and the insurer of an *underinsured motor vehicle*; and
- b. Fail to advance payment to the *insured* in an amount equal to the tentative settlement within 30 days after receipt of notification.

If we advance payment to the *insured* in an amount equal to the tentative settlement within 30 days after receipt of notification:

- a. That payment will be separate from any amount the *insured* is entitled to recover under the provisions of Underinsured Motorists Coverage; and
- b. We also have a right to recover the advanced payment.

4. The following condition is added:

Arbitration

- a. If we and an *insured* disagree whether the *insured* is legally entitled to recover damages from the owner or driver of an *underinsured motor vehicle* or do not agree as to the amount of damages that are recoverable by that *insured*,

then the matter may be arbitrated. However, disputes concerning coverage under this endorsement may not be arbitrated. Both parties must agree to arbitration. If so agreed, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction. Each party will pay the expenses it incurs and bear the expenses of the third arbitrator equally.

- b. Unless both parties agree otherwise, arbitration will take place in the county in which the *insured* lives. Local rules of law as to arbitration procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding.

F. ADDITIONAL DEFINITIONS

As used in this endorsement:

1. "*Family member*" means a person related to

an individual Named Insured by blood, marriage or adoption who is a resident of such Named Insured's household, including a ward or foster child.

2. "*Occupying*" means in, upon, getting in, on, out or off.
3. "*Underinsured motor vehicle*" means a land motor vehicle or *trailer* for which the sum of all liability bonds or policies at the time of an *accident* provides at least the amounts required by the applicable law where a covered *auto* is principally garaged but the sum is less than the Limit of Insurance of this coverage.

However, *underinsured motor vehicle* does not include any vehicle:

- a. Owned by a governmental unit or agency; or
- b. Designed for use mainly off public roads while not on public roads.

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

The Liability Coverage Limit of Insurance is replaced by the following:

LIMIT OF INSURANCE

1. Regardless of the number of covered *autos, insureds*, premiums paid, claims made or vehicles involved in the *accident*, the Limits of Insurance are as follows:

a. The most we will pay for the total of all damages and *covered pollution cost or expense* combined, resulting from *bodily injury* to any one person caused by any one *accident*, including all damages

claimed by any one person or organization for care, loss of services or death resulting from the *bodily injury*, is the *Bodily Injury Each Person* Limit of Insurance shown in the Declarations.

b. Subject to the each person limit in a above, the most we will pay for the total of all damages and *covered pollution cost or expense* combined, resulting from *bodily injury* caused by any one *accident* is the *Bodily Injury Each Accident* Limit of Insurance shown in the Declarations.

c. The most we will pay for the total of all damages and *covered pollution cost or expense* combined, resulting from *property damage* caused by any one *accident* is the *Property Damage Each Accident* Limit of Insurance shown in the Declarations.

2. All *bodily injury, property damage* and *covered pollution cost or expense* resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one *accident*.

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

A. CANCELLATION

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

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

- a. Ten days before the effective date of cancellation if we cancel for nonpayment of premium; or
- b. Thirty days before the effective date of cancellation if we cancel for any other reason.

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

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

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

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

B. CHANGES

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

C. EXAMINATION OF YOUR BOOKS AND RECORDS

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

D. INSPECTIONS AND SURVEYS

1. We have the right to:

- a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and
- c. Recommend changes.

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

- a. Are safe or healthful; or
- b. Comply with laws, regulations, codes or standards.

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

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

E. PREMIUMS

The First Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

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

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

This endorsement modifies insurance provided under the following:

- COMMERCIAL AUTO COVERAGE PART
- COMMERCIAL GENERAL LIABILITY COVERAGE PART
- DIRECTORS' AND OFFICERS' LIABILITY COVERAGE PART
- EMPLOYEE BENEFITS LIABILITY COVERAGE PART
- ERRORS AND OMISSIONS COVERAGE PART
- FARM COVERAGE PART
- LIQUOR LIABILITY COVERAGE FORM
- OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM
- POLLUTION LIABILITY COVERAGE FORM
- PRODUCT WITHDRAWAL COVERAGE PART
- PRODUCTS-COMPLETED OPERATIONS LIABILITY COVERAGE FORM
- RAILROAD PROTECTIVE LIABILITY COVERAGE FORM

1. The insurance does not apply:
 - a. Under any Liability Coverage to *bodily injury* or *property damage*:
 - (1) With respect to which an *insured* under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
 - (2) Resulting from the *hazardous properties* of *nuclear material* and with respect to which:
 - (a) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954 or any law amendatory thereof; or
 - (b) The insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
 - b. Under any Medical Payments coverage, to expenses incurred with respect to *bodily injury* resulting from the *hazardous properties* of *nuclear material* and arising out of the operation of a *nuclear facility* by any person or organization.
 - c. Under any Liability Coverage, to *bodily injury* or *property damage* resulting from the *hazardous properties* of *nuclear material*, if:
 - (1) The *nuclear material*:

- (a) Is at any *nuclear facility* owned by, or operated by or on behalf of, an *insured*; or
 - (b) Has been discharged or dispersed therefrom.
- (2) The *nuclear material* is contained in *spent fuel* or *waste* at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an *insured*; or
 - (3) The *bodily injury* or *property damage* arises out of the furnishing by an *insured* of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any *nuclear facility*, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to *property damage* to such *nuclear facility* and any property thereat.
2. As used in this endorsement:
 - a. "*Hazardous properties*" include radioactive, toxic or explosive properties.
 - b. "*Nuclear material*" means *source material*, *special nuclear material* or *byproduct material*.
 - c. "*Source material*," "*special nuclear material*" and "*byproduct material*" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.
 - d. "*Spent fuel*" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a *nuclear reactor*.
 - e. "*Waste*" means any waste material:
 - (1) Containing *byproducts material* other than the tailings or *wastes* produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its *source material* content; and
 - (2) Resulting from the operation by any person or organization of any *nuclear facility* included under the first two paragraphs of the definition of *nuclear facility*.
 - f. "*Nuclear facility*" means:
 - (1) Any *nuclear reactor*;
 - (2) Any equipment or device designed or used for:
 - (a) Separating the isotopes of uranium or plutonium;
 - (b) Processing or utilizing *spent fuel*; or

- (c) Handling, processing or packaging *waste*.
- (3) Any equipment or device used for the processing, fabricating or alloying of *special nuclear material* if at any time the total amount of such material in the custody of the *insured* at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235.
- (4) Any structure, basin, excavation, prem-

ises or place prepared or used for the storage or disposal of *waste*;

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

- g. "*Nuclear reactor*" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.
- h. "*Property damage*" includes all forms of radioactive contamination of property.

This endorsement modifies insurance provided under the following:

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

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

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

2. Policies In Effect

a. 60 Days Or Less

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

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

b. More Than 60 Days

If this policy has been in effect for more than 60 days, or is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:

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

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

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

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

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

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

NONRENEWAL

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

rata at the rates applicable to the expiring policy.

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

C. The following Condition is added:

PREMIUM OR COVERAGE CHANGES AT RENEWAL

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

before the expiration or anniversary date of the policy.

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

ASBESTOS EXCLUSION

IL-7012(1-18)

This endorsement modifies insurance provided under the following:

- BIS-PAK® BUSINESS LIABILITY AND MEDICAL EXPENSE COVERAGE FORM
- COMMERCIAL AUTO COVERAGE PART
- COMMERCIAL GENERAL LIABILITY COVERAGE PART
- DIRECTORS' AND OFFICERS' LIABILITY COVERAGE PART
- EMPLOYEE BENEFITS LIABILITY COVERAGE PART
- ERRORS AND OMISSIONS COVERAGE PART
- GARAGE COVERAGE FORM
- LIQUOR LIABILITY COVERAGE FORM
- OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM
- POLLUTION LIABILITY COVERAGE FORM
- PRODUCT WITHDRAWAL COVERAGE PART

- PRODUCTS-COMPLETED OPERATIONS LIABILITY COVERAGE FORM
- RAILROAD PROTECTIVE LIABILITY COVERAGE FORM
- RESIDENTIAL CARE FACILITY LIABILITY COVERAGE PART

The following exclusion is added:

Asbestos

This insurance does not apply to any *bodily injury* or *property damage* arising out of activities related to, but not limited to, manufacture, mining, storage, distribution, installation, sale, use, exposure to, service, testing for, repair, containment or removal of asbestos, asbestos fibers, asbestos dust, or products containing asbestos.



COMMERCIAL EXCESS LIABILITY
COVERAGE PART

Declarations

First Named Insured and Address:

SUMMIT CONDOMINIUM PHASE II
PO BOX 2183
SUN VALLEY ID 83353

Agency Name and Number:

SENTRYWEST INSURANCE SERVICES
7427-AL

Policy Number: ZS7114

Policy Period: Effective Date: 10-01-23

Expiration Date: 10-01-24

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

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

COVERAGE FORMS AND ENDORSEMENTS APPLICABLE TO THIS COVERAGE PART

Table with 3 columns: Form Number, Form Title, Premium. Lists various coverage forms like Asbestos Exclusion, Nuclear Energy Liability Exclusion Endorsement, Commercial Excess Liability Coverage Form, etc.

PREMIUM SUMMARY

Table with 2 columns: Description, Amount. Shows Advance Premium \$500.00, Advance Endorsement Premium \$1.00, Total Advance \$501.00.

ADDITIONAL NAMED INSUREDS

WHO IS AN INSURED includes the following Additional Named Insureds:

NONE

LIMITS OF INSURANCE

General Aggregate	\$1,000,000
Products-Completed Operations Aggregate	\$1,000,000
Each Occurrence	\$1,000,000

PREMIUM COMPUTATION

Not Subject to Audit	
Estimated Advance Premium	\$500.00

SCHEDULE OF UNDERLYING INSURANCE - GENERAL LIABILITY

Policy Number: CG-ZS7114
 Name of Insurer: ACUITY, A Mutual Insurance Company
 Policy Period: 10-01-23 To 10-01-24

Occurrence Coverage

Limits or Amounts of Insurance

General Aggregate Limit (Other Than Products-Completed Operations)	\$3,000,000
Products-Completed Operations Aggregate Limit	\$3,000,000
Personal and Advertising Injury Limit (Any One Person or Organization)	\$1,000,000
Each Occurrence Limit	\$1,000,000

SCHEDULE OF UNDERLYING INSURANCE - AUTOMOBILE LIABILITY

Policy Number: CA-ZS7114
 Name of Insurer: ACUITY, A Mutual Insurance Company
 Policy Period: 10-01-23 To 10-01-24

Limits or Amounts of Insurance

Bodily Injury (Each Person)	\$1,000,000
Bodily Injury (Each Accident)	\$1,000,000
Property Damage (Each Accident)	\$1,000,000

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

Index of Policy Provisions

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COMMERCIAL EXCESS LIABILITY COVERAGE FORM

This policy contains both a Products-Completed Operations Aggregate Limit and a General Aggregate Limit of Insurance. These are described in Section II - Limit of Insurance.

Other provisions in this policy restrict coverage. Read the entire policy and any *underlying insurance* carefully to determine rights, duties and what is covered and not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a

Named Insured under any *underlying insurance*. The words "we," "us" and "our" refer to the Company providing this insurance.

The words "this insurance" mean the liability insurance provided under this policy.

The word "insured" means any person or organization qualifying as such under any *underlying insurance*.

Other words and phrases that appear in italics have special meaning. Refer to Section IV - Definitions of this policy.

SECTION I - COVERAGES

1. Insuring Agreement

- a. We will pay those sums, in excess of the amount payable under the terms of any *underlying insurance*, that the insured becomes legally obligated to pay as damages because of *injury* or damage to which this insurance applies, provided that the *underlying insurance* also applies, or would apply but for the exhaustion of its applicable Limits of Insurance.

We will also pay those sums that the insured becomes legally obligated to pay as damages because of *injury* or damage to which the insurance provided under the Coverage Extension applies as set forth in paragraph 4 below.

- b. We have the right to participate in the investigation or settlement of claims or the defense of the insured against suits seeking damages because of *injury* or damage to which this insurance may apply. We have a duty to investigate or settle such claims or to defend the insured against such suits when the applicable Limit of Insurance of the *underlying insurance* has been used up by payment of judgments, settlements and any cost or expense subject to such limit.

We will have the right and duty to participate in the investigation and settlement of claims or the defense of the insured against suits seeking damages because of *injury* or damage to which the insurance provided under the Coverage Extension may apply.

This right or duty to defend is limited as set forth in paragraph 3 below.

However, we will have no duty to defend the insured against any suit seeking damages for *injury* or damage to which this insurance does not apply.

- c. The amount we will pay for damages is limited as described in Section II - Limit of Insurance.
- d. This insurance is subject to the same terms,

conditions, agreements, exclusions and definitions as the *underlying insurance*, except:

- (1) We have no obligation under this insurance with respect to any claim or suit that is settled without our consent; and
- (2) With respect to any provisions to the contrary contained in this insurance.

2. Exclusions

The exclusions that apply to the *underlying insurance* apply to this insurance. Also, this insurance does not apply to damages because of:

- a. *Injury* or damage to premises rented to you or temporarily occupied by you with permission of the owner.
- b. Any duty to pay expenses under any medical payments coverage.
- c. Any duty to reimburse an insurer as provided by the terms of the Endorsement For Motor Carrier Policies of Insurance For Public Liability Under Sections 29 and 30 of the Motor Carrier Act of 1980 or under the terms of any similar endorsement required by Federal or state statute.
- d. Any duty payable only because of the attachment of the Endorsement For Motor Carrier Policies of Insurance For Public Liability or any similar endorsement required by Federal or state statute.
- e. Any duty imposed by law under any automobile no-fault, uninsured motorist, underinsured motorist, workers' compensation, disability benefits or unemployment compensation law or any similar law.
- f. Any duty imposed by law under the following:
 - (1) Section 130, Civil Liability, of Title I (Truth in Lending Act) of the Consumer Credit Protection Act (Public Law

90-321; 82 Stat. 146 et. seq.);

- (2) Title IV (Odometer Requirements) of the Motor Vehicle Information and Cost Savings Act (Public Law 92-513; 86 Stat. 961); or
 - (3) Employee's Retirement Income Security Act (E.R.I.S.A.) of 1974 as now or hereafter amended.
- g. *Injury* or damage to personal property in the care, custody or control of the insured.
- This exclusion does not apply to liability assumed under a sidetrack agreement.
- h. *Injury* or damage sustained by an employee, former employee, prospective employee or their beneficiaries or legal representatives and caused by any negligent act, error or omission of the insured, or any other person for whose acts the insured is legally liable, in the administration of any employee benefit program. Administration includes giving counsel to employees, interpreting, handling of employee records, and effecting enrollment, termination or cancellation of employees.
- i. Any obligation to pay any claim or claims made against you or any of your officers, directors or trustees, individually or collectively, by reason of a wrongful act in their respective capacities as officers, directors or trustees.

As used in this exclusion, "wrongful act" means any actual or alleged error, misstatement or misleading statement, act or omission, or neglect or breach of duty made or committed by your directors, officers or trustees.

- j. Any obligation arising out of an act, error or omission of an insured:
- (1) While performing the duties of an insurance agent in your garage operations; or
 - (2) In your garage operations as a result of title paper preparation.

As used in this exclusion:

- (1) "Insurance agent" means a person or organization who is duly licensed as an insurance agent by the regulatory authority of the state in which the insured's principal place of business is located.
- (2) "Garage operations" means the ownership, maintenance or use of locations for garage business and that portion of the roads or other accesses that adjoin these locations. Garage operations includes the ownership, maintenance or use of the autos indicated in Section I of the Garage Coverage Form as covered autos.

Garage operations also includes all operations necessary or incidental to a garage business.

- (3) "Title paper preparation" means the preparation of official title papers for registering an auto sold by you. This includes the designation of a lienholder who holds a financial interest in the auto.
 - (4) "Auto" means a land motor vehicle, trailer or semitrailer.
- k. Any obligation imposed due to the application of any statute permitting a customer to return an auto sold by an insured, if the auto fails to perform satisfactorily.

As used in this exclusion, "auto" means a land motor vehicle, trailer or semitrailer.

- l. *Injury* or damage your customer becomes legally obligated to pay which arise out of the use of your covered auto. This exclusion applies only if your business is shown in the Declarations of the *underlying insurance* as an auto dealership.

However, if your customer becomes legally obligated to pay for *injury* or damage which arise out of their use of your covered auto and if there is:

- (1) No other valid and collectible insurance (whether primary, excess or contingent) available to your customer, we will pay up to the compulsory or financial responsibility law limits where the covered auto is principally garaged.
- (2) Other valid and collectible insurance (whether primary, excess or contingent) available to the customer but it is less than the compulsory or financial responsibility law limits where the covered auto is principally garaged, we will pay only for the amount by which the compulsory or financial responsibility law limits exceed the limits of the other insurance.

3. Investigation or Settlement of Claims or Defense of Insured Against Suits

- a. When we have the duty to defend, we will pay for all *defense expense* once our duty to defend begins. We may investigate any claim or suit.

If we exercise our right to defend when there is no duty, we will pay only that *defense expense* we incur.

If we provide a defense, we may investigate any claim or suit at our discretion. We may settle such claim or suit within the Limit of Insurance available at the time of the settlement.

- b. Our right or duty to defend ends when we

- have used up the Limits of Insurance available in the payment of any judgments or settlements as provided under Section II - Limit of Insurance. This applies both to claims and suits pending at the time and those filed thereafter.
- c. When we control the investigation or settlement of a claim or the defense of the insured against a suit, we will pay for the *defense expense*. If by mutual agreement or court order the insured assumes control before the applicable Limit of Insurance available is used up, we will reimburse the insured for reasonable *defense expense*.
 - d. As soon as the Limit of Insurance available is used up, you will then arrange to assume control of the investigation or settlement of all such claims or the defense of you or any other insured against such suits when our right or duty to investigate, settle or defend them ends.
 - e. We will assist the insured in the transfer of control of the investigation or settlement of claims or the defense of the insured against suits under c or d above. Until such transfer is completed, we will take on behalf of any insured those steps that we think proper:
 - (1) To avoid a default in any claim or suit; or
 - (2) To the continued investigation or

settlement of a claim or defense of the insured against a suit.

You agree that if we take such steps:

- (1) We do not waive or give up any of our rights under this insurance; and
 - (2) You will reimburse us for any *defense expense* that arises out of such steps if the applicable Limit of Insurance available has been used up.
- f. Any payment for *defense expense* will not reduce the Limits of Insurance.
4. Coverage Extension
- a. The terms of this policy are extended as follows:

If *underlying insurance* provides coverage for the use of watercraft you do not own, in addition to watercraft ashore on premises you own or rent, the coverage provided by this policy is extended to cover any watercraft you do not own that is:

 - (1) Less than 75 feet long; and
 - (2) Not being used to carry persons or property for a charge;

even if these nonowned watercraft are not insured in the *underlying insurance*.
 - b. We will only pay for damages up to the limits of insurance.

SECTION II - LIMIT OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below define the most we will pay under the terms of this insurance regardless of the number of:
 - a. Insureds;
 - b. Claims made or suits brought;
 - c. Persons or organizations making claims or bringing suits.
2. The General Aggregate Limit is the most we will pay for all damages under Section I - Coverages, other than damages arising out of:
 - a. The *products-completed operations hazard*; or
 - b. The ownership, operation, maintenance, use, loading or unloading, or entrustment to others, of an auto.

The General Aggregate Limit applies separately to:

- a. Each location owned by or rented to you. A location is a premises involving the same or connecting lots, or a premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad; and

- b. Each of your projects away from a location owned by or rented to you.

Each payment we make for such damages reduces by the amount of the payment, the General Aggregate Limit. This reduced limit will then be the Limit of Insurance available for further damages of these kinds.

3. The Products-Completed Operations Aggregate Limit is the most we will pay under Section I - Coverages because of damages arising out of the *products-completed operations hazard*. Each payment we make for such damages reduces, by the amount of the payment, the Products-Completed Operations Aggregate Limit. This reduced limit will then be the Limit of Insurance available for further damages of these kinds.
4. Subject to 2 and 3 above, or with respect to *injury* or damage arising out of the ownership, operation, maintenance, use, loading or unloading, or entrustment to others of an auto, the Each Occurrence Limit is the most we will pay for the sum of damages under Section I - Coverages because of all *injury* and damage arising out of any one *occurrence*.
5. The limits of this policy apply separately to

each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an

additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limit of Insurance.

SECTION III - CONDITIONS

We have no duty to provide coverage under this policy unless you and any other involved insured have fully complied with the Conditions contained in this policy and those contained in any *underlying insurance*.

If any of the following conditions are contrary to Conditions contained in the *underlying insurance*, the provisions contained in this policy apply.

1. Appeals

In the event the *underlying insurer* elects not to appeal a judgment in excess of the limits of the *underlying insurance*, we may elect to make such appeal. If we so elect, we shall be liable, in addition to the applicable Limit of Insurance for all *defense expenses* we incur.

2. Bankruptcy of Underlying Insurer

In the event of bankruptcy or insolvency of any *underlying insurer*, this policy shall not replace such *underlying insurance*. This policy applies as if the *underlying insurance* was valid and collectible.

3. Duties in the Event of Occurrence, Claim or Suit

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

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

b. If a claim or suit is received by any insured you must:

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

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

c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or a suit;
- (2) Authorize us to obtain records and other information;

(3) Cooperate with us in the investigation or settlement of the claim or the defense of the insured against the suit;

(4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of *injury* or damage to which this insurance may also apply; and

(5) Notify us immediately of any judgment or settlement of any claim or suit brought against any insured.

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

4. Maintenance of Underlying Insurance

a. You agree to maintain the *underlying insurance* in full force and effect during the term of this policy. You agree to inform us within 10 days of any replacement of that *underlying insurance* by the same or another company. If there is any change in the replacement *underlying policy* in hazard, policy limits or coverage, including any terms, conditions and endorsements, we will only be liable under this insurance to the same extent as if there had been no change in, or replacement of, *underlying insurance*.

b. In the event that any *underlying insurance* is cancelled or not renewed and not replaced, you must notify us within 10 days. We will not be liable under this insurance for more than we would have been liable if that *underlying insurance* had not terminated if you do not request cancellation of this policy effective the same date that the *underlying insurance* was cancelled.

c. Reduction or exhaustion of the *aggregate limit* of any *underlying insurance* by payments for judgments or settlements will not be a failure to maintain *underlying insurance* in full force and effect.

d. No statement contained in this Condition limits our right to cancel or not renew this policy.

5. Other Insurance

This insurance is excess over any other valid and collectible insurance whether primary, excess, contingent or any other basis, except

other insurance written specifically to be excess over this insurance.

6. Policy Period

This insurance will respond to *injury* or damage

that occurs, or arises from an offense committed, during the policy period of this insurance shown in the Declarations.

SECTION IV - DEFINITIONS

1. "*Aggregate limit*" means the maximum amount stated in the policy for which the insurer will be liable, regardless of the number of covered claims.
2. "*Defense expense*" means payments allocated to the investigation or settlement of a specific claim or the defense of the insured against a specific suit, including:
 - a. Attorney fees and all other litigation expenses.
 - b. The cost of bonds to appeal a judgment or award in our defense of the insured against any suit.
 - c. Up to \$250 for the cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which bodily injury liability coverage provided by *underlying insurance* applies.
 - d. The cost of bonds to release attachments. This is only for bond amounts within the Limit of Insurance available.
 - e. Reasonable expenses incurred by the insured at our request to assist us in the investigation or settlement of the claim or the defense of the insured against the suit. This includes actual loss of earnings up to \$100 a day because of time off from work.
 - f. Cost taxed against the insured in the suit.
 - g. Interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the amount available for the judgment under the provisions of Section II - Limits of Insurance.

Defense expense does not include:

 - a. Salaries and expenses of our employees or the insured's employees, other than:
 - (1) That portion of our employed attorneys' fees, salaries and expenses allocated to a specific claim or suit; and
 - (2) The expenses described in e above.
 - b. Fees and expenses of independent adjusters we hire.
3. "*Injury*" means bodily injury, property damage, personal injury or advertising injury as defined in the *underlying insurance*.
4. "*Occurrence*" means:
 - a. With respect to bodily injury to persons other than your employees and property damage, an accident, including continuous or repeated exposure to substantially the same general harmful conditions;
 - b. With respect to bodily injury to your employees arising out of and in the course of their employment by you, the accident or disease which causes the bodily injury; and
 - c. With respect to offenses committed by the insured resulting in personal injury or advertising injury, all such injury sustained by any one person or organization.
5. "*Occurrence limit*" means any specific limit, other than an *aggregate limit*, applicable to any *underlying insurance*, regardless of whether such limit is subject to an *aggregate limit* in the *underlying policy*.
6. "*Products-completed operations hazard*":
 - a. Includes all *injury* occurring away from premises you own or rent and arising out of *your product* or *your work* except:
 - (1) Personal injury or advertising injury as defined in the *underlying insurance*;
 - (2) Products that are still in your physical possession; or
 - (3) Work that has not yet been completed or abandoned. However, *your work* will be deemed completed at the earliest of the following times:
 - (a) When all of the work called for in your contract has been completed;
 - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site; or
 - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.
 - b. Does not include *injury* arising out of:
 - (1) The transportation of property, unless the *injury* or damage arises out of a condition in or on a vehicle not owned

or operated by you, and that condition was created by the loading or unloading of that vehicle by any insured;

- (2) The existence of tools, uninstalled equipment, or abandoned or unused materials; or
- (3) Products or operations for which the classification in the General Liability *underlying policy* or in our General Liability manual or rules includes products or completed operations.

7. "*Underlying insurance*" means the liability insurance coverage provided under policies shown in the Schedule of Underlying Insurance in the Declarations, for the limits and periods indicated. It includes any policies issued to replace those policies during the term of this insurance, provided that you have notified us within 10 days of the replacement, and the replacement policies provide:
 - a. At least the same policy limits;
 - b. The same hazards insured against, except as modified by general program revisions; and
 - c. The same coverage, including all terms, conditions and endorsements.
8. "*Underlying insurer*" means any insurer who issues a policy of *underlying insurance*.
9. "*Underlying policy*" means a policy providing *underlying insurance*.
10. "*Your product*" means:
 - a. Any goods or products other than real property, manufactured, sold, handled,

distributed or disposed of by:

- (1) You;
 - (2) Others trading under your name; or
 - (3) A person or organization whose business or assets you have acquired; and
- b. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

Your product includes:

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of *your product*; and
- b. The providing of or failure to provide warnings or instructions.

Your product does not include vending machines or other property rented to or located for the use of others but not sold.

11. "*Your work*" means:

- a. Work or operations performed by you or on your behalf; and
- b. Materials, parts or equipment furnished in connection with such work or operations.

Your work includes:

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of *your work*; and
- b. The providing of or failure to provide warnings or instructions.

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ASBESTOS EXCLUSION

CU-7008(11-05)

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

The following exclusion is added:

Asbestos

1. This insurance does not apply to *injury*, including but not limited to, physical or mental injury, mental anguish or shock, sickness, disease, occupational disease, disability or death, or damage to property arising out of activities re-

lated to, but not limited to, manufacture, mining, storage, distribution, installation, sale, use, exposure to, service, testing for, repair, containment or removal of asbestos, asbestos fibers, asbestos dust, or products containing asbestos.

2. The following definition applies:

"Injury" means bodily injury or property damage as defined in the *underlying insurance*.

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

1. This insurance does not apply to:
 - a. Any claim or accident:
 - (1) With respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
 - (2) Resulting from the *hazardous properties of nuclear material* and with respect to which:
 - (a) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954 or any law amendatory thereof; or
 - (b) The insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America or any agency thereof, under any agreement entered into by the United States of America or any agency thereof, with any person or organization.
 - b. Any claim or accident resulting from the *hazardous properties of nuclear material*, if:
 - (1) The *nuclear material*:
 - (a) Is at any *nuclear facility* owned by, or operated by or on behalf of, an insured; or
 - (b) Has been discharged or dispersed therefrom;
 - (2) The *nuclear material* is contained in *spent fuel* or *waste* at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
 - (3) The claim or accident arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any *nuclear facility*, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to *property damage* to such *nuclear facility* and any property thereat.

2. As used in this endorsement:
 - a. "*Hazardous properties*" include radioactive, toxic or explosive properties.
 - b. "*Nuclear material*" means *source material*, *special nuclear material* or *by-product material*.
 - c. "*Source material*," "*special nuclear material*" and "*by-product material*" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.
 - d. "*Spent fuel*" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a *nuclear reactor*.
 - e. "*Waste*" means any waste material:
 - (1) Containing *by-products material* other than the tailings or *wastes* produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its *source material* content; and
 - (2) Resulting from the operation by any person or organization of any *nuclear facility* included under the first two paragraphs of the definition of *nuclear facility*.
 - f. "*Nuclear facility*" means:
 - (1) Any *nuclear reactor*;
 - (2) Any equipment or device designed or used for:
 - (a) Separating the isotopes of uranium or plutonium;
 - (b) Processing or utilizing *spent fuel*; or
 - (c) Handling, processing or packaging *waste*;
 - (3) Any equipment or device used for the processing, fabricating or alloying of *special nuclear material* if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
 - (4) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of *waste*;
 and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

g. "*Nuclear reactor*" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

h. "*Property damage*" includes all forms of radioactive contamination of property.

The endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

1. The following exclusion is added to Paragraph 2, Exclusions of Section I - Coverages:
 - a. *Injury* or damage which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any *fungi* or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
 - b. Any loss, cost or expenses arising out of the

abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, *fungi* or bacteria, by any insured or by any other person or entity.

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

2. The following definition is added to the Definitions Section:

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

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

1. The following exclusion is added to item 2 Exclusions under Section I - Coverages:

This insurance does not apply to *property damage* because of loss of *electronic data*.

2. The following definition is added to Section IV - Definitions:

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

3. For the purposes of the exclusion listed in item 1 above, the following definition is added:

"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;
- 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; or
- c. Loss of *electronic data*. Loss of *electronic data* means loss of, loss of use of, damage to, corruption of, inability to access, or inability to properly manipulate such data, resulting from physical injury to tangible property. All such loss of *electronic data* shall be deemed to occur at the time of the *occurrence* that caused it.

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

WAR LIABILITY EXCLUSION

CU-7067(3-03)

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

The following exclusion is added:

This insurance does not apply to:

Injury or damage, however caused, arising, directly or indirectly, out of:

1. War, including undeclared or civil war; or

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

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

A. Applicability Of The Provisions Of This Endorsement

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

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

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

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

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

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

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

a. Supersede any terrorism endorsement already endorsed to this policy that addresses *certified acts of terrorism* and/or *other acts of terrorism*, but only with respect to an incident(s) of terrorism (however defined) which results in injury or damage that occurs on or after the date

when the provisions of this endorsement become applicable (for claims made policies, such an endorsement is superseded only with respect to an incident of terrorism (however defined) that results in a claim for injury or damage first being made on or after the date when the provisions of this endorsement become applicable); and

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

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

B. The following definitions are added and apply under this endorsement wherever the term terrorism, or the phrase any injury or damage, are shown in italics:

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

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

(1) Use or threat of force or violence; or

(2) Commission or threat of a dangerous act; or

(3) Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and

b. When one or both of the following applies:

(1) The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or

(2) It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

2. "*Any injury or damage*" means any injury or damage covered under any Coverage Form or underlying insurance to which this en-

dorsement is applicable, and includes but is not limited to *bodily injury, property damage, personal and advertising injury, injury or environmental damage* as may be defined in any applicable Coverage Form or underlying insurance.

C. The following exclusion is added:

EXCLUSION OF TERRORISM

We will not pay for *any injury or damage* caused directly or indirectly by *terrorism*, including action in hindering or defending against an actual or expected incident of *terrorism*. *Any injury or damage* is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such injury or damage. But this exclusion applies only when one or more of the following are attributed to an incident of *terrorism*:

1. The *terrorism* is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
2. Radioactive material is released, and it appears that one purpose of the *terrorism* was to release such material; or
3. The *terrorism* is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the *terrorism* was to release such materials; or
5. The total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons

and entities affected by the *terrorism* and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or

6. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
 - a. Physical injury that involves a substantial risk of death; or
 - b. Protracted and obvious physical disfigurement; or
 - c. Protracted loss of or impairment of the function of a bodily member or organ.

Multiple incidents of *terrorism* which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the thresholds in Paragraphs C5 or C6 are exceeded.

With respect to this Exclusion, Paragraphs C5 and C6 describe the threshold used to measure the magnitude of an incident of *terrorism* and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of *terrorism*, there is no coverage under this Coverage Form.

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

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

The following is added to Section III - Conditions:

Cancellation

1. The First Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the First Named Insured written notice of cancellation at least:
 - a. Ten days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. Thirty days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the First Named Insured's last mailing address known to us.

4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the First Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the First Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

When We Do Not Renew

1. If we decide not to renew this Coverage Part, we will mail or deliver to the First Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.
2. If notice is mailed, proof of mailing will be sufficient proof of notice.

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

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

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

for a *certified act of terrorism* include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
 2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- B. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Form.

EXCLUSION OF PUNITIVE DAMAGES RELATED TO A CERTIFIED ACT OF
TERRORISM

CU-7087(1-15)

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM PUNITIVE DAMAGES

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

B. The following definition is added:

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

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
 2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- C. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Form.

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

- A. The following exclusion is added to paragraph 2 Exclusions of Section I - Coverage:

Any *covered auto* while being used:

- (1) As a public or livery conveyance for passengers. This includes, but is not limited to, any period of time a *covered auto* is being used by an insured who is logged into a *transportation network platform* as a driver, whether or not a passenger is *occupying* the *covered auto*; or
- (2) By an insured who is logged into a *transportation network platform* as a driver to provide *delivery services*, whether or not the goods, items or products to be delivered are in the *covered auto*.

- B. If Excess Uninsured Bodily Injury and/or Underinsured Motorists Coverage is attached, then this insurance does not apply to:

Public Or Livery Passenger Conveyance
And On-demand Delivery Services

Any *covered auto* while being used:

- a. As a public or livery conveyance for passengers. This includes, but is not limited to, any period of time a *covered auto* is being used by an insured who is logged into a *transportation network*

platform as a driver, whether or not a passenger is *occupying* the *covered auto*; or

- b. By an insured who is logged into a *transportation network platform* or *delivery network platform* as a driver to provide *delivery services*, whether or not the goods, items or products to be delivered are in the *covered auto*.

C. Additional Definitions

As used in this endorsement:

1. "*Delivery network platform*" means an online-enabled application or digital network used to connect customers:
 - a. With drivers; or
 - b. With local vendors using drivers;for the purpose of providing prearranged *delivery services* for compensation. A *delivery network platform* does not include a *transportation network platform*.
2. "*Delivery services*" includes courier services.
3. "*Occupying*" means in, upon, getting in, on, out or off.
4. "*Transportation network platform*" means an online-enabled application or digital network used to connect passengers with drivers using vehicles for the purpose of providing prearranged transportation services for compensation.

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

A. Disclosure Of Premium

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

B. Disclosure Of Federal Participation In Payment Of Terrorism Losses

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

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

C. Cap On Insurer Participation In Payment Of Terrorism Losses

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

Your Policyholder Identification Cards

IDAHO AUTOMOBILE INSURANCE IDENTIFICATION CARD



Policy Number ZS7114
Policy Period 10-01-23 To 10-01-24
Named Insured SUMMIT CONDOMINIUM PHASE II
Address PO BOX 2183
SUN VALLEY ID 83353
Your Agency SENTRYWEST INSURANCE SERVICES
801.272.8468
Your Car HIRED AND NONOWNED AUTOS

FOR ALL CLAIMS CALL 800.242.7666

Acuity, A Mutual Insurance Company

TO REMOVE: FOLD FORWARD AND BACK ALONG EACH PERFORATION AROUND CARD.

KEEP ONE CARD IN YOUR VEHICLE AT ALL TIMES

IDAHO AUTOMOBILE INSURANCE IDENTIFICATION CARD



Policy Number ZS7114
Policy Period 10-01-23 To 10-01-24
Named Insured SUMMIT CONDOMINIUM PHASE II
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TO REMOVE: FOLD FORWARD AND BACK ALONG EACH PERFORATION AROUND CARD.

KEEP ONE CARD IN YOUR VEHICLE AT ALL TIMES

Keep one card in your vehicle at all times

IF YOU HAVE AN ACCIDENT OR LOSS

1. Write down the names and addresses of persons and of witnesses involved, and license numbers.
2. Notify the police immediately.
3. Report the accident or loss to us promptly. If anyone is injured or your car or the property of others is substantially damaged, telephone us at the number shown on the front of this card.
4. Do not admit liability, authorize repairs or discuss the accident with anyone except a known Acuity representative or the police.



Keep one card in your vehicle at all times

IF YOU HAVE AN ACCIDENT OR LOSS

1. Write down the names and addresses of persons and of witnesses involved, and license numbers.
2. Notify the police immediately.
3. Report the accident or loss to us promptly. If anyone is injured or your car or the property of others is substantially damaged, telephone us at the number shown on the front of this card.
4. Do not admit liability, authorize repairs or discuss the accident with anyone except a known Acuity representative or the police.





September 27, 2023

SUMMIT CONDOMINIUM PHASE II
PO BOX 2183
SUN VALLEY ID 83353

Policy Number: ZS7114

Dear Policyholder:

Thank you for insuring with Acuity.

With Acuity, you can expect fast and fair claims service. You can also expect competitive rates and coverage, a willingness to listen and respond, prompt and accurate policy processing, a highly competent and courteous staff, financial strength and a wide range of flexible billing options.

We really do appreciate your business. If you have any questions or problems relating to your insurance, please do not hesitate to contact us.

It is our pleasure to serve you!

Acuity

Represented by

SENTRYWEST INSURANCE SERVICES
3860 S 2300 E
PO BOX 9289
SALT LAKE CITY UT 84109
801.272.8468



Acuity, A Mutual Insurance Company

September 27, 2023

SUMMIT CONDOMINIUM PHASE II
PO BOX 2183
SUN VALLEY ID 83353

Policy Number: ZS7114

Dear Policyholder:

Welcome to Acuity!

Your business is now insured under the Acuity Commercial Package Policy Program. By choosing Acuity, you have selected a commercial insurer committed to quality. Our commitment to you includes state-of-the-industry coverages plus policy, claims and loss control services that meet the highest standards. We look forward to a long association as a provider of vital insurance protection for your business operations.

Your Independent Agent

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

Terrorism Information

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

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

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

For More Information

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

Thank you for insuring with Acuity.

Acuity

Represented by

SENTRYWEST INSURANCE SERVICES
3860 S 2300 E
SALT LAKE CITY UT 84109
801.272.8468



Acuity, A Mutual Insurance Company

September 27, 2023

SUMMIT CONDOMINIUM PHASE II
PO BOX 2183
SUN VALLEY ID 83353

Policy Number: ZS7114

Information About Your Policy Regarding Mold, Bacteria or Fungi Coverage

Property

Cause of Loss - Special Form, CP-1030F(9-20)

- The amount of insurance available is limited to \$15,000 when fungi, wet rot, or dry rot results from a covered cause of loss and damages your property.

General Liability

Fungi or Bacteria Exclusion, CG-2167F(12-04)

- There is no coverage under your Commercial General Liability Coverage Form for bodily injury or property damage arising directly or indirectly out of fungi, including but not limited to mold, mildew and byproducts thereof, or bacteria that is on or within a building or structure, including its contents.
- We will not pay for any loss, cost or expense to test for, clean up, remove or dispose of fungi or bacteria.

Excess Liability

Fungi or Bacteria Exclusion, CU-7054(3-03)

- There is no coverage under your Commercial Excess Liability Coverage Form for injury or damage arising directly or indirectly out of fungi, including but not limited to mold, mildew and byproducts thereof, or bacteria that is on or within a building or structure, including its contents. We will not pay for any loss, cost or expense arising out of testing for, cleaning up, removing or disposing of fungi or bacteria.

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

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

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

Email: clservice@acuity.com

Fax: 920.458.1618

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

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

First Named Insured's Signature

Date

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

Policyholder Disclosure Notice of Terrorism Insurance Coverage

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

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

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

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

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

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

The total of all insured damage to all types of property and business interruption losses from the incident, exceeds \$25 million.

For certain coverage, fifty or more persons sustain death or serious physical injury.

The terrorism event involves nuclear materials or results in nuclear reaction or radiation or radioactive contamination.

The terrorism event involves the release of radioactive material, and it appears that one purpose of the terrorism was to release such material.

The terrorism event is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials.

The terrorism event involves the release of pathogenic or poisonous biological or chemical materials and it appears that one purpose of the terrorism was to release such materials.

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

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

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

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



Terrorism Premium Information Idaho

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

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

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



CUSTOMER PRIVACY POLICY

At Acuity Insurance, we gather information about our policyholders only in the interest of providing them with quality services at fair prices. We are committed to the careful handling of personal nonpublic information. We collect and use information for business purposes with respect to our insurance products and related business activities involving our customers. These business activities include evaluating a request for our insurance products and related services such as claims processing or processing other transactions requested by you.

Federal law has established privacy standards and requires us to provide this summary of our privacy policy once a year. Further, state laws typically require us to provide you notice of our information practices. The following information will provide you with a better understanding of the type of information we collect, how we use it and to whom we may disclose it.

HOW DO WE COLLECT INFORMATION

Your application is our major source of information. However, we may occasionally collect personal or privileged information about you and other persons proposed for coverage from third parties such as other insurance companies, physicians, hospitals and other medical personnel, insurance-support organizations or consumer reporting agencies. For example, we may collect information such as loss information reports, motor vehicle reports and credit reports. We may ask such an insurance support organization to view your property. They would report to us the value and condition of your property and send a photograph of it. Occasionally, we may order a consumer credit report showing your history of meeting financial obligations. Information from a report prepared by an insurance-support organization may be retained by them and disclosed to other persons to the extent permitted by law. We will not collect information about persons other than individuals proposed for coverage.

DISCLOSURE OF INFORMATION

The privacy of the information that you provide us with or that we collect about you is important to us. **It is our policy not to disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law.** For example, we may disclose information to others such as your name, address, social security number, email address, phone number, policy coverages or other identifying policy or claims information to:

- Σ Third parties that perform marketing services on our behalf or with whom we have joint marketing agreements such as your independent insurance agent;
- Σ Third parties who help us evaluate requests for insurance or benefits or to prevent fraud such as consumer reporting agencies;
- Σ Third parties that require us to submit information to them, such as regulatory, law enforcement, or other government agencies.

We also reserve the right to make other necessary disclosures about current or former customers without prior authorization, so long as these disclosures are not typically conducted in our usual course of business, and only as permitted by law.

Now what does this really mean? It means our information about you is used only in connection with our business relationship with you. We will not, and never have, shared your nonpublic personal information with any third parties for the purpose of marketing their products or services. If this were to ever change, we would have to notify you first and give you the opportunity to prevent that type of

disclosure. That is, we would have to provide you with the option to "opt-out" first.

When we use other parties to help us conduct our business of insurance, such as investigating and paying claims, obtaining motor vehicle reports, confirming values and condition of homes, etc., we expect and often contract with these organizations to maintain the confidentiality of the information provided to them and to abide by all applicable privacy laws that pertain to them. An "opt-out" option is not required in order for us to conduct these usual and necessary insurance business activities.

In addition, our employees are required to protect the confidentiality of your information and access information only when there is an appropriate need to do so. We also maintain the necessary electronic and procedural safeguards to protect your information. Personal information is secured by use of change control procedures, passwords, and physical access controls. We employ a variety of other mechanisms to ensure that your information is not lost, misused, or altered inappropriately. These controls include regular database backups.

ACCESS TO AND AMENDMENT OF RECORDED INFORMATION

You have the right to access any personal information that we have recorded and is reasonably available for retrieval by us. You may submit a written request to us in order to do so. We reserve the right to charge a reasonable fee to cover the costs incurred in providing any summary of recorded personal information, when permitted to do so by law. We will prepare this information within thirty business days from the time your written request is received.

After review, you may ask us in writing to correct, amend, or delete any information about you in our files. Within thirty business days from the time your written request is received, we will either honor or deny your request. If we refuse to make any corrections, amendments, or deletions, you have the right to give us a concise statement of what you believe is the correct information, including the reason why you disagree with the disputed information. We will put your statement in our file so that anyone reviewing your file will see it and furnish it to the appropriate parties as required by law.

OUR PROMISE TO YOU

Your confidence in our company and the manner in which we conduct our business is greatly appreciated. Our promise to you is that we will treat your personal information with utmost confidentiality, use it only to help serve you better and in a manner prescribed by law. If you have questions at any time regarding our privacy policy, you may contact us at the following address:

Acuity, A Mutual Insurance Company
2800 South Taylor Drive
P.O. Box 58
Sheboygan, WI 53082-0058



**KEEP THIS NOTICE WITH
YOUR INSURANCE PAPERS**

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

Acuity
2800 South Taylor Drive
Sheboygan, WI 53081-9613
800.242.7666

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

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

or you can call 800.721.3272 outside of Boise or 208.334.4250 in Boise or fill out a form at www.doi.idaho.gov.

NOTICE:

WITH RESPECT TO ASSOCIATION LIABILITY COVERAGE PART, THIS IS A CLAIMS MADE POLICY AND, SUBJECT TO ITS PROVISIONS, APPLIES ONLY TO ANY CLAIM FIRST MADE AGAINST THE NAMED ENTITY INSUREDS DURING THE POLICY PERIOD. NO COVERAGE EXISTS FOR CLAIMS FIRST MADE AFTER THE END OF THE POLICY PERIOD UNLESS, AND TO THE EXTENT THAT, THE EXTENDED REPORTING PERIOD APPLIES.

THE CRIME COVERAGE PART APPLIES TO A COVERED LOSS SUSTAINED RESULTING FROM ACTS OR EVENTS OCCURRING DURING THE POLICY PERIOD UNLESS CERTAIN CONDITIONS CONCERNING PRIOR INSURANCE ARE MET.

DEFENSE COSTS INCURRED UNDER COVERAGE PARTS A REDUCE THE LIMIT OF LIABILITY AND ARE SUBJECT TO THE RETENTION. PLEASE REVIEW THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

NAMED ENTITY AND MAILING ADDRESS	NAMED ENTITY NUMBER AND PHYSICAL ADDRESS
Item 1. Summit II Condominium Association PO Box 2183 Sun Valley, ID 83353	P.O. Box 2183 Sun Valley, ID 83353
POLICY NUMBER	INSURER
0250962485	Continental Casualty Company CNA Center, 151 North Franklin Street Chicago, IL 60606

Item 2. **Policy Period:** 10/17/2023 to 10/01/2024
12:01 a.m. local time at the address stated in Item 1.

Item 3. **Policy Premium:** \$1,219.86

Total Amount Due: \$1,219.86

Item 4. Notices to Insurer:

Claims:
CNA – Community Association Claims Reporting
P.O. Box 8317
Chicago, IL 60680-8317

Email: newlossnfpc@cna.com

All other notices:
Ian H. Graham Insurance, a division of
Affinity Insurance Services, Inc.
Managing General Underwriter
15303 Ventura Boulevard, 12th Floor
Sherman Oaks, CA 91403

Item 5. Coverage:

This Policy is issued with the Limits of Liability and Retentions set forth, subject to the Prior or Pending Date, if applicable all as set forth in the schedule below.

Defense Costs are included within the applicable limit of liability for **Association Liability Coverage Part**. Defense costs are neither covered nor included within the applicable limits(s) of liability for the **Crime Coverage Part**.

This Policy includes *only* those coverages designated with a "Yes" as "Included" in column ① of the Coverage Schedule set forth below. *If neither "Yes" or "No" is designated for a **Coverage Part** or a specific **Crime Coverage Part** Insuring Agreement, such **Coverage Part** or specific **Crime Coverage Part** Insuring Agreement is not included.*

COVERAGE PART	① INCLUDED (YES OR NO)	② SCHEDULED LIMITS OF LIABILITY	③ SCHEDULED RETENTIONS	④ PRIOR OR PENDING DATE
Association Liability	Yes	\$1,000,000 Aggregate Limit of Liability for all Loss paid on behalf of all Named Entity Insureds for all Claims first made during each Policy Period .	\$1,000	10/17/2005
Crime: Insuring Agreement 1: Employee Dishonesty	No	\$ per loss N/A	N/A	<i>Not Applicable</i>
Insuring Agreement 2: Forgery or Alteration	No	N/A	N/A	
Insuring Agreement 3: Theft, Disappearance and Destruction	No	N/A	N/A	
Insuring Agreement 4: Computer Fraud and Wire Transfer Fraud	No	N/A	N/A	

Item 6. Any natural person or entity property manager hired by the **Named Entity** to provide **Property Management Services**.

Item 7. Endorsements forming a part of this Policy at issuance:

CNA-81758-XX (3/15)	Notice - Offer of Terrorism Coverage; Disclosure of Premium
G-145126-A (8/03)	Policyholder Notice Economic and Trade Sanctions Conditions
G-145170-AC (6/03)	Community Association Policy General Terms and Conditions
G-145171-AC (6/03)	Community Association Liability Coverage Part
CNA-77509-XX (1/14)	Network Risk and Privacy Claim Endorsement
CNA-77510-XX (1/14)	Privacy Event Expense Endorsement
CNA-77511-XX (1/14)	Amend Claims By Insured Exclusions Endorsement
CNA-77512-XX (1/14)	Wage and Hour Law Claims Defense Costs Coverage Endorsement
CNA-77513-XX (1/14)	Outside Director Endorsement
CNA-77515-XX (1/14)	Supplementary Payment - Defendant Reimbursement Endorsement
CNA-77516-XX (1/14)	Defense Costs Outside the Limits Endorsement
CNA-77517-XX (1/14)	Public Relations Event Expenses Endorsement
CNA-80749-XX (11/14)	Unlimited Extended Reporting Period Endorsement for Past Directors or Officers
CNA-81751-XX (3/15)	Cap on Losses from Certified Acts of Terrorism Endorsement
CNA-90997-XX (1/18)	Immigration Claim Defense Costs Endorsement
CNA-95307-XX (3/19)	Workplace Violence Act Endorsement (with Sublimit)
GSL-8393-XX (3/07)	Remove Specified Peril
GSL-8394-XX (3/07)	Breach of Contract Defense Coverage with Sublimit Endorsement
GSL-11876-XX (2/10)	Bi-Lateral Optional Extended Reporting Period Endorsement
GSL-40679-XX (8/11)	Amend Settlement Endorsement
GSL-40680-XX (8/11)	Mediation Endorsement
CNA-80748-XX (11/14)	First Dollar Defense Endorsement
G-145127-A11 (6/03)	Cancellation and Nonrenewal Endorsement - Idaho

These Declarations, along with the completed and signed **Application**, the Policy, and any written endorsements attached shall constitute the contract between the **Named Entity Insureds** and the Insurer.

Authorized Representative: _____

Date: 09/26/2023

In consideration of the payment of the premium and in reliance upon all statements made in the **Application** furnished to the Insurer designated in the Declarations, a stock insurance corporation, hereafter called the Insurer, the Insurer and the **Named Entity Insureds** agree as follows:

I. TERMS AND CONDITIONS

The terms and conditions of each **Coverage Part** apply only to that **Coverage Part** and shall not apply to any other **Coverage Part**. If any provision in these General Terms & Conditions is inconsistent or in conflict with the terms and conditions of any **Coverage Part**, the terms and conditions of that **Coverage Part** shall control for purposes of that **Coverage Part**.

II. DEFINITIONS

Words set forth in bold have the meaning set forth below. However, any bolded word defined in these General Terms & Conditions that is defined differently in a **Coverage Part** shall, for purposes of coverage under that **Coverage Part**, have the meaning defined in that **Coverage Part**.

1. **Application** means all applications for this Policy and for any policy in an uninterrupted series of policies issued by the Insurer or any affiliate of the Insurer of which this Policy is a renewal or replacement. **Application** includes any materials submitted or required to be submitted with the **Application**. An "affiliate of the Insurer" means an insurer controlling, controlled by or under common control with the Insurer.
2. **Coverage Part** means only those coverage parts designated in the Declarations as "Included" in this Policy and attached hereto.
3. **Crime Coverage Part** means the Crime Coverage Part, if such **Coverage Part** is designated as "Included" in the Declarations and attached hereto.
4. **Crime Loss** means loss sustained under the **Crime Coverage Part**.
5. **Defense Costs** means all reasonable and necessary fees charged by attorneys designated by the Insurer, or by the **Named Entity Insureds** with the Insurer's written consent. **Defense Costs** also include all other reasonable and necessary fees, costs and expenses resulting from the investigation, adjustment, defense and appeal of a **Liability Claim** if incurred by the Insurer, or by the **Named Entity Insureds** with the written consent of the Insurer, including the costs of appeal, attachment or similar bonds. However, the Insurer has no obligation to provide such bonds. **Defense Costs** shall not include salaries, wages, fees, overhead or benefit expenses associated with the directors, officers, employees, trustees, committee members, or volunteers of **Named Entity**, any **Subsidiary**, or **Property Manager**.
6. **ERISA or any Similar Act** means the Employee Retirement Income Security Act of 1974, as amended, or any similar common or statutory law of the United States or its states, territories or possessions, or any other jurisdiction anywhere in the world.
7. **Executive Officer** means with respect to **Named Entity**, any **Subsidiary**, or **Property Manager**, its trustees, chairperson, chief executive officer, president, chief financial officer, in-house general counsel, and the director of human resources or equivalent position.
8. **Financial Insolvency** means, with respect to any **Named Entity** covered under any **Coverage Part** designated as "included" in the Declarations attached hereto:

- a. the appointment by any state or federal official, agency or court of a receiver, conservator, liquidator, trustee, rehabilitator or similar official to take control of, supervise, manage or liquidate such **Named Entity**; or such **Named Entity** becoming a debtor in possession; and
 - b. except with respect to a **Change in Status**, the inability of such organization financially or under applicable law to advance **Defense Costs** or indemnify the **Insureds** for **Liability Loss**.
9. **Fungi** means any form of fungus, including but not limited to yeast, mold, mildew, rust, smut or mushroom, and any spores, mycotoxins, odors or any other substances, products, or by products produced by, released by, or arising out of the current or past presence of fungi.
10. **Insured Person** means any natural person covered under the **Liability Coverage Part**.
11. **Interrelated Wrongful Acts** means any **Wrongful Acts** which are logically or causally connected by reason of any common fact, circumstance, situation, transaction or event.
12. **Liability Claim** means any claim covered under the **Liability Coverage Part**.
13. **Liability Coverage Part** only means the **Association Liability Coverage Part**, if such **Coverage Part** is designated as "Included" in the Declarations attached to this policy.
14. **Liability Loss** means loss covered under the **Liability Coverage Part**.
15. **Loss** means all **Liability Loss** and all **Crime Loss**.
16. **Microbe** means any non-fungal microorganism or non-fungal colony-form organism that causes infection or disease including but not limited to any spores, mycotoxins, odors or any other substances, products, or by products produced by, released by, or arising out of the current or past presence of microbes.
17. **Named Entity** means the association named in Item 1 of the Declarations, including such association as a debtor in possession under Chapter 11 of the United States Bankruptcy Code or an equivalent status under the law of any other country.
18. **Named Entity Insureds** means the **Named Entity**, **Subsidiaries**, **Property Manager** and **Insured Persons** covered under under any **Coverage Part** designated as "Included" in the Declarations.
19. **Policy Period** means the period from the effective date of this Policy to the Policy expiration date stated in Item 2 of the Declarations, or its earlier cancellation date.
20. **Policy Premium** means the original premium and the fully annualized amount of any additional premiums, other than the Extended Reporting Period premium, charged by the Insurer before or during the **Policy Period**.
21. **Pollutants** means any substance exhibiting hazardous characteristics as, is or may be defined or identified on any list of hazardous substances issued by the United States Environmental Protection Agency or any state or local or foreign counterpart. **Pollutants** also means, without limitation, any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste (including materials to be recycled, reconditioned or reclaimed), as well as any air emission, odor, waste water, oil or oil products, infectious or medical waste, asbestos, or asbestos products.

22. **Property Manager** means the entity or natural person specified in Item 6 of the Declarations. If an entity is specified in Item 6, **Property Manager** shall also include **Property Manager Employees** employed by such entity to provide real estate **Property Management Services** to the **Named Entity**.
23. **Property Manager Employee** means any natural person in the regular service of a **Property Manager** in the ordinary course of such **Property Manager's** business, whom such **Property Manager** governs and directs in the performance of such service, including any part-time, seasonal, leased or temporary employee, or any duly elected or appointed director, officer, member of the board of managers or management committee member while performing **Property Management Services** within the usual scope of a **Property Manager Employee**.
24. **Subsidiary** means any entity which qualifies as a non-profit entity under Internal Revenue Code Section 501(c)(3) and any amendment thereto, during any time in which the **Named Entity** owns or controls, directly or through one or more **Subsidiaries**, the right to elect or appoint more than 50% of the entity's directors or trustees.
25. **Change in Status** means the consolidation or merger of the **Named Entity** into or with another entity, or **Financial Insolvency**:

III. EXTENDED REPORTING PERIOD/DISCOVERY

1. Solely with respect to any **Liability Coverage Part**, if the Insurer non-renews this Policy, the **Named Entity** shall be provided, at no additional charge, an extension of this Policy for a period of 30 days immediately following the end of the **Policy Period**, but only with respect to **Claims** made against **Named Entity Insureds** and reported to the Insurer during such extension by reason of any **Wrongful Act** committed before the earlier of the end of the **Policy Period** or the effective date of any **Change in Status**.

This period shall be referred to as the automatic Extended Reporting Period.

2. If the Insurer non-renews this Policy, the **Named Entity** shall have the right to purchase, upon payment of an additional premium equal to 100% of the annualized **Policy Premium**, an extension of this Policy for a period of 12 months immediately following the end of the **Policy Period**, but only with respect to;
- under the **Liability Coverage Part**, any **Wrongful Act** committed before the earlier of the end of the **Policy Period** or the effective date of any **Change in Status**;
 - under the **Crime Coverage Part**, loss sustained completely prior to the earlier of the end of the **Policy Period** or the effective date of any **Change in Status**, which is discovered by the **Named Entity** no later than one year from the date of that termination or cancellation.

This period shall be referred to as the optional Extended Reporting Period.

3. As a condition precedent to the right to purchase the optional Extended Reporting Period, (i) the total premium for this Policy must have been paid; (ii) the **Named Entity** must request such Extended Reporting Period in writing, and such request must be received by the Insurer, at the address for notices set forth in Item 4 of the Declarations page, within 30 days of the end of the **Policy Period** or the effective date of any **Change in Status**, and (iii) the full payment of the premium for such Extended Reporting Period must be received by the Insurer within 30 days after the end of the **Policy Period**.

4. If the optional Extended Reporting Period is purchased, the entire premium shall be deemed fully earned at its commencement without any obligation by the Insurer to return any portion thereof.
5. There is no separate or additional limit of liability for the automatic or optional Extended Reporting Period.
6. No receiver, conservator, liquidator, trustee, rehabilitator, or similar official and no governmental agency, body or representative can exercise the right to: (i) purchase extended discovery with respect to the **Crime Coverage Part**; or (ii) report any claim under the **Crime Coverage Part**. In addition, the Extended Reporting Period terminates immediately with respect to the **Crime Coverage Part** on the effective date of any other insurance obtained by **Named Entity Insureds** or any other party which replaces, in whole or in part, the coverage afforded by the **Crime Coverage Part**, regardless of whether such insurance provides coverage for **Loss** sustained prior to the effective date of this Policy.

IV. ESTATES, LEGAL REPRESENTATIVES AND SPOUSES

The estates, heirs, legal representatives, assigns, spouses and legally recognized domestic partners of **Insured Persons** shall be considered **Named Entity Insureds** under the **Liability Coverage Part**; provided, however, coverage is afforded to such estates, heirs, legal representatives, assigns, spouses and legally recognized domestic partners only for a **Claim** arising solely out of their status as such and, in the case of a spouse, where such **Claim** seeks damages from marital community property, jointly held property or property transferred from the **Insured Person** to the spouse. No coverage is provided for any act, error or omission of an estate, heir, legal representative, assign, spouse or legally recognized domestic partners. All terms and conditions of this Policy, including without limitation the retention applicable to **Liability Loss** incurred by the **Insured Person**, shall also apply to loss incurred by such estates, heirs, legal representatives, assigns, spouses and legally recognized domestic partners.

V. LIMIT OF LIABILITY/RETENTIONS

1. Limit of Liability
 - a. The Scheduled Limits of Liability set forth in Item 5 of the Declarations as the Scheduled Limits of Liability for the **Association Liability Coverage Part** shall be the maximum aggregate Limits of Liability of the Insurer for all **Liability Loss** under such **Coverage Part**, regardless of the number of **Claims** made against the **Named Entity Insureds**;
 - b. The Scheduled Limit of Liability set forth in Item 5 of the Declarations as the Scheduled Limit of Liability for the **Crime Coverage Part** shall be the maximum limit of liability of the Insurer for each **Crime Loss** under the **Crime Coverage Part**. Such limit of liability shall not accumulate from **Policy Period** to **Policy Period**
 - c. If the Limit of Liability for any **Coverage Part** is exhausted by payment of **Loss**, the Insurer's obligations under such **Coverage Part** shall be deemed completely fulfilled and extinguished.
 - d. The Insurer shall pay **Liability Loss** on behalf of the **Named Entity Insureds**, and shall pay **Crime Loss** as incurred by the **Named Entity Insureds**, without consideration of other future obligations.
 - e. The liability of the Insurer for all **Crime Loss** sustained by more than one **Named Entity Insured** shall not exceed the amount that the Insurer would pay if all **Crime Loss** had been sustained by one **Named Entity Insured**.

- f. In the event any loss is covered partly by the **Crime Coverage Part** and partly by any prior canceled or terminated insurance that the Insurer or any affiliate issued to the **Named Entity Insureds**, the most the Insurer will pay with respect to such loss is the larger of the amount recoverable under the **Crime Coverage Part** or the prior insurance.
 - g. If any loss is covered partly by the **Crime Coverage Part** and partly by any prior canceled or terminated insurance issued by any carrier other than the Insurer or any affiliate: (i) any retention amount applicable to the loss under the **Crime Coverage Part** will be reduced by any deductible or retention amount applicable under the prior insurance, and (ii) the limit applicable to the loss under the **Crime Coverage Part** will be reduced by any amount paid or payable to the **Named Entity Insured** under the prior insurance.
2. Retentions
- a. Subject to paragraph c below, the Insurer is liable to pay only that amount of **Loss** in excess of any applicable retention. The Insurer will have no obligation to pay all or any portion of any applicable retention.
 - b. Separate Retentions as set forth in Item 5 of the Declarations as the Scheduled Retentions shall apply to each **Loss** under each **Coverage Part**.
 - c. No retention applies with respect to any **Liability Loss** in a **Claim** against any **Insured Persons** if the **Named Entity**, or any **Subsidiary** are not permitted to advance **Defense Costs** or to indemnify such **Insured Persons** for **Liability Loss** by reason of:
 - (1) **Financial Insolvency**; or
 - (2) a good faith determination by **Named Entity**, or any **Subsidiary** that such payment is not permitted under the broadest construction of applicable law.
 - d. Subject to Section XII below, if a **Loss** is covered under more than one **Coverage Part** and if more than one retention applies to such **Loss**, the maximum total retention amount applicable to such **Loss** shall be the amount of the largest applicable retention.

VI. DEFENSE AND SETTLEMENT OF LIABILITY CLAIMS

1. Defense of Claims

The Insurer has the right and duty to defend all **Liability Claims**, even if the allegations are groundless, false or fraudulent. The Insurer shall have the right to appoint counsel and to make such investigation and defense of a **Liability Claim** as it deems necessary. The Insurer's obligation to defend any **Liability Claim** or pay any **Liability Loss**, including **Defense Costs**, shall be completely fulfilled and extinguished if the limit of liability has been exhausted by payment of **Liability Loss**, or if the **Named Entity** has failed to pay its full retention for reasons other than **Financial Insolvency**.

2. Settlement

The Insurer shall not settle a **Liability Claim** without the consent of the **Named Entity Insureds**, other than any **Property Manager**, which shall not be unreasonably withheld. If the **Named Entity Insureds**, other than any **Property Manager** unreasonably refuse to consent to a settlement or compromise recommended by the Insurer, and acceptable to the claimant, then the applicable limit of liability under this Policy shall be reduced to the amount for which the **Liability Claim** could have been settled plus all **Defense Costs** incurred up to the time the Insurer made its recommendation.

3. Cooperation of **Named Entity Insureds**

The **Named Entity Insureds** shall not admit liability, consent to any judgment, agree to any settlement or make any settlement offer without the Insurer's prior written consent, such consent not to be unreasonably withheld. The Insurer shall not be liable for any **Loss** to which it has not consented. The **Named Entity Insureds** agree that they shall not knowingly take any action which increases the Insurer's exposure for **Loss** under this Policy. The **Named Entity Insureds** shall furnish the Insurer with copies of reports, investigations, pleadings, and all related papers, and such other information, assistance and cooperation as the Insurer may reasonably request.

VII. NOTICE/DATE OF CLAIM/INTERRELATED CLAIM CLAUSE/ SWORN PROOF OF LOSS

1. If, during the **Policy Period** or any Extended Reporting Period, if applicable, any **Claim** is first made against the **Named Entity Insureds**, the **Named Entity Insureds** shall, as a condition precedent to the obligations of the Insurer under this Policy, give a written notice to the Insurer as soon as reasonably possible.
2. If, during the **Policy Period** the **Named Entity Insureds** first become aware of a specific **Wrongful Act** which may reasonably give rise to a future **Liability Claim** and during such period give written notice to the Insurer of:
 - a. the names of any potential claimants and a description of the **Wrongful Act** which forms the basis of their potential **Claim**;
 - b. the identity of the specific **Named Entity Insureds** allegedly responsible for such specific **Wrongful Act**;
 - c. the consequences that have resulted or may result from such specific **Wrongful Act**;
 - d. the nature of the potential monetary damages or non-monetary relief which may be sought in consequence of such specific **Wrongful Act**; and
 - e. the circumstances by which **Named Entity Insureds** first became aware of such specific **Wrongful Act**;

then any **Liability Claim** otherwise covered pursuant to the **Liability Coverage Part** which is subsequently made and which arises out of such **Wrongful Act** shall be deemed to have been first made and reported to the Insurer by the **Named Entity Insureds** at the time such written notice was received by the Insurer. No coverage is provided for fees and expenses incurred prior to the time such notice results in a **Liability Claim**.

3. Except as provided in subsection 2 above, a **Liability Claim** shall be deemed made:
 - a. in the case of a civil, criminal, administrative, regulatory proceeding or arbitration, on the earliest of the date of service upon or other receipt by any **Named Entity Insured** of a complaint, indictment, notice of charge or similar document against the **Named Entity Insured** in such proceeding or arbitration;
 - b. in the case of a written demand for monetary damages or non-monetary relief, on the **Named Entity Insureds'** receipt of such written demand.

4. More than one **Liability Claim** involving the same **Wrongful Act** or **Interrelated Wrongful Acts** shall be considered as one **Liability Claim** which shall be deemed made on the earlier of:
 - a. the date on which the earliest such **Liability Claim** was first made, or
 - b. the first date valid notice was given by the **Named Entity Insureds** to the Insurer under this Policy of any **Wrongful Act** or under any prior policy of any **Wrongful Act**, or any fact, circumstance, situation, event or transaction which underlies any such **Liability Claim**.
5. With respect to the **Crime Coverage Part**, within 90 days after discovery the **Named Entity Insured** sustained a loss, the **Named Entity Insured** shall provide a detailed sworn proof of loss. The **Named Entity Insureds** will, upon request of the Insurer, submit to an examination under oath. The **Named Entity Insureds** will also notify the police if they have reason to believe that any loss involves a violation of law.
6. The **Named Entity Insureds** shall give written notice to the Insurer under this Policy as specified in Item 4 of the Declarations, which shall be effective upon receipt.

VIII. CANCELLATION

1. The Insurer may not cancel this Policy except for non-payment of any premium when due by providing to **Named Entity** written notice stating when, not less than 20 days thereafter, such cancellation shall be effective. This Policy is issued in consideration of the payment of the premium. If there is non-payment of the premium due on inception of the **Policy Period**, this policy does not take effect, and the Named Insured will be so notified.
2. The **Named Entity Insureds** grant the exclusive authority to cancel this Policy to **Named Entity**. **Named Entity** may cancel this Policy by providing the Insurer written notice stating when thereafter such cancellation shall be effective. The mailing or delivery of such notice shall be sufficient. The unearned premium shall be computed pro rata and premium adjustment may be made at the time cancellation is effected or as soon as practicable.

IX. NOTICES TO THE NAMED ENTITY

Any notices required under Section VIII, **CANCELLATION**, shall be provided to **Named Entity** at the address set forth in Item 1 of the Declarations and to the **Property Manager** if and at the address, specified in Item 6 of the Declarations for this Policy. The mailing of such notice shall be sufficient.

X. OTHER INSURANCE

If any **Loss** resulting from any **Claim** is insured under any other policies, this Policy shall apply only to the extent the **Loss** exceeds the amount paid under such other insurance whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written only as specific excess insurance over this Policy.

XI. APPLICATION

The **Named Entity Insureds** represent and acknowledge that the statements contained in the **Application** are true, are the basis of this Policy and are to be considered as incorporated into and constituting a part of this Policy, and shall be deemed material to the acceptance of this risk or the hazard assumed by the Insurer under this Policy. This Policy is issued in reliance upon the truth of such representations.

XII. COORDINATION AMONG COVERAGE PARTS

Should two or more **Coverage Parts** apply to the same **Loss**, the Insurer will not pay more than the actual **Loss** incurred by the **Named Entity Insureds**.

XIII. COVERAGE FOR NEW SUBSIDIARIES

1. If, after the effective date of this Policy, (i) **Named Entity**, or any **Subsidiary** creates or acquires an entity, or (ii) **Named Entity**, or any **Subsidiary** merges with another entity such that **Named Entity**, or any **Subsidiary** is the surviving entity, then such entity, and any subsidiaries, directors, officers, trustees or employees of such entity who otherwise would thereby become a **Named Entity Insured**, shall be covered under this Policy, subject to its terms and conditions, only if the Insurer, at its sole option, upon submission of such information as the Insurer may require and payment of any additional premium and/or amendment of the provisions of the Policy, agrees to provide coverage for such entity, subsidiaries, directors, officers or employees.
2. There shall be no coverage under the **Liability Coverage Part** for any **Wrongful Act** by such created, acquired or merged entity, or by any persons or entities considered to be **Named Entity Insureds** pursuant to Section XII.1 above, where such **Wrongful Act** occurred in whole or in part before the effective date of such acquisition or merger or for any **Wrongful Act** occurring on or after such date which, together with any **Wrongful Acts** occurring before such date, would be considered **Interrelated Wrongful Acts**. There is no coverage under the **Crime Coverage Part** (if included) for any event discovered prior to the effective date of such creation, merger or acquisition either by **Named Entity Insured**, or by the created, acquired or merged entity.

XIV. CHANGE OF STATUS**1. Change in Status of Named Entity**

In the event of a **Change in Status** of **Named Entity**, coverage under this Policy shall continue until this Policy is otherwise terminated, but only with respect to **Wrongful Acts** occurring, or **Loss** under the **Crime Coverage Part** sustained, before the effective date of the **Change in Status**, unless (i) the Insurer is notified in writing of the **Change in Status** prior to the **Change in Status** effective date and agrees in writing to provide coverage for **Wrongful Acts** occurring, or **Crime Loss** sustained, on or after such effective date, and (ii) **Named Entity** accepts any special terms, conditions, exclusions or additional premium charge required by the Insurer.

2. Cessation of Subsidiary

If any organization ceases to be a **Subsidiary**:

- a. there shall be no coverage under the **Liability Coverage Part** for any **Wrongful Act** by such organization or any **Insured Person** of such organization occurring after the date such organization ceased to be a **Subsidiary**; and
- b. there shall be no coverage under the **Crime Coverage Part** (if included) for **Crime Loss** sustained by the **Subsidiary** after the date it ceased to be a **Subsidiary**.

3. Transfer of a Plan

If the sponsorship of a **Plan** is transferred so that **Named Entity**, or any **Subsidiary** is no longer the sole employer sponsor of such **Plan**, there shall be no coverage under the **Crime Coverage Part** (if included) for **Crime Loss** sustained by or with respect to such **Plan** after the date of such transfer.

XV. SUBROGATION AND RECOVERY

1. To the extent it pays any **Loss**, the Insurer shall be subrogated to all the **Named Entity Insureds'** rights of recovery therefor. The **Named Entity Insureds** shall execute all papers necessary to secure such rights, including executing any documents necessary to enable the Insurer effectively to bring suit in their name, and shall not act or fail to act in any way that impairs the Insurer's rights of subrogation or recovery.
2. If a **Loss** is in part insured and in part uninsured under this Policy or is in an amount in excess of the applicable limit of liability, the **Named Entity Insureds** and the Insurer shall attempt to agree upon an equitable allocation of any recoveries made, whether before or after payment of the **Loss** by the Insurer, from any person or source responsible for causing the **Loss**. Reasonable expenses incurred in making a recovery shall always have priority of payment from all such recoveries. If, after exerting their best efforts, the **Named Entity Insureds** and the Insurer are unable to agree upon such an allocation after taking into account due consideration for the respective parties' willingness to pay the expenses of making any recovery, the Insurer, if requested by the **Named Entity Insureds**, shall submit the dispute to binding arbitration. The rules of the American Arbitration Association shall apply with respect to the selection of the arbitration panel, which shall consist of one arbitrator selected by the **Named Entity Insureds**, one arbitrator selected by the Insurer, and a third independent arbitrator selected by the first two arbitrators.
3. In no event shall the **Named Entity Insureds** be entitled to recoup from recoveries any amount to satisfy any retention until after all amounts which the Insurer is required to pay or pays under any applicable **Coverage Part** are reimbursed to the Insurer.
4. Any allocation of recoveries for purposes of this Section **XV** shall not change any provisions dealing with calculation of insured **Crime Loss** under the **Crime Coverage Part**.

XVI. CHANGES

Notice to or knowledge possessed by any agent or other person acting on behalf of the Insurer shall not effect a waiver or a change in any part of this Policy or stop the Insurer from asserting any right under the provisions of this Policy, nor shall the provisions be waived or changed except by written endorsement issued to form a part of this Policy.

XVII. NAMED ENTITY AUTHORIZATION

1. The **Named Entity Insureds** agree that **Named Entity** will act on behalf of the **Named Entity Insureds** with respect to giving of all notice to the Insurer (except notices provided in Section VII.1 or 2), the receipt of notices from the Insurer, the payment of the premiums, the receipt of any return premiums that may become due under this Policy, and the acceptance of endorsements.
2. Payment of **Crime Loss** covered under the **Crime Coverage Part** to **Named Entity** shall discharge the Insurer from all further obligations under the **Crime Coverage Part** with respect to such **Crime Loss**, regardless of which **Named Entity Insured** sustained the **Crime Loss**.

XVIII. NO ACTION AGAINST INSURER

1. No action shall be taken against the Insurer unless, as a condition precedent, there shall have been full compliance with all the provisions of this Policy nor until the amount of the **Named Entity Insureds'** obligation to pay shall have been finally determined either by final and nonappealable judgment against the **Named Entity Insureds** after trial or by written agreement of the **Named Entity Insureds**, the claimant and the Insurer.

2. No person or organization shall have any right under this Policy to join the Insurer as a party to any **Liability Claim** against the **Named Entity Insureds** to determine the **Named Entity Insureds'** liability, nor shall the Insurer be impleaded by the **Named Entity Insureds** or their legal representatives in any such **Liability Claim**.
3. Legal proceedings for the recovery of any **Loss** claimed under the **Crime Coverage Part** shall not be brought prior to the expiration of 90 days after proof of loss was received by the Insurer nor more than two years after the loss was discovered.

XIX. ASSIGNMENT OF INTEREST

Assignment of interest under this Policy shall not bind the Insurer unless its consent is endorsed to this Policy.

XX. TERRITORY

Coverage shall apply solely to **Claims** brought and maintained entirety within and subject to the laws of the United States of America or any territory, possession, state, province or subdivision thereof.

XXI. ENTIRE AGREEMENT

The **Named Entity Insureds** agree that this Policy, consisting of the **Application**, the **Coverage Parts**, and all endorsements listed in the Declarations, constitute the entire contract existing between them and the Insurer or any of its agents relating to this insurance.

XXII. ECONOMIC AND TRADE SANCTIONS

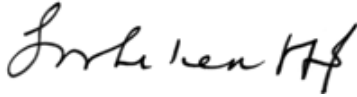
In accordance with laws and regulations of the United States concerning economic and trade embargoes, this policy is void from its inception with respect to any term or condition of this policy that violates any laws or regulations of the United States concerning economic and trade embargoes including, but not limited to the following:

1. Any **Named Entity Insured**, or any person or entity claiming the benefits of a **Named Entity Insured**, who is or becomes a Specially Designated National or Blocked Person or who is otherwise subject to U.S. economic or trade sanctions;
2. Any **Claim** that is brought in a Sanctioned Country or by a Sanctioned Country Government, where any action in connection with such **Claim** is prohibited by U.S. economic or trade sanctions;
3. Any **Claim** that is brought by any Specially Designated National or Blocked Person or any person or entity who is otherwise subject to U.S. economic or trade sanctions;
4. Property that is located in a Sanctioned Country or that is owned by, rented to or in the care, custody or control of a Sanctioned Country Government, where any activities related to such property are prohibited by U.S. economic or trade sanctions; or
5. Property that is owned by, rented to or in the care, custody or control of a Specially Designated National or Blocked Person, or any person or entity who is otherwise subject to U.S. economic or trade sanctions.

As used in this Policy, a Specially Designated National or Blocked Person is any person or entity that is on the list of Specially Designated Nationals and Blocked Persons issued by the U.S. Treasury Department's Office of Foreign Asset Control (O.F.A.C.) as it may be from time to time amended.

As used in this Policy, a Sanctioned Country is any country that is the subject of trade or economic embargoes imposed by the laws or regulations of the United States of America.

IN WITNESS WHEREOF, the Insurer has caused this Policy to be signed by its Chairman and Secretary at Chicago, Illinois, but the same shall not be binding upon the Insurer unless countersigned by a duly authorized representative of the Insurer.



Chairman



Secretary

I. INSURING AGREEMENT

The Insurer shall pay all **Loss** resulting from any **Claim** first made against any **Named Entity, Subsidiary, Insured Person** or **Property Manager** during the **Policy Period** or the Extended Reporting Period, if applicable, for a **Wrongful Act** committed, attempted, or allegedly committed or attempted, by such **Named Entity Insured** before or during the **Policy Period**.

II. DEFINITIONS

For purposes of coverage under this **Coverage Part**:

1. **Claim** means:
 - a. a written demand for monetary damages or nonmonetary relief against a **Named Entity Insured** for a **Wrongful Act**;
 - b. a civil, criminal, or administrative adjudicatory proceeding against a **Named Entity Insured** for a **Wrongful Act**, including any appeal therefrom; or
 - c. a proceeding before the United States Equal Employment Opportunity Commission or any similar state, local or territorial governmental agency, against a **Named Entity Insured** for a **Wrongful Act** which is a **Wrongful Employment Practice**.
2. **Construction Defect** means any alleged or actual defective, faulty or delayed construction or any other matter recognized as a construction defect under applicable common or statutory law, whether or not as a result of (i) faulty or incorrect design or architectural plans, (ii) improper soil testing, (iii) inadequate or insufficient protection from subsoil, ground water or earth movement or subsidence, (iv) the construction, manufacture or assembly of any tangible property, (v) the failure to provide construction related goods or services as represented or to pay for such goods or services, or (vi) the supervision of such activities.
3. **Insured Persons** means all past, present or future duly elected or appointed directors, officers, trustees, employees (including full time, part time, seasonal, temporary, leased or loaned employees), or committee members of **Named Entity** or any **Subsidiary**; volunteers acting on behalf of and at the specific direction of the **Named Entity** or any **Subsidiary**; or **Property Manager Employees**.
4. **Loss** means damages, settlements, judgments (including any award of pre-judgment and post-judgment interest) and **Defense Costs** for which the **Named Entity Insureds** are legally obligated to pay on account of a covered **Claim**. **Loss** shall not include:
 - a. criminal or civil fines or penalties imposed by law;
 - b. taxes;
 - c. any amounts for which there is no legal recourse against the **Named Entity Insureds**; or
 - d. matters which are uninsurable under the law pursuant to which this Policy is construed.

Loss shall include punitive, exemplary or multiple damages, if insurable, to the fullest extent permitted by any applicable law.
5. **Publishers' Wrongful Act** means a **Wrongful Act** that is:
 - a. copyright, trademark, trade name, trade dress or service mark infringement;
 - b. unauthorized use of title;
 - c. plagiarism; or
 - d. misappropriation of ideas.

6. **Property Manager Services** means the following services provided by the **Property Manager** for **Named Entity** for a fee:
- development and implementation of management plans and budget;
 - oversight of physical maintenance of property;
 - solicitation, evaluation and securing of tenants and management of tenant relations, collection of rent and processing evictions;
 - development, implementation and management of loss control and risk management plans for real property;
 - development, implementation and management of contracts and subcontracts (excluding property and liability insurance contracts) necessary to the daily functioning of the property;
 - feasibility studies and recommendations regarding maintenance, repairs, renovations or alterations of managed premises, provided said maintenance, repairs, renovation or alterations do not involve the services of an architect; and
 - personnel administration and record keeping, including tax filings, in connection with a managed property.
7. **Specified Peril** means aircraft or self propelled missiles; explosion; fire; lightning; flood, surface water, waves, tidal water, overflow of a body of water or spray from any of the foregoing, even if driven by wind; hail; leakage from fire equipment; mechanical breakdown; smoke; soil, subsoil or earth movement or subsidence, whether by earthquake, landslide, mudslide, volcanic eruption or other natural or man-made causes; or wind.
8. **Wrongful Act** means any actual or alleged error, misstatement, misleading statement, act, omission, neglect or breach of duty committed or attempted by:
- the **Insured Persons** in their capacity as such, or any matter claimed against the **Insured Person** solely by reason of serving in such capacity;
 - any **Named Entity** or **Subsidiary**; or
 - a **Property Manager**, but solely in the capacity as a **Property Manager** performing **Property Manager Services**,
- including but not limited to any **Publishers' Wrongful Act**, any **Wrongful Employment Practice**, and any **Wrongful Personal Injury**.
9. **Wrongful Employment Practice** means any **Wrongful Act** constituting or relating to:
- wrongful dismissal or discharge or termination of employment, whether actual or constructive;
 - employment-related misrepresentation;
 - violation of any federal, state or local laws (whether common-law or statutory) concerning employment or discrimination in employment, including the Americans with Disabilities Act of 1992, the Civil Rights Act of 1991, the Age Discrimination in Employment Act of 1967, Title VII of the Civil Rights Act of 1964 and the Civil Rights Act of 1866;
 - sexual harassment or other unlawful harassment in the work place;
 - wrongful deprivation of career opportunity or failure to employ or promote;
 - wrongful discipline of employees;
 - retaliation against employees for the exercise of any legally protected right or for engaging in any legally protected activity;

- h. negligent evaluation of employees;
 - i. failure to adopt adequate workplace or employment policies and procedures;
 - j. employment-related defamation or invasion of privacy; or
 - k. employment-related wrongful infliction of emotional distress
10. **Wrongful Personal Injury** means a **Wrongful Act** of:
- a. false arrest, wrongful detention or imprisonment;
 - b. malicious prosecution;
 - c. libel, slander or other defamation;
 - d. publication or an utterance in violation of an individual's right to privacy;
 - e. wrongful entry or eviction, or other invasion of the right to private occupancy; or
 - f. discrimination, other than employment related discrimination.

III. EXCLUSIONS

1. Exclusions Applicable to all Loss

The Insurer shall not be liable to pay any **Loss** in connection with any **Claim**:

- a. based upon, directly or indirectly arising out of, or in any way involving any:
 - (1) actual or alleged bodily injury, sickness, disease, emotional distress, mental anguish or death of any person (except employment-related wrongful infliction of emotional distress in a **Claim** for a **Wrongful Employment Practice**);
 - (2) actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, growth or presence of **Fungi** or **Microbes**; or the actual, alleged or threatened failure to detect, report, test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, remediate, dispose of or in any way respond to, assess the effects of or advise of the existence of any **Fungi** or **Microbes**. This exclusion applies regardless of any other cause or event that contributes concurrently or in any sequence to the **Losses** claimed;
 - (3) **Construction Defect**;
 - (4) **Specified Peril** (except that part of **Loss** which constitutes **Defense Costs** in a **Claim** for such **Specified Peril**); or
 - (5) damage to tangible property; loss of use or view, or destruction or deterioration of any tangible property; or failure to supervise, repair or maintain tangible property. However, this exclusion shall not apply to that part of **Loss** which constitutes **Defense Costs** in **Claims** for (a) decisions by the board of the **Named Entity** or any committee thereof to impose assessments upon residents, unit owners or members of the **Named Entity**; or (b) decisions of the board of the **Named Entity** in approving or rejecting the request to make physical changes to tangible property, but in no event decisions relating to the execution or quality of such physical changes;
- b. based upon, directly or indirectly arising out of, or in any way involving:
 - (1) any **Wrongful Act** or any matter, fact, circumstance, situation, transaction, or event which has been the subject of any notice given under any prior policy, in whole or in part, regardless of whether such prior policy affords coverage; or

- (2) any other **Wrongful Act** whenever occurring, which, together with a **Wrongful Act** described in (1) above, would constitute **Interrelated Wrongful Acts**;
- c. based upon, directly or indirectly arising out of, or in any way involving or constituting any civil, criminal, administrative or regulatory proceeding, investigation or arbitration against any of the **Named Entity Insureds**:
- (1) pending prior to the applicable Prior or Pending Date set forth in the Coverage Schedule of the Declarations; or
- (2) which has been the subject of any notice given under any prior policy, regardless whether such prior policy affords coverage for such proceeding, investigation, or arbitration;
- or any fact, circumstance, situation, transaction or event underlying or alleged in such proceeding, investigation or arbitration;
- d. based upon, directly or indirectly arising out of, or in any way involving: any nuclear reaction, radiation or contamination, or any actual, alleged or threatened discharge, release, escape, or disposal of, or exposure to, **Pollutants**; any request, direction or order that any of the **Named Entity Insureds** test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to or assess the effect of **Pollutants** or nuclear reaction, radiation or contamination, or any voluntary decision to do so; or any actual or alleged property damage, or bodily injury, sickness, disease or death of any person, or financial loss to **Named Entity** or any **Subsidiary**, their security holders, or their creditors resulting from any of the aforementioned matters; provided however, this exclusion shall not apply to any **Claim** for retaliatory treatment of the claimant by the **Named Entity Insureds** on account of the claimant's actual or threatened disclosure of the matters described in this exclusion;
- e. for any **Wrongful Act** by **Insured Persons** in the discharge of their duties in their capacities, or solely by reason of their status, as directors, officers, trustees, regents, governors or employees of any entity other than **Named Entity**, any **Subsidiary** or the **Property Manager**, even if directed or requested by **Named Entity**, any **Subsidiary** or the **Property Manager** to serve as directors, officers, trustees, regents, governors or employees of such other entity;
- f. where it is established in a final adjudication by the judge, jury or arbitrator in such **Claim** that such **Named Entity Insured** gained any profit, remuneration or pecuniary advantage to which they were not legally entitled. For purposes of determining the applicability of this exclusion, the **Wrongful Act** of an **Insured Person** shall not be imputed to any other **Insured Person**, and only facts pertaining to and knowledge possessed by an **Executive Officer** shall be imputed to the **Named Entity**, any **Subsidiary** or **Property Manager** for the purpose of determining if coverage is available;
- g. where it is established in a final adjudication by the judge, jury or arbitrator in such **Claim** that such **Named Entity Insured** committed any fraudulent or criminal **Wrongful Act** with actual knowledge of its wrongful nature or with intent to cause damage. For purposes of determining the applicability of this exclusion, the **Wrongful Act** of an **Insured Person** shall not be imputed to any other **Insured Person**, and only facts pertaining to and knowledge possessed by an **Executive Officer** shall be imputed to the **Named Entity**, any **Subsidiary** or **Property Manager** for the purpose of determining if coverage is available;
- h. based upon, directly or indirectly arising out of, or in any way involving a lockout, strike, picket line, replacement or other similar actions resulting from labor disputes or labor negotiations, or the Workers' Adjustment and Retraining Notification Act, Public Law 100-379 (1988), or any amendment thereto, or any similar federal, state, local or common law;

- i. based upon, directly or indirectly arising out of, or in any way involving any actual or alleged violation of (i) **ERISA or any Similar Act**; (ii) any law governing workers' compensation, unemployment insurance, social security, disability or similar law, (iii) the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), (iv) the Fair Labor Standards Act (except the Equal Pay Act), (v) the National Labor Relations Act, (vi) the Occupational Safety and Health Act of 1970 (OSHA), or (vii) any similar federal, state or local law. However, this exclusion shall not apply to any **Claim** for retaliatory treatment of the claimant by the **Named Entity Insureds** on account of claimant's exercise of a right pursuant to any such laws;
- j. by or derivatively on behalf of the **Named Entity** or any **Subsidiary**;
- l. for:
 - (1) any **Wrongful Act** by **Insured Persons** of any **Subsidiary** occurring before the date such entity became a **Subsidiary**, or
 - (2) any other **Wrongful Act** whenever occurring, which, together with a **Wrongful Act** described in (1) above, would constitute **Interrelated Wrongful Acts**;
- m. for:
 - (1) a **Named Entity Insured's** actual or alleged liability under any oral or written contract or agreement, including but not limited to express warranties or guarantees. Provided, however, that this exclusion shall not apply to any **Claim** for liability under an employment contract;
 - (2) liability of others assumed by the **Named Entity Insured** under any oral or written contract or agreement,

except that coverage otherwise available to a **Named Entity Insured** shall apply to such **Named Entity Insured's** liability that exists in the absence of such contract or agreement; or
- n. made against any of the **Insureds** in their capacity as sponsors, builders or developers of the **Named Entity**, or based upon, directly or indirectly arising out of, or in any way involving any actual or alleged misconduct of a sponsor, builder or developer of the **Named Entity**, including but not limited to actual or alleged conflict of interest, self-dealing, or disputes concerning conversion, construction or development.

2. Exclusions Applicable to **Loss** other than **Defense Costs**

The Insurer shall not be liable to pay that portion of **Loss**, other than **Defense Costs**, which constitutes:

- a. the cost of any non-monetary relief, including without limitation any costs associated with any injunctive relief of any kind or nature imposed by any judgment or settlement;
- b. the costs associated with providing any reasonable accommodations required by, made as a result of, or to conform with the requirements of, the Americans With Disabilities Act and any amendments thereto or any similar federal, state or local statute, regulation, or common laws;
- c. medical or insurance benefits to which the claimant allegedly was entitled or would have been entitled had **Named Entity** or any **Subsidiary** provided the claimant with a continuation or conversion of insurance; or
- d. **Loss** arising out of the failure to maintain or effect insurance.

3. Exclusions Applicable to **Property Manager**

The Insurer shall not be liable to pay any **Loss** of the **Property Manager** based upon, directly or indirectly arising out of, or in any way involving:

- a. the commingling, misappropriation or improper use of, or failure to pay, collect, or safeguard funds;
- b. advice as to property value;
- c. the transfer or failure to transfer funds;
- d. notarization certification or acknowledgment of a signature;
- e. any cease and desist order; or
- f. the failure to give timely notice of claim or loss under any insurance policy
- g. any **Claim** brought by or derivatively on behalf of the **Named Entity Insured** against a **Property Manager** or a **Property Manager Employee**.

NETWORK RISK AND PRIVACY CLAIM ENDORSEMENT

It is understood and agreed that the **Association Liability Coverage Part**, the Section entitled **DEFINITIONS**, is amended as follows:

I. The definition of **Claim** is amended to include the following:

Claim also includes **Privacy and Network Damage Claims**.

II. Solely with respect to the coverage provided by this endorsement, the following definitions are added:

Electronic Infection means the transmission of a computer virus to a **Network**.

Network means a party's local or wide area network owned or operated by or on behalf of or for the benefit of that party; provided, however, **Network** shall not include the Internet, telephone company networks, or other public infrastructure networks.

Non-public Personal Information means personal information not available to the general public from which an individual may be identified, including without limitation, an individual's name, address, telephone number, social security number, account relationships, account numbers, account balances, and account histories.

Privacy and Network Damage Claim means a **Claim** alleging that:

- a. a third party suffered **Privacy Injury or Identity Theft**; or
- b. the **Named Entity's Network** sustained a **Security Breach** or **Electronic Infection** that caused a third party to suffer **Privacy Injury or Identity Theft**.

Privacy Injury or Identity Theft means any unauthorized disclosure of, inability to access, or inaccuracy with respect to, **Non-public Personal Information** in violation of any federal, state, foreign or other law, statute or regulation governing the confidentiality, integrity or accessibility of **Non-public Personal Information**, including but not limited, to the Health Insurance Portability and Accountability Act of 1996, Gramm-Leach-Bliley Act, Children's Online Privacy Protection Act, or the EU Data Protection Act.

Security Breach means the failure of the **Named Entity's Network** hardware, software, firmware, the function or purpose of which is to protect against computer viruses.

III. This endorsement shall not be construed to increase the Limits of Liability of this Policy.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

Must be Completed
Endorsement No.: 1 Policy No.: 0250962485

Complete Only When This Endorsement Is Not Prepared with the Policy <u>or</u> is Not to be Effective with the Policy.
Issued To: Summit II Condominium Association Effective Date Of This Endorsement: 10/17/2023

Authorized Representative

PRIVACY EVENT EXPENSE ENDORSEMENT

It is understood and agreed that the **Association Liability Coverage Part** is amended as follows:

I. The section entitled **INSURING AGREEMENT** is amended to add the following

PRIVACY EVENT EXPENSE

The Insurer will reimburse the **Named Entity** for **Privacy Event Expenses**, up to the limit of liability in the amount of \$100,000, that it incurs to directly respond to a **Privacy Event** first discovered during the **Policy Period**; provided, however, that all **Privacy Event Expenses** must be:

- a. reported to the Insurer as soon as reasonably practicable after the **Insured Persons** learn of such **Privacy Event** but in no event later than ten (10) days after termination or expiration of the **Policy Period**;
- b. incurred within twelve months following the date that the **Named Entity Insured** reports the **Privacy Event**; and,
- c. consented to in writing by the Insurer (such consent not to be unreasonably withheld).

All **Related Events** will be considered as having been made at the time the first **Privacy Event** is made.

The Limit of Liability stated above shall be a part of, and not in addition to, the Limit of Liability set forth on the Declarations for the Association Liability Coverage Part.

II. Solely with respect to the coverage provided by this endorsement, the section entitled **DEFINITIONS** is amended to add the following

Nonpublic Corporate Information means proprietary and confidential information, including trade secrets, of a third-party entity.

Nonpublic Personal Information means personal information not available to the general public from which an individual may be identified, including without limitation, an individual's name, address, telephone number, social security number, account relationships, account numbers, account balances, and account histories.

Privacy Event means any event or series of events or **Related Events** which in the reasonable opinion of any director or officer of the **Named Entity Insured** did cause or is reasonably likely to result in the disclosure or unauthorized use of **Protected Information** in the **Named Entity Insured's** care or custody.

Privacy Event Expenses means all reasonable and necessary fees, costs and expenses incurred by the **Named Entity Insured** and consented to by the Insurer:

- A. to provide voluntary notification to individuals or entities whose **Protected Information** may have been subject to a **Privacy Event**;
- B. to directly effect compliance with a **Security Breach Notice Law** including notification to individuals or entities who are required to be notified;
- C. to hire a computer forensics firm to investigate the existence and cause of a **Privacy Event** and to determine the extent such **Protected Information** has been or may have been disclosed;
- D. to hire an attorney or expert to negotiate with regulators and determine the applicability of and the actions necessary to comply with **Security Breach Notice Laws** after a **Privacy Event**;
- E. to minimize harm to the **Named Entity Insured's** reputation from a **Privacy Event**, including but not limited to the costs to set up a call center or provide a credit monitoring service for those impacted by a **Privacy Event**;
- F. to remediate any deficiencies that gave rise to the **Privacy Event**.

Protected Information means **Nonpublic Corporate Information** or **Nonpublic Personal Information**.

Related events mean all **Privacy Events** that are logically or causally connected by any common fact, circumstance, situation, transaction, event, advice or decision.

Security Breach Notice Law means any statute or regulation that requires an entity that maintains **Protected Information** to provide notice of a **Privacy Event** to specified individuals of any actual or potential unauthorized disclosure or potential disclosure of such **Protected Information**.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

Must be Completed
Endorsement No.: 2 Policy No.: 0250962485

Complete Only When This Endorsement Is Not Prepared with the Policy <u>or</u> is Not to be Effective with the Policy.
Issued To: Summit II Condominium Association Effective Date Of This Endorsement: 10/17/2023

Authorized Representative

AMEND CLAIMS BY INSURED EXCLUSIONS ENDORSEMENT

It is understood and agreed as follows:

- I. The Section of the Association Liability Coverage Part entitled EXCLUSIONS is amended as follows:
A. The subsection entitled Exclusions Applicable to All Loss, Exclusion j., is deleted in its entirety.
B. The subsection entitled Exclusions Applicable to Property Manager, Exclusion g., is deleted in its entirety and replaced by the following:
any Claim brought by or derivatively on behalf of the Named Entity against a Property Manager or a Property Manager Employee.
II. The Section of the General Terms & Conditions entitled NAMED ENTITY AUTHORIZATION, paragraph 1., is amended by the addition of the following:
Notwithstanding anything to the contrary in the Policy, in the event of a Claim brought by or on behalf of the Named Entity or any Subsidiary, the Named Entity is not authorized to give notice of such Claim to the Insurer or to receive any notice from the Insurer in connection with such Claim, unless the Claim was asserted against the Named Entity.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

Table with 1 column: Must be Completed. Rows: Endorsement No.: 3, Policy No.: 0250962485

Table with 1 column: Complete Only When This Endorsement Is Not Prepared with the Policy or is Not to be Effective with the Policy. Rows: Issued To: Summit II Condominium Association, Effective Date Of This Endorsement: 10/17/2023

Authorized Representative

WAGE AND HOUR LAW CLAIMS DEFENSE COSTS COVERAGE ENDORSEMENT

It is understood and agreed as follows:

I. The **Association Liability Coverage Part** is amended as follows:

A. The Section entitled **DEFINITIONS** is amended by the addition of the following new Definitions:

- **Wage and Hour Law Claim** means any **Claim** alleging violation of a **Wage and Hour Law**.
- **Wage and Hour Law** means those provisions of a state or local law or any federal law (including the applicable provisions of the Fair Labor Standards Act other than the Equal Pay Act) or any state, local or federal regulations governing the payment of wages (including but not limited to the payment of overtime, on-call time, rest periods minimum wages) or the classification of employees for the purpose of determining employees' eligibility for compensation or other benefits.

B. The Section entitled **EXCLUSIONS**, the Subsection entitled Exclusions Applicable to all **Loss**, Exclusion i., is deleted in its entirety and replaced by the following:

based upon, directly or indirectly arising out of, or in any way involving any actual or alleged violation of (i) **ERISA or any Similar Act**; (ii) any law governing workers' compensation, unemployment insurance, social security, disability or similar law, (iii) the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), (iv) the National Labor Relations Act, (v) the Occupational Safety and Health Act of 1970 (OSHA), or (vi) any similar federal, state or local law. However, this exclusion shall not apply to any **Claim** for retaliatory treatment of the claimant by the **Named Entity Insureds** on account of claimant's exercise of a right pursuant to any such laws;

C. The Section entitled **EXCLUSIONS**, the Subsection entitled Exclusions Applicable to **Loss** other than **Defense Costs**, is amended by the addition of the following new exclusion:

- The Insurer shall not be liable under this **Coverage Part** to pay that portion of **Loss**, other than **Defense Costs**, which constitutes damages based upon or arising out of any **Wage and Hour Law**. The Insurer will pay all **Defense Costs** associated with any **Wage and Hour Law Claim** subject to the **Wage and Hour Law Claim** Limit of Liability set forth in paragraph II. of this Endorsement, and the Insurer shall provide the **Named Entity Insured** with a defense of such **Wage and Hour Law Claims**. Such defense will not waive any of the Insurer's rights under this Policy. Notwithstanding anything to the contrary herein, there is no coverage under this **Liability Coverage Part** for any actual or alleged violation of a **Wage and Hour Law** if any **Executive Officer**, any supervisory employee of the **Named Entity, Subsidiary or Property Manager** or any employee within the human resources or risk management department of the **Named Entity, Subsidiary or Property Manager** was aware of the violations of the **Wage and Hour Law** prior to the inception date of this Policy.

II. The Section of the General Terms & Conditions entitled **LIMIT OF LIABILITY/RETENTIONS** is amended to add the following new paragraphs:

- **Wage and Hour Law Claims Defense Costs** Only Limit of Liability

Subject to the applicable Retention, if any, and the Insurer's maximum aggregate Limit of Liability under the **Liability Coverage Part**, the amount of:

\$100,000

shall be the maximum Aggregate Limit of Liability of the Insurer for all **Defense Costs** under the Policy in connection with **Wage and Hour Law Claims**, regardless of the number of **Wage and Hour Law Claims**, made against a **Named Entity Insured**. This amount is a sublimit of liability which further reduces, and in no way increases, the Scheduled Limit of Liability for the **Liability Coverage Part** as stated in the Declarations.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

Must be Completed
Endorsement No.: 4
Policy No.: 0250962485

Complete Only When This Endorsement Is Not Prepared with the Policy <u>or</u> is Not to be Effective with the Policy.
Issued To: Summit II Condominium Association
Effective Date Of This Endorsement: 10/17/2023

Authorized Representative

OUTSIDE DIRECTOR ENDORSEMENT

It is understood and agreed that the Policy is amended as follows:

- I. The Section of the Association Liability Coverage Part entitled EXCLUSIONS, the Subsection entitled Exclusions Applicable to all Loss, Exclusion e., is deleted in its entirety and replaced by the following:

for any Wrongful Act by Insured Persons in the discharge of their duties in their capacities, or solely by reason of their status, as directors, officers, trustees, regents, governors or employees of any entity other than Named Entity, any Subsidiary or the Property Manager, even if directed or requested by Named Entity, any Subsidiary or the Property Manager to serve as directors, officers, trustees, regents, governors or employees of such other entity; provided, however, that this exclusion does not apply to Insured Persons representing the Named Entity on other community association boards, joint councils, master associations or sub associations, provided that such entities are not-for-profit;

- II. Solely with respect to the coverage provided by this endorsement, the General Terms & Conditions, the Section entitled OTHER INSURANCE, is amended by the addition of the following:

Any coverage under this Policy for Claims against any Insured Person representing the Named Entity on other community association boards, joint councils, master associations or other related associations shall be specifically excess of any valid and collectible insurance and/or indemnification available to such Insured Person from such board, council or association.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

Table with 1 column and 2 rows: Must be Completed, Endorsement No.: 5, Policy No.: 0250962485

Table with 1 column and 2 rows: Complete Only When This Endorsement Is Not Prepared with the Policy or is Not to be Effective with the Policy., Issued To: Summit II Condominium Association, Effective Date Of This Endorsement: 10/17/2023

Authorized Representative

SUPPLEMENTARY PAYMENT – DEFENDANT REIMBURSEMENT ENDORSEMENT

It is understood and agreed that the **Association Liability Coverage Part** is amended by the addition of the following Supplementary Payment:

- **Supplementary Payment - Defendant Reimbursement**

If the Insurer requests an **Insured Person’s** presence at a trial, hearing, deposition, mediation or arbitration, the Insurer will pay up to \$250.00 a day per person for reimbursement of lost wages, subject to a maximum amount of \$2,500 per **Claim** per **Policy Period**. Such payments are in addition to the limits of liability and do not erode any retention.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

Must be Completed
Endorsement No.: 6
Policy No.: 0250962485

Complete Only When This Endorsement Is Not Prepared with the Policy <u>or</u> is Not to be Effective with the Policy.
Issued To: Summit II Condominium Association
Effective Date Of This Endorsement: 10/17/2023

Authorized Representative

DEFENSE COSTS OUTSIDE THE LIMITS ENDORSEMENT

It is understood and agreed that the Policy is amended as follows:

- I. The third paragraph of the Notice on the Declarations is deleted in its entirety.
II. Item 5. of the Declarations, the Column entitled SCHEDULED LIMITS OF LIABILITY, is amended to read as follows: SCHEDULED LIMITS OF LIABILITY (exclusive of Defense Costs)
III. The General Terms & Conditions, the Section entitled LIMIT OF LIABILITY/RETENTIONS, the paragraph entitled Limit of Liability is amended as follows:
A. The following new paragraph is added:
• Defense Costs
Defense Costs are in addition to the limits of liability.
B. The following parenthetical is added in every instance where the defined term Liability Loss or Loss (other than when used in the defined term Crime Loss) appears: (other than Defense Costs)
IV. The General Terms & Conditions, the Section entitled DEFENSE AND SETTLEMENT OF LIABILITY CLAIMS, is amended as follows:
A. The subsection entitled Defense of Claims is deleted in the entirety and replaced by the following:
Defense of Claims
The Insurer has the right and duty to defend all Liability Claims, even if the allegations are groundless, false or fraudulent. The Insurer shall have the right to appoint counsel and to make such investigation and defense of a Liability Claim as it deems necessary. The Insurer's obligation to defend any Liability Claim or pay any Liability Loss shall be completely fulfilled and extinguished if the limit of liability has been exhausted by payment of Liability Loss.
B. The subsection entitled Settlement is deleted in its entirety and replaced by the following:
Settlement
The Insurer shall not settle a Liability Claim without the consent of the Named Entity Insureds, other than any Property Manager, which consent shall not be unreasonably withheld. If the Named Entity Insureds, other than any Property Manager, unreasonably refuse to consent to a settlement or compromise recommended by the Insurer, and acceptable to the claimant, then the applicable limit of liability under this Policy shall be reduced to the amount for which the Liability Claim could have been settled.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

Table with 1 column: Must be Completed. Rows: Endorsement No.: 7, Policy No.: 0250962485

Table with 1 column: Complete Only When This Endorsement Is Not Prepared with the Policy or is Not to be Effective with the Policy. Rows: Issued To: Summit II Condominium Association, Effective Date Of This Endorsement: 10/17/2023

Authorized Representative



PUBLIC RELATIONS EVENT EXPENSES ENDORSEMENT

It is understood and agreed that the Association Liability Coverage Part is amended as follows:

A. The following is added as a Supplementary Payment:

Public Relations Event Expenses

The Insurer will reimburse the Named Entity up to \$15,000 per Public Relations Event, subject to a maximum of \$50,000 per Policy Period, for reasonable Public Relations Expenses incurred by the Named Entity for advisory services provided by a public relations firm to the Named Entity as a result of a Public Relations Event which occurs during the Policy Period.

B. The Section entitled DEFINITIONS is amended by the addition of the following new Definitions:

Public Relations Event means:

- A. departure, incapacitation, illness or death of an Executive Officer or association board member of the Named Entity;
B. the Named Entity's dissolution for any reason other than bankruptcy; or
C. violent act, kidnapping, sexual assault, criminal firearm use or workplace accident resulting in negative local or national media coverage of the Named Entity.

Public Relations Expenses means reasonable fees and expenses incurred by the Named Entity for advisory services provided by a public relations firm to the Named Entity for up to 60 days following a Public Relations Event.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

Table with 1 column: Must be Completed. Rows: Endorsement No.: 8, Policy No.: 0250962485

Table with 1 column: Complete Only When This Endorsement Is Not Prepared with the Policy or is Not to be Effective with the Policy. Rows: Issued To: Summit II Condominium Association, Effective Date Of This Endorsement: 10/17/2023

Authorized Representative

UNLIMITED EXTENDED REPORTING PERIOD ENDORSEMENT FOR PAST DIRECTORS OR OFFICERS

Solely with respect to the Association Liability Coverage Part, it is understood and agreed that the General Terms & Conditions, the Section entitled EXTENDED REPORTING PERIOD/DISCOVERY, is amended as follows:

I. The following new paragraph is added:

If the Named Entity cancels or non-renews this Policy, other than as a result of a takeover, an Insured Person who is a past director or officer of the Named Entity, but was not serving in such capacity at the time the Policy was cancelled or non-renewed, shall have, at no additional charge, an unlimited period in which to report Claims, but only with respect to Claims first made against such Insured Person after the date of such cancellation or non-renewal arising out of Wrongful Acts which occurred prior to the date of cancellation or non-renewal; provided, however, that such unlimited period shall not apply to any Claim arising out of a Wrongful Employment Practice made against such Insured Person if such Insured Person was not a director or officer of the Named Entity at the time such Wrongful Employment Practice occurred.

This period shall be referred to as the unlimited Extended Reporting Period.

Further, there shall be no coverage for any Claim otherwise covered under this endorsement if any other policy of insurance which is a renewal, replacement or extension (including run-off) of this Policy, covering such Insured Person, is in effect at the time the Claim is made, whether or not such policy affords coverage for such Claim.

II. Paragraph 5. is deleted in its entirety and replaced by the following:

There is no separate or additional limit for the automatic, optional or unlimited Extended Reporting Period.

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy.

Table with 1 column: Must be Completed. Rows: Endorsement No.: 9, Policy No.: 0250962485

Table with 1 column: Complete Only When This Endorsement Is Not Prepared with the Policy or is Not to be Effective with the Policy. Rows: Issued To: Summit II Condominium Association, Effective Date Of This Endorsement: 10/17/2023

Authorized Representative

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

SCHEDULE

Solely with respect to any Coverage Part set forth in the Schedule, it is understood and agreed as follows:

Whenever used in this endorsement, 1) "we" means the insurer listed on the policy declarations page; and 2) "you" means the Named Insured listed on the policy declarations page.

A. Cap on Certified Terrorism Losses

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism pursuant to the Terrorism Risk Insurance Act, as extended and reauthorized (the "Act"). The criteria contained in the 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 Act exceed \$100 billion in a calendar year (January 1 through December 31) and we have met our insurer deductible under the Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

B. Application of Exclusions

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

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

Must be Completed
Endorsement No.: 10 Policy No.: 0250962485

Complete Only When This Endorsement Is Not Prepared with the Policy <u>or</u> is Not to be Effective with the Policy.
Issued To: Summit II Condominium Association Effective Date Of This Endorsement: 10/17/2023

Authorized Representative

IMMIGRATION CLAIM DEFENSE COSTS ENDORSEMENTS (with Sublimit)

It is understood and agreed that the solely with respect to the **Association Liability Coverage Part**, the Policy is amended as follows:

I. The General Terms and Conditions is amended as follows:

A. The section entitled **NOTICE/DATE OF CLAIM/INTERRELATED CLAIM CLAUSE/ SWORN PROOF OF LOSS**, paragraph "3." is amended to add the following:

c. or, notwithstanding anything to the contrary, any **Immigration Claim** shall be deemed made on the earliest of the date of:

- i. service upon, or other receipt by any **Named Entity Insured** of a complaint, subpoena, indictment, notice of charge or similar document in a criminal proceeding, criminal administrative proceeding or criminal regulatory proceeding; or
- ii. an **Insured Person** being identified by name in a formal order of investigation, Wells Notice, target letter (within the meaning of Title 9, §11.151 of the United States Attorney's Manual), or similar document, someone against whom a criminal investigation may be brought.

B. The section entitled **LIMIT OF LIABILITY/RETENTIONS** is amended as follows:

Immigration Claims Defense Costs Sublimit of Liability

Subject to the applicable retention and the **Policy Period** aggregate Limit of set forth in the Declarations, the amount of \$100,000 shall be the maximum per **Policy Period** aggregate Limit of Liability of the Insurer for all **Defense Costs** under the Policy for all **Immigration Claims** covered under the **Association Liability Coverage Part**, regardless of the number of such **Immigration Claims**, **Named Entity Insureds** or claimants. This amount is a sublimit of liability which further reduces, and in no way increases, the Limit of Liability for the **Association Liability Coverage Part** set forth in the Declarations.

II. The Association Liability Coverage Part, is amended as follows:

A. The section entitled **DEFINITIONS** is amended as follows:

1. The definition of **Claim**, is deleted in its entirety and replaced with the following:

Claim means:

- a. a written demand for monetary damages or nonmonetary relief against a **Named Entity Insured** for a **Wrongful Act**;
- b. a civil, criminal, or administrative adjudicatory proceeding against a **Named Entity Insured** for a **Wrongful Act**, including any appeal therefrom (other than an **Immigration claim**); or
- c. a proceeding before the United States Equal Employment Opportunity Commission or any similar state, local or territorial governmental agency, against a **Named Entity Insured** for a **Wrongful Act** which is a **Wrongful Employment Practice** (other than an **Immigration claim**); or
- d. an **Immigration Claim** for a **Wrongful Act**, which is a **Wrongful Immigration Employment Practice**, including any appeal therefrom;

- 2. **Immigration Claim** means;
 - a. a criminal proceeding, criminal administrative or criminal regulatory proceeding against a **Named Entity Insured**; or
 - b. a criminal investigation of an **Insured Person**;

based upon or arising out of an actual or alleged violation of the Federal Immigration & Nationality Act, 8 U.S.C., Section 1101, et seq., as amended.

- 3. The definition of **Wrongful Employment Practice**, is amended to add the following

- **Wrongful Immigration Employment Practice**

- 4. The following new definition is added:

Wrongful Immigration Employment Practice means any actual or alleged hiring, harboring, employment or attempted employment of illegal aliens or potential illegal aliens committed or attempted by the Insured Persons in their capacity as such or by the **Named Entity** or **Subsidiary**.

- B. The section entitled **EXCLUSIONS**, the sub-section Exclusions Applicable to Loss other than Defense Costs is amended to add the following new exclusion:

For an **Immigration Claim**.

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy.

Must be Completed
Endorsement No.: 11 Policy No.: 0250962485

Complete Only When This Endorsement Is Not Prepared with the Policy <u>or</u> is Not to be Effective with the Policy.
Issued To: Summit II Condominium Association Effective Date Of This Endorsement: 10/17/2023

Authorized Representative

WORKPLACE VIOLENCE ACT ENDORSEMENT (WITH SUBLIMIT)

It is understood and agreed that notwithstanding anything to the contrary and solely with respect to the coverage provided by this endorsement, the Policy is amended as follows:

- I. The General Terms and Conditions are amended as follows:

Workplace Violence Act Expenses Sublimit of Liability

Subject to Scheduled Limits of Liability for the **Association Liability Coverage Part**, the amount of \$100,000 shall be the maximum aggregate Limits of Liability of the Insurer for all **Workplace Violence Act Expenses** under the Policy for all Workplace Violence Acts covered under the Insuring Agreement entitled **Workplace Violence Act Expenses**, regardless of the number of such **Workplace Violence Acts** or **Named Entity Insureds**. This amount is a sublimit of liability which further reduces, and in no way increases, the Limit of Liability for the **Association Liability Coverage Part** set on the Declarations.

- II. The **Liability Coverage Part** is amended as follows:

- A. The section entitled **INSURING AGREEMENT** is amended by the addition of the following new Insuring Agreement:

Workplace Violence Act Expenses

The Insurer shall pay all **Loss** that constitutes Workplace Violence Act Expenses, up to the **Workplace Violence Act Expenses** sublimit of liability, resulting from any **Workplace Violence Act** first taking place during the **Policy Period**, provided that such **Workplace Violence Act** is reported to the Insurer in writing as soon as practicable but in no event later than sixty (60) days after the occurrence of the **Workplace Violence Act**. No retention applies to **Workplace Violence Act Expenses**.

- B. The section entitled **DEFINITIONS** is amended as follows:

1. The definition of **Loss** is amended by the addition of the following:

Loss also means **Workplace Violence Act Expenses**.

2. The following new definitions are added:

Premises means any buildings, facilities or properties occupied by the **Named Entity, Subsidiary** or **Property Manager** and in which such **Named Entity, Subsidiary** or **Property Manager** conducts its business operations.

Workplace Violence Act means any intentional or unlawful act:

- a. of deadly force involving the use of a lethal weapon; or
- b. involving the threat of deadly force via the display of a lethal weapon;

which is committed on or in the **Premises** and which causes, or could cause, bodily injury or death to an **Insured Person**.

Workplace Violence Act Expenses means the reasonable and necessary fees and expenses (other than regular or overtime wages or salaries) incurred by the **Named Entity, Subsidiary** or **Property Manager**, with the prior written consent of the Insurer, in connection with a **Workplace Violence Act** and for:

- a. an independent security consultant for the first ninety (90) days immediately following the date on which the **Workplace Violence Act** takes place;
- b. an independent public relations consultant for the first ninety (90) days immediately following the date on which the **Workplace Violence Act** takes place;

- c. a counseling seminar for all employees of the **Named Entity, Subsidiary or Property Manager** conducted by an independent consultant within the first ninety (90) days immediately following the date on which the **Workplace Violence Act** takes place;
- d. an independent security guard service for the first fifteen (15) days immediately following the date on which the **Workplace Violence Act** takes place; and
- e. an independent forensic analyst for the first ninety (90) days immediately following the date on which the **Workplace Violence Act** takes place.

C. The section entitled **EXCLUSIONS** is amended as follows:

- 1. The paragraph entitled Exclusions Applicable to All Loss is amended by the addition of the new exclusion:
 - based upon or arising out of a **Workplace Violence Act**;
- 2. The following is added:

Exclusions Applicable to Workplace Violence Acts

The Insurer shall not be liable to pay under this **Coverage Part**:

- 1. any **Workplace Violence Act Expenses** resulting from any **Workplace Violence Act** which takes place at or in any location other than an **Named Entity, Subsidiary, or Property Manager’s Premises**;
- 2. any **Workplace Violence Act Expenses** resulting from any **Workplace Violence Act** which is based upon or arises out of declared or undeclared war, civil war, insurrection, civil commotion, insurrection, rebellion, revolution, military action, invasion, riot, government intervention, expropriation or nationalization;
- 3. any **Workplace Violence Act Expenses** resulting from any **Workplace Violence Act** which is based upon or arises out of the use or threat of force or violence occurring for the purpose of demanding money, securities or property; or
- 4. any legal costs, attorneys’ fees, expenses, settlement, judgments, penalties or other amounts incurred as a result of any proceeding brought against any **Named Entity Insured** in connection with a **Workplace Violence Act**.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

Must be Completed	Complete Only When This Endorsement Is Not Prepared with the Policy <u>or</u> is Not to be Effective with the Policy.
Endorsement No.: 12 Policy No.: 0250962485	Issued To: Summit II Condominium Association Effective Date Of This Endorsement: 10/17/2023

Authorized Representative

REMOVE SPECIFIED PERIL

In consideration of the premium paid for this Policy, it is agreed that the **Liability Coverage Part** is amended as follows:

- 1. Section II. DEFINITIONS, Definition 7., **Specified Peril** is deleted in its entirety.
- 2. Section III. EXCLUSIONS, Paragraph 1., Exclusions Applicable to All Loss, subparagraph (a)(4) **Specified Peril**, is deleted in its entirety.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy and expires concurrently with said Policy unless another effective date is shown below.

Must be Completed
Endorsement No.: 13 Policy No.: 0250962485

Complete Only When This Endorsement Is Not Prepared with the Policy <u>or</u> is Not to be Effective with the Policy.
Issued To: Summit II Condominium Association Effective Date Of This Endorsement: 10/17/2023

Authorized Representative

BREACH OF CONTRACT DEFENSE COVERAGE WITH SUBLIMIT ENDORSEMENT

In consideration of the premium paid, it is hereby understood and agreed that the Liability Coverage Part, Section III, EXCLUSIONS, is amended as follows:

- 1. Paragraph 1, Exclusions Applicable to All Loss, subparagraph m. is deleted in its entirety and replaced as follows: m. for: (1) a Named Entity Insured's actual or alleged liability under any oral contract or agreement... (2) liability of others assumed by the Named Entity Insured under any oral or written contract or agreement...

2. Paragraph 2. Exclusions Applicable to Loss Other than Defense Costs, is amended to add the following new Exclusion:

- The Insurer shall not be liable to pay that portion of Loss, other than Defense Costs, for: a Named Entity Insured's actual or alleged liability under any written contract or agreement, including but not limited to express warranties or guarantees. Provided, however, that this exclusion shall not apply to any Claim for liability under an employment contract; except that coverage otherwise available to a Named Entity Insured shall apply to such Named Entity Insured's liability that exists in the absence of such written contract or agreement.

Defense Costs coverage provided herein shall be subject to the following Retention and Sublimit. Such sublimit shall be included within, and not in addition to, the aggregate Limit of Liability for all Liability Loss as stated in Item 5. on the Declarations.

Retention: \$1,000 per Claim
Sublimit: \$1,000,000 per Claim and in the aggregate

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy and expires concurrently with said Policy unless another effective date is shown below.

Table with 1 column: Must be Completed. Rows: Endorsement No.: 14, Policy No.: 0250962485

Table with 1 column: Complete Only When This Endorsement Is Not Prepared with the Policy or is Not to be Effective with the Policy. Rows: Issued To: Summit II Condominium Association, Effective Date Of This Endorsement: 10/17/2023

Authorized Representative

BI-LATERAL OPTIONAL EXTENDED REPORTING PERIOD ENDORSEMENT

In consideration of the premium paid for this Policy, it is agreed that the General Terms & Conditions, Section III. EXTENDED REPORTING PERIOD/DISCOVERY, is amended as follows:

- 1. paragraph 2 is deleted in its entirety and replaced with the following:
2. If the Named Entity cancels or non-renews or the Insurer non-renews this Policy, the Named Entity shall have the right to purchase, upon payment of an additional premium equal to 100% of the annualized Policy Premium, an extension of this Policy for a period of 12 months immediately following the end of the automatic Extended Reporting Period, but only under the Liability Coverage Part, and only with respect to any Wrongful Act committed before the earlier of the end of the Policy Period or the effective date of any Change in Status;
This period shall be referred to as the optional Extended Reporting Period.
2. Paragraph 6 is deleted in its entirety.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

Table with 2 rows: Must be Completed, Endorsement No.: 15, Policy No.: 0250962485

Table with 2 rows: Complete Only When This Endorsement Is Not Prepared with the Policy or is Not to be Effective with the Policy, Issued To: Summit II Condominium Association, Effective Date Of This Endorsement: 10/17/2023

Authorized Representative

AMEND SETTLEMENT ENDORSEMENT

In consideration of the premium paid for this Policy, it is hereby understood and agreed that the General Terms & Conditions, Section VI. DEFENSE AND SETTLEMENT OF LIABILITY CLAIMS, Paragraph 2. Settlement, is deleted in its entirety and replaced as follows:

2. Settlement

The Insurer shall not settle a Liability Claim without the written consent of the Named Entity Insureds, other than the Property Manager. If the Named Entity Insured, other than the Property Manager, refuses to consent to a settlement or compromise recommended by the Insurer, and acceptable to the claimant, then the limit of liability applicable to such Liability Claim for all Loss including Defense Costs under this Policy shall be reduced to:

- a. the amount of the proposed settlement plus Defense Costs incurred up to the date of the Named Entity Insured's refusal to consent to proposed settlement of such Liability Claim;

plus:

- b. eighty percent (80%) of any Loss, including Defense Costs, in excess of the amount referenced in paragraph a. above, incurred in connection with such Liability Claim. The remaining twenty percent (20%) of any Loss, including Defense Costs, in excess of the amount referenced in paragraph a. above will be borne uninsured and at the Insured's own risk;

which amount shall not exceed the remainder of the applicable limit of liability specified on the Declarations.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

Table with 1 column: Must be Completed. Rows: Endorsement No.: 16, Policy No.: 0250962485

Table with 1 column: Complete Only When This Endorsement Is Not Prepared with the Policy or is Not to be Effective with the Policy. Rows: Issued To: Summit II Condominium Association, Effective Date Of This Endorsement: 10/17/2023

Authorized Representative

MEDIATION ENDORSEMENT

In consideration of the premium paid for this Policy, it is hereby understood and agreed that the General Terms & Conditions, Section VI. DEFENSE AND SETTLEMENT OF LIABILITY CLAIMS, is amended to add the following new paragraph at the end as follows:

Mediation

If, prior to institution of arbitration proceedings or service of suit or within sixty (60) days of the institution of such proceedings or service of suit, the Insurer and the Named Entity agree to use a process of non binding intervention by a neutral third party to resolve any Liability Claim reported to the Insurer, and if such Liability Claim is resolved through such process, the Insurer will reduce the retention applicable to such Liability Claim by fifty percent (50%) or five thousand dollars (\$5,000.00), whichever is less.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

Must be Completed
Endorsement No.: 17
Policy No.: 0250962485

Complete Only When This Endorsement Is Not Prepared with the Policy or is Not to be Effective with the Policy.
Issued To: Summit II Condominium Association
Effective Date Of This Endorsement: 10/17/2023

Authorized Representative

FIRST DOLLAR DEFENSE ENDORSEMENT

It is understood and agreed that the Policy is amended as follows:

- I. Solely with respect to the Association Liability Coverage Part, the Item on the Declarations entitled Coverage, Column 3. of the chart, is amended to read as follows:

SCHEDULED RETENTIONS (exclusive of Defense Costs)

- II. The Section of the General Terms & Conditions entitled LIMIT OF LIABILITY/RETENTIONS, the subsection entitled Retentions, paragraphs a. and b., are deleted in their entirety and replaced by the following:

- a. Subject to paragraph c. below, the Insurer is liable to pay only that amount of Loss, other than Defense Costs, in excess of any applicable retention. The Insurer will have no obligation to pay all or any portion of any applicable retention.
b. Separate Retentions as set forth in Item 5 of the Declarations as the Scheduled Retentions shall apply to each Loss, other than Defense Costs, under each Coverage Part.

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy.

Table with 1 column: Must be Completed. Rows: Endorsement No.: 18, Policy No.: 0250962485

Table with 1 column: Complete Only When This Endorsement Is Not Prepared with the Policy or is Not to be Effective with the Policy. Rows: Issued To: Summit II Condominium Association, Effective Date Of This Endorsement: 10/17/2023

Authorized Representative

CANCELLATION AND NONRENEWAL ENDORSEMENT - IDAHO

In consideration of the premium paid for this Policy, it is agreed that the General Terms & Conditions are amended as follows:

Section VIII., CANCELLATION is deleted in its entirety and replaced with the following:

VIII. Cancellation/Nonrenewal

1. Cancellation by the Named Entity

The Named Entity has the right to cancel this Policy at any time by giving notice to the Insurer stating when thereafter the cancellation shall be effective.

2. Cancellation by the Insurer

- a. The Insurer has the right to cancel the Named Entity's Policy at any time and for any reason within the first sixty (60) days. The Insurer must mail notice of cancellation at least thirty (30) days prior to the effective date of such cancellation. If the Insurer cancels for non-payment of premium, the Insurer must mail notice of cancellation at least ten (10) days prior to the effective date of such cancellation. All notices shall be mailed to the Named Entity at the last mailing address known to the Insurer.
b. After the Named Entity's Policy has been in effect for sixty-one (61) days or more, it may be canceled only for one of the following reasons:
(1) Nonpayment;
(2) Fraud or material misrepresentation;
(3) Activities by the Named Entity Insureds that increase any hazard insured against;
(4) A change in the risk that substantially increases any hazard insured against;
(5) Loss or decrease of the Insurers' reinsurance;
(6) Determination by the Commissioner that continuation of this Policy would place the Insurer in violation of the Idaho insurance laws;
(7) Violation or breach of policy terms or conditions by the Named Entity Insureds other than nonpayment.

The Insurer must mail notice of cancellation at least thirty (30) days prior to the effective date of such cancellation. If the Insurer cancels for non-payment of premium, the Insurer must mail notice of cancellation at least ten (10) days prior to the effective date of such cancellation. All notices shall be mailed to the Named Entity at the last mailing address known to the Insurer.

3. Non-Renewal by the Insurer

The Insurer has the right to non-renew the Named Entity's Policy effective on any Policy anniversary date. All notices of non-renewal must be mailed to the Named Entity at the last mailing address known to the Insurer, at least forty-five (45) days prior to the effective date of non-renewal and shall provide a specific explanation of the reason(s) for non-renewal.

All other provisions of the Policy remain unchanged.

Table with 1 column: Must be Completed. Rows: Endorsement No.: 19, Policy No.: 0250962485

Table with 1 column: Complete Only When This Endorsement Is Not Prepared with the Policy or is Not to be Effective with the Policy. Rows: Issued To: Summit II Condominium Association, Effective Date Of This Endorsement: 10/17/2023

Authorized Representative

IMPORTANT INFORMATION

NOTICE – OFFER OF TERRORISM COVERAGE; DISCLOSURE OF PREMIUM

THIS NOTICE DOES NOT FORM A PART OF THE POLICY, GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

As used herein, 1) “we” means the insurer listed on the Declarations or the Certificate of Insurance, as applicable; and 2) “you” means the first person or entity named on the Declarations or the Certificate of Insurance, as applicable.

You are hereby notified that under the Terrorism Risk Insurance Act, as extended and reauthorized (“Act”), you have a right to purchase insurance coverage of losses arising out of acts of terrorism, as defined in Section 102(1) of the Act, subject to all applicable policy provisions. The Terrorism Risk Insurance Act established a federal program within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks.

This Notice is designed to alert you to coverage restrictions and to certain terrorism provisions in the policy. If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) apply.

CHANGE IN THE DEFINITION OF A CERTIFIED ACT OF TERRORISM

The Act applies when the Secretary of the Treasury certifies that an event meets the definition of an act of terrorism. Originally, the Act provided that to be certified, an act of terrorism must cause losses of at least five million dollars and must have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest to coerce the government or population of the United States. However, the 2007 re-authorization of the Act removed the requirement that the act of terrorism must be committed by or on behalf of a foreign interest, and now certified acts of terrorism may encompass, for example, a terrorist act committed against the United States government by a United States citizen, when the act is determined by the federal government to be “a certified act of terrorism.”

In accordance with the Act, we are required to offer you the ability to purchase coverage for losses resulting from an act of terrorism that is certified under the federal program. The other provisions of this policy, including nuclear, war or military action exclusions, will still apply to such an act.

DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF TERRORISM LOSSES

The Department of the Treasury will pay a share of terrorism losses insured under the federal program. In 2015, the federal share equals 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention, and shall decrease by 1 percentage point per calendar year until equal to 80%.

LIMITATION ON 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 (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

Further, this coverage is subject to a limit on our liability pursuant to the federal law where, if aggregate insured losses attributable to terrorist acts certified under the Act exceed \$100 billion in a calendar year (January 1 through December 31) and we have met our insurer deductible under the Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion. 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.

CONFIRMATION OF ACCEPTANCE OF COVERAGE

In accordance with the Act, we offered you coverage for losses resulting from an act of terrorism that is certified under the federal program. This notice confirms that you have chosen to accept our offer of coverage for certified acts of terrorism. The policy's other provisions, including nuclear, war or military action exclusions, will still apply to such an act. The premium charge for terrorism coverage, if any, is shown separately on the Declarations or the Certificate of Insurance, as applicable.

POLICYHOLDER NOTICE

Economic and Trade Sanctions Conditions

Ethics and proper business conduct has been the cornerstone of CNA since 1897. While much has changed during the last century, our commitment to these core values has not wavered. We strongly believe that proper business conduct is more than the practice of avoiding wrong; it is also a matter of choosing to do right. Nowhere is this more essential than helping in the fight against terrorism. As such, we are committed to complying with U.S. Department of Treasury Office of Foreign Asset Control (OFAC) requirements.

Through a variety of laws, OFAC administers and enforces economic sanctions against countries and groups of individuals, such as terrorists and narcotics traffickers. These laws prohibit all United States citizens (including corporations and other entities) and permanent residents from engaging in transactions with sanctioned countries and with individuals and entities on the Specially Designated Nationals (SDN) list. Because all U.S. citizens and companies are subject to this law, we wanted to be sure you were aware of its scope and restrictions. If you haven't already done so, you may want to consider discussing this issue with your legal counsel to ensure you are in compliance.

For insurance companies, accepting premium from, issuing a policy to, insuring property of, or making a claim payment to an individual or entity that is the subject of U.S.-imposed economic sanctions or trade embargoes usually are violations of these laws and regulations. Fines for violating OFAC requirements can be substantial. CNA has established an OFAC compliance program part which includes the use of exclusionary policy language. We believe this makes good business sense for CNA and you.

The purpose of this letter is to advise you that your policy includes OFAC exclusionary policy language, which may reduce or eliminate certain coverage. Specifically, if it is determined that your policy violates certain Federal or State laws or regulations, such as the U.S. list of Specially Designated Nationals or Blocked Persons (organizations or individuals associated with terrorist groups), any term or condition of your policy will be null and void to the extent it violates the applicable laws or regulations of the United States.

We're sure you share our commitment to compliance and thank you for your cooperation.

Your policy language reads as follows:

ECONOMIC AND TRADE SANCTIONS CONDITION

The following condition is added to the Policy:

ECONOMIC AND TRADE SANCTIONS CONDITION

In accordance with laws and regulations of the United States concerning economic and trade embargoes, this policy is void from its inception with respect to any term or condition of this policy that violates any laws or regulations of the United States concerning economic and trade embargoes including, but not limited to the following:

1. Any insured, or any person or entity claiming the benefits of an insured, who is or becomes a Specially Designated National or Blocked Person or who is otherwise subject to U.S. economic or trade sanctions;
2. Any claim or "suit" that is brought in a Sanctioned Country or by a Sanctioned Country Government, where any action in connection with such claim or suit is prohibited by U.S. economic or trade sanctions;
3. Any claim or "suit" that is brought by any Specially Designated National or Blocked Person or any person or entity who is otherwise subject to U.S. economic or trade sanctions;
4. Property that is located in a Sanctioned Country or that is owned by, rented to or in the care, custody or control of a Sanctioned Country Government, where any activities related to such property are prohibited by U.S. economic or trade sanctions; or
5. Property that is owned by, rented to or in the care, custody or control of a Specially Designated National or Blocked Person, or any person or entity who is otherwise subject to U.S. economic or trade sanctions.

As used in this endorsement a Specially Designated National or Blocked Person is any person or entity that is on the list of Specially Designated Nationals and Blocked Persons issued by the U.S. Treasury Department's Office of Foreign Asset Control (OFAC) as it may be from time to time amended.

As used in this endorsement a Sanctioned Country is any country that is the subject of trade or economic embargoes imposed by the laws or regulations of the United States of America.

THIS DISCLOSURE NOTICE DOES NOT PROVIDE COVERAGE NOR DOES THIS NOTICE REPLACE ANY PROVISIONS OF YOUR POLICY. YOU SHOULD READ YOUR POLICY: AND REVIEW YOUR DECLARATIONS PAGE FOR COMPLETE INFORMATION ON THE COVERAGE AND PRICE OF YOUR POLICY. IF THERE IS ANY CONFLICT BETWEEN THE POLICY AND THIS NOTICE, THE PROVISIONS OF THE POLICY SHALL PREVAIL. YOUR INDEPENDENT INSURANCE AGENT WILL BE ABLE TO EXPLAIN THE TERMS OF THE CONTRACT IN DETAIL.

Policy No.: 0250962485

Issued To: Summit II Condominium Association
Effective Date: 10/17/2023

**Travelers Casualty and Surety Company of America
Hartford, Connecticut**
(A Stock Insurance Company, herein called the Company)

<p>ITEM 1</p>	<p>NAMED INSURED:</p> <p>SUMMIT PHASE II CONDOMINIUM ASSOCIATION INC</p> <p>D/B/A:</p> <p>Principal Address: PO BOX 2183 SUN VALLEY, ID 83353-2183</p>
<p>ITEM 2</p>	<p>POLICY PERIOD:</p> <p>Inception Date: October 1, 2023 Expiration Date: October 1, 2026 12:01 A.M. standard time both dates at the Principal Address stated in ITEM 1.</p>
<p>ITEM 3</p>	<p>ALL NOTICES OF CLAIM OR LOSS MUST BE SENT TO THE COMPANY BY EMAIL, FACSIMILE, OR MAIL AS SET FORTH BELOW:</p> <p>Email: BSIclaims@travelers.com Fax: 1-888-460-6622</p> <p>Mail: Travelers Bond & Specialty Insurance Claim P.O. Box 2989 Hartford, CT 06104-2989</p> <p>Overnight Mail: Travelers Bond & Specialty Insurance Claim One Tower Square, S202A Hartford, CT 06183</p> <p>For questions related to claim reporting or handling, please call 1-800-842-8496.</p>
<p>ITEM 4</p>	<p>COVERAGE INCLUDED AS OF THE INCEPTION DATE IN ITEM 2:</p> <p>Crime</p>

ITEM 5	CRIME		
	Insuring Agreement	Single Loss Limit of Insurance	Single Loss Retention
	A. Fidelity 1. Employee Theft 2. ERISA Fidelity 3. Employee Theft of Client Property	\$50,000 Not Covered Not Covered	\$500
	B. Forgery or Alteration	\$50,000	\$500
	C. On Premises	Not Covered	
	D. In Transit	Not Covered	
	E. Money Orders and Counterfeit Money	Not Covered	
	F. Computer Crime 1. Computer Fraud 2. Computer Program and Electronic Data Restoration Expense	\$50,000 Not Covered	\$500
	G. Funds Transfer Fraud	\$50,000	\$500
	H. Personal Accounts Protection 1. Personal Accounts Forgery or Alteration 2. Identity Fraud Expense Reimbursement	Not Covered Not Covered	
	I. Claim Expense	\$5,000	\$0

<p>ITEM 5. (Cont'd)</p>	<p>If “<i>Not Covered</i>” is inserted above opposite any specified Insuring Agreement, or if no amount is included in the Limit of Insurance, such Insuring Agreement and any other reference thereto is deemed to be deleted from this Crime Policy.</p> <p>Policy Aggregate Limit of Insurance: <input type="checkbox"/> Applicable <input checked="" type="checkbox"/> Not Applicable</p> <p>If a Policy Aggregate Limit of Insurance is applicable, then the Policy Aggregate Limit of Insurance for each Policy Period for Insuring Agreements A through H, inclusive, is: Not Applicable</p> <p>If a Policy Aggregate Limit of Insurance is not included, then this Crime Policy is not subject to a Policy Aggregate Limit of Insurance as set forth in Section V. CONDITIONS B. PROVISIONS AFFECTING LOSS ADJUSTMENT AND SETTLEMENT 1. <u>Limit of Insurance</u> a. <u>Policy Aggregate Limit of Insurance</u>.</p> <p>Cancellation of Prior Insurance: By acceptance of this Crime Policy, the Insured gives the Company notice canceling prior policies or bonds issued by the Company that are designated by policy or bond numbers Not Applicable, such cancellation to be effective at the time this Crime Policy becomes effective.</p> <p>INSURED’S PREMISES COVERED:</p> <p>All Premises of the Insured in the United States of America, its territories and possessions, Canada, or any other country throughout the world, except: Not Applicable</p>
<p>ITEM 6</p>	<p>PREMIUM FOR THE POLICY PERIOD:</p> <p>\$1,155.00 Policy Premium</p> <p>\$385.00 Annual Installment Premium</p>
<p>ITEM 7</p>	<p>FORMS AND ENDORSEMENTS ATTACHED AT ISSUANCE: ACF-7006-0511; CRI-3001-0109; CRI-19060-0713; CRI-19072-0315; CRI-19101-1117; CRI-19085-0919; CRI-19122-1120; CRI-7132-1120; CRI-5013-0613</p>

THE DECLARATIONS, THE APPLICATION, THE CRIME TERMS AND CONDITIONS, ANY PURCHASED INSURING AGREEMENTS, AND ANY ENDORSEMENTS ATTACHED THERETO, CONSTITUTE THE ENTIRE AGREEMENT BETWEEN THE COMPANY AND THE NAMED INSURED.

Countersigned By

IN WITNESS WHEREOF, the Company has caused this policy to be signed by its authorized officers.



President



Corporate Secretary

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

REMOVAL OF SHORT-RATE CANCELLATION ENDORSEMENT

This endorsement changes the following:

Crime

It is agreed that:

In any cancellation, termination or non-renewal provision, any reference to computing a premium on a short rate basis is replaced with a reference to computing such premium on a pro-rata basis.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

Issuing Company: **Travelers Casualty and Surety Company of America**

Policy Number: **107922722**

ACF-7006 Ed. 05-11

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Page 1 of 1

CRIME TERMS AND CONDITIONS**PLEASE READ ALL TERMS AND CONDITIONS CAREFULLY****CONSIDERATION CLAUSE**

IN CONSIDERATION of the payment of the premium stated in the Declarations, and subject to the Declarations and pursuant to all the terms, conditions, exclusions and limitations of this **Crime Policy**, the Company will pay the **Insured** for direct loss that the **Insured** sustains which is directly caused by a **Single Loss** taking place at any time and which is **Discovered** by the **Insured** during the **Policy Period** or during the Extended Period to Discover Loss pursuant to the terms set forth in Section V. CONDITIONS A. GENERAL CONDITIONS 3. Extended Period to Discover Loss.

I. INSURING AGREEMENTS

This **Crime Policy** provides coverage under each of the following Insuring Agreements. Notwithstanding the aforesaid, if ITEM 5 of the Declarations indicates that any Insuring Agreement is “*Not Covered*,” then such Insuring Agreement and any other reference thereto is deemed to be deleted from this **Crime Policy**.

A. FIDELITY

1. Employee Theft

The Company will pay the **Insured** for the **Insured's** direct loss of, or direct loss from damage to, **Money, Securities** and **Other Property** directly caused by **Theft** or **Forgery** committed by an **Employee**, whether identified or not, acting alone or in collusion with other persons.

2. ERISA Fidelity

The Company will pay the **Insured** for direct loss of, or direct loss from damage to, **Money, Securities** and **Other Property** that belongs to an **Employee Benefit Plan**, directly caused by **Theft** or **Forgery** committed by a **Fiduciary**, whether identified or not, acting alone or in collusion with other persons.

3. Employee Theft of Client Property

The Company will pay the **Insured** for direct loss of, or direct loss from damage to, **Money, Securities** and **Other Property** sustained by the **Insured's Client**, directly caused by **Theft** or **Forgery** committed by an identified **Employee**.

B. FORGERY OR ALTERATION

The Company will:

1. pay the **Insured** for the **Insured's** direct loss directly caused by **Forgery** or alteration of, on or in any written **Covered Instruments** that are:

- a. made by, drawn by, or drawn upon, the **Insured**, or purport to have been so made or drawn; or
 - b. made or drawn by one acting as the **Insured's** agent, or purport to have been so made or drawn; and
2. reimburse the **Insured** for reasonable legal defense expenses that the **Insured** has paid if the **Insured** is sued for refusing to pay any written **Covered Instrument** under this Insuring Agreement B. on the basis that it has been **Forged** or altered. Reimbursement of such legal expenses is conditioned upon the **Insured's** receipt of the Company's prior written consent to defend against such suit. The amount of any legal expenses reimbursed under Insuring Agreement B. is in addition to the applicable Single Loss Limit of Insurance for Insuring Agreement B.

A signature that is a mechanical or electronic reproduction of a handwritten signature produced by a mechanical check-writing machine or a computer printer is treated the same as a handwritten signature. An **Electronic Signature** is not treated the same as a mechanical or electronic reproduction of a handwritten signature and is not a **Forgery** under this Insuring Agreement B.

For purposes of this Insuring Agreement B., the term "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.

C. ON PREMISES

The Company will pay the **Insured** for:

1. the **Insured's** direct loss of **Money** or **Securities** located inside the **Premises** or **Financial Institution Premises** directly caused by **Theft**, committed by a person present inside such **Premises** or **Financial Institution Premises**;
2. the **Insured's** direct loss of **Money** or **Securities** located inside the **Premises** or **Financial Institution Premises** directly caused by disappearance, damage or destruction;
3. the **Insured's** direct loss of, or direct loss from damage to, **Other Property** located inside the **Premises**:
 - a. directly caused by an actual or attempted **Robbery**; or
 - b. in a safe or vault, directly caused by an actual or attempted **Safe Burglary**; and
4. the **Insured's** direct loss from damage to the **Premises** or its exterior resulting directly from an actual or attempted **Theft, Robbery** or **Safe Burglary**, if the **Insured** is the owner of the **Premises** or is liable for damage to it; or
5. the **Insured's** direct loss of, or loss from damage to, a locked safe, vault, cash register, cash box or cash drawer located inside the **Premises** resulting directly from an actual or attempted **Theft, Robbery** or **Safe Burglary**, if the **Insured** is the owner of the locked safe, vault, cash register, cash box or cash drawer or is liable for damage thereto.

D. IN TRANSIT

1. The Company will pay the **Insured** for the **Insured's** direct loss of **Money** or **Securities** directly caused by **Theft**, disappearance, damage or destruction while in transit outside the **Premises** and in the care and custody of:

- a. **a Messenger**, including while temporarily within the living quarters of a **Messenger**; or
 - b. an armored motor vehicle company.
2. The Company will pay the **Insured** for the **Insured's** direct loss of, or the **Insured's** direct loss from damage to, the **Insured's Other Property** directly caused by an actual or attempted **Robbery** while in transit outside the **Premises** and in the care and custody of:
 - a. **a Messenger**; or
 - b. an armored motor vehicle company.
 3. The Company will pay the **Insured** for the **Insured's** direct loss of, or direct loss from damage to, the **Insured's Other Property** directly caused by an actual or attempted **Theft** of the **Insured's Other Property** while it is temporarily within the living quarters of a **Messenger**.

Coverage under this Insuring Agreement D. begins immediately upon receipt of the **Money, Securities** or **Other Property** by the transporting party and ends immediately upon delivery to the designated recipient or its agent.

E. **MONEY ORDERS AND COUNTERFEIT MONEY**

The Company will pay the **Insured** for the **Insured's** direct loss directly caused by the **Insured's** good faith acceptance of:

1. original money orders, issued or purportedly issued by any post office, express company or bank located in the United States of America, its territories and possessions, Canada, or any other country in which the **Insured** maintains a physical **Premises**, that are not paid upon presentation; or
2. **Counterfeit Money**, of the United States of America, its territories and possessions, Canada, or any other country in which the **Insured** maintains a physical **Premises** that is acquired during the regular course of business;

in exchange for merchandise, **Money** or services.

F. **COMPUTER CRIME**

1. Computer Fraud

The Company will pay the **Insured** for the **Insured's** direct loss of, or direct loss from damage to, **Money, Securities** and **Other Property** directly caused by **Computer Fraud**.

2. Computer Program and Electronic Data Restoration Expense

The Company will pay the **Insured** for reasonable **Restoration Expense** that the **Insured** incurs to restore or replace damaged or destroyed **Computer Programs** or **Electronic Data** stored within the **Insured's Computer System** directly caused by a **Computer Violation**.

For purposes of this Insuring Agreement F.2., a **Single Loss** involving **Computer Program** and **Electronic Data Restoration Expense** applies to reasonable **Restoration Expense** incurred by the **Insured** between the time the **Insured Discovers** the damage or destruction and the time the

Insured's Computer Program or Electronic Data is restored to the level of operational capability that existed immediately preceding a **Computer Violation**. Recurrence of the same **Computer Virus** after the **Insured's Computer Program or Electronic Data** has been restored constitutes a separate **Single Loss**.

Payment of reasonable **Restoration Expense** applies:

- a. only to **Computer Programs and Electronic Data** which the **Insured** owns or leases, or for which the **Insured** is legally liable; and
- b. only if the **Insured** is unable to reproduce such **Computer Programs or Electronic Data** from back-up data copies.

Payment of reasonable **Restoration Expense** will be made to the **Insured** upon the completion of the restoration of the damaged or destroyed **Computer Programs or Electronic Data**.

If a **Single Loss** is covered under both Insuring Agreements F.1. and F.2., then only the Retention for a **Single Loss** under Insuring Agreement F.1. will be applicable and the payment of **Restoration Expense** under Insuring Agreement F.2. will be part of, and not in addition to, the Single Loss Limit of Insurance for Insuring Agreement F.1.

G. FUNDS TRANSFER FRAUD

The Company will pay the **Insured** for the **Insured's** direct loss of **Money** and **Securities** contained in the **Insured's Transfer Account** directly caused by **Funds Transfer Fraud**.

H. PERSONAL ACCOUNTS PROTECTION

1. Personal Accounts Forgery or Alteration

The Company will pay the **Insured**, on behalf of the **Insured's Management Staff Member**, for loss incurred by the **Insured's Management Staff Member**, directly caused by **Forgery** or alteration of, on or in any written **Covered Personal Instruments** that are:

- a. drawn upon personal accounts of the **Insured's Management Staff Member**, or purported to have been so drawn; or
- b. made or drawn by one acting as an agent of the **Insured's Management Staff Member**, or purport to have been so made or drawn.

A signature that is a mechanical or electronic reproduction of a handwritten signature produced by a mechanical check-writing machine or a computer printer will be treated the same as a handwritten signature. An **Electronic Signature** is not treated the same as a mechanical or electronic reproduction of a handwritten signature and is not a **Forgery** under this Insuring Agreement H.

For purposes of this Insuring Agreement H.1. the term "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.

2. Identity Fraud Expense Reimbursement

The Company will reimburse the **Insured**, on behalf of the **Insured's Management Staff Member**, for **Identity Fraud Expense** incurred by the **Insured's Management Staff Member** as a direct result of any **Identity Fraud**.

I. CLAIM EXPENSE

The Company will pay the **Insured** for reasonable **Claim Expenses** incurred and paid by the **Insured** to establish the existence, amount and preparation of the **Insured's** proof of loss in support of a covered claim for loss under any Insuring Agreement of this **Crime Policy**.

The following conditions specifically apply to this Insuring Agreement I.:

1. any **Claim Expenses** payable to the **Insured** are only applicable to any covered loss which exceeds the Single Loss Retention for the Insuring Agreement that is the subject of a claim under this **Crime Policy**;
2. **Claim Expenses** that are payable to the **Insured** are in addition to the Single Loss Limit of Insurance for the Insuring Agreement that is the subject of a claim under this **Crime Policy**; and
3. **Claim Expenses** payable to the **Insured** will be paid to the **Insured** at the same time as the payment of the valid and collectible loss under the Insuring Agreement that is the subject of a claim under this **Crime Policy**.

II. GENERAL AGREEMENTS

A. JOINT INSURED

1. If the **Insured** consists of more than one entity, then the **First Named Insured** acts for itself and for every other **Insured** for all purposes of this **Crime Policy**.
2. If any **Insured**, or a partner or **Management Staff Member** of that **Insured**, has knowledge of any information relevant to this **Crime Policy**, that knowledge is considered knowledge of every **Insured**.
3. An **Employee** of any **Insured** is considered to be an **Employee** of every **Insured**.
4. The Company will not pay the **Insured** more for loss or losses sustained by more than one **Insured** than the amount the Company would pay if all loss or losses had been sustained by one **Insured**.
5. Payment by the Company to the **First Named Insured** for loss sustained by any **Insured**, or payment by the Company to the **Employee Benefit Plan** for loss sustained under Insuring Agreement A.2, fully releases the Company on account of such loss.
6. If this **Crime Policy** or any of its Insuring Agreements are canceled or terminated as to any **Insured**, loss sustained by that **Insured** is covered only if **Discovered** by the **Insured** during the period of time provided in the Extended Period To Discover Loss pursuant to the terms set forth in Section V. CONDITIONS A. GENERAL CONDITIONS 3. Extended Period to Discover Loss; provided, this extended period to discover loss terminates as to that **Insured** immediately upon the effective date of any other insurance obtained by that **Insured** replacing in whole or in part the insurance afforded by this **Crime Policy**, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

B. ADDITIONAL OFFICES

If the **Insured** establishes any additional offices, other than by consolidation with, merger with, purchase of, or acquisition of assets or liabilities of another organization while this **Crime Policy** is in effect, such offices are automatically covered by this **Crime Policy** from the date of such establishment without the requirement of notice to the Company or the payment of additional premium for the remainder of the **Policy Period**.

C. CONSOLIDATION, MERGER OR PURCHASE OF ASSETS

If, during the **Policy Period**, the **Insured** merges with, purchases or acquires the assets or liabilities of another entity, this **Crime Policy** will provide coverage for that merged, purchased, or acquired entity, subject to all other terms and conditions herein, but only for loss **Discovered** by the **Insured** after the effective date of such merger, purchase, or acquisition; provided, the **Insured** gives the Company written notice of such merger, purchase, or acquisition, and specific application has been submitted on the Company's form in use at the time, together with such documentation and information as the Company may require, all within 90 days after the effective date of such merger, purchase, or acquisition. Coverage for the merged, purchased, or acquired entity will not be afforded following such 90-day period unless the Company has agreed to provide such coverage, subject to any additional terms and conditions as the Company may require, and the **Insured** has paid the Company any additional premium as may be required by the Company. Any **Employee Benefit Plan** or **Sponsored Plan** acquired as above will be included as **Insureds** as specified in Item 1 of the Declarations.

The 90-day notice requirement and the 90-day limitation of coverage will not apply, provided: (1) the assets of the merged, purchased, or acquired entity do not exceed 30% of the total assets of all **Insureds** as reflected in the **Insured's** most recent fiscal year-end financial statement, or (2) the merger, purchase, or acquisition occurs less than 90 days prior to the end of the **Policy Period**.

D. ACQUISITIONS

If, during the **Policy Period**, the **Insured** acquires a **Subsidiary**, this **Crime Policy** will provide coverage for such **Subsidiary** and its respective **Management Staff Members**, **Employee Benefit Plans**, and **Sponsored Plans**, subject to all other terms and conditions of this **Crime Policy**, provided written notice of such acquisition has been given to the Company, and specific application has been submitted on the Company's form in use at the time, together with such documentation and information as the Company may require, all within 90 days after the effective date of such acquisition. Coverage for such **Subsidiary** will not be afforded following such 90-day period unless the Company has agreed to provide such coverage, subject to any additional terms and conditions as the Company may require, and the **Insured** has paid the Company any additional premium as may be required by the Company.

The 90-day notice requirement and the 90-day limitation of coverage will not apply provided that: (1) the assets of the acquired **Subsidiary** do not exceed 30% of the **Insured's** total assets as reflected in the **Insured's** most recent fiscal year-end financial statement; or (2) the acquisition occurs less than 90 days prior to the end of the **Policy Period**.

E. CHANGE OF CONTROL – NOTICE REQUIREMENTS

When the **Insured** learns that a **Change of Control** has taken place as to any **Insured**, or will take place during the **Policy Period**, the **Insured** must give the Company written notice within 90 days of the effective date of such **Change of Control**.

III. DEFINITIONS

Wherever appearing in this **Crime Policy**, the following words and phrases appearing in bold type have the meanings set forth in this Section III. DEFINITIONS:

A. **Change of Control** means:

1. the acquisition of any **Insured**, or of all or substantially all of its assets, by another entity, or the merger or consolidation of any **Insured** into or with another entity such that the **Insured** is not the surviving entity; or
2. the obtaining by any person, entity or affiliated group of persons or entities of the right to elect, appoint or designate more than 50% of the board of directors or board of managers or to exercise a majority control of the board of directors, board of managers, or a functional equivalent thereof of any **Insured**.

- B. **Claim Expenses** means reasonable fees, costs and expenses of outside accountants, attorneys, consultants or experts retained by the **Insured** to determine the amount and extent of loss covered under this **Crime Policy**. The reasonableness of such expenses will be determined by the Company. The phrase does not mean or include any of the **Insured's** internal corporate fees, costs (direct or indirect), obligations or **Employee** wages and salaries.
- C. **Client** means an entity designated as a **Client** by endorsement to this **Crime Policy** for which the **Insured** performs services as specified in a written agreement, but only while the written agreement is in effect.
- D. **Client's Premises** means the interior of that portion of any building the **Insured's Client** occupies in conducting its business.
- E. **Computer Fraud** means:
The use of any computer to fraudulently cause a transfer of **Money**, **Securities** or **Other Property** from inside the **Premises** or **Financial Institution Premises**:
1. to a person (other than a **Messenger**) outside the **Premises** or **Financial Institution Premises**; or
 2. to a place outside the **Premises** or **Financial Institution Premises**.
- F. **Computer Program** means a set of related electronic instructions that direct the operations and functions of a **Computer System** or devices connected to it that enable the **Computer System** or devices to receive, process, store, retrieve, send, create or otherwise act upon **Electronic Data**.
- G. **Computer System** means a computer and all input, output, processing, storage and communication facilities and equipment that are connected to such a device and that the operating system or application software used by the **Insured** are under the direct operational control of the **Insured**. Off-line media libraries are deemed to be part of such **Computer System**.
- H. **Computer Violation** means:
1. a **Computer Virus** designed to damage or destroy a **Computer Program** or **Electronic Data**; or
 2. vandalism by a natural person, including an **Employee**, who has gained unauthorized electronic access to the **Insured's Computer System**.
- I. **Computer Virus** means a set of unauthorized instructions, programmatic or otherwise:
1. directed solely against the **Insured**; and
 2. that propagate themselves through the **Computer System** or networks;
- provided such instructions were maliciously introduced by a natural person.
- J. **Counterfeit** means an imitation of **Money** that is intended to deceive and to be taken as genuine.
- K. **Covered Instruments** means:
1. checks, drafts, promissory notes, bills of exchange or similar written promises, orders or directions to pay a sum certain in **Money**; and
 2. written instruments required in conjunction with any transaction involving any **Credit, Debit or Charge Card** issued to the **Insured**, the **Insured's Employees** or the **Insured's Management Staff Members** for business purposes.
- L. **Covered Personal Instruments** means:
1. checks, drafts, promissory notes or similar written promises, orders or directions to pay a sum certain in **Money**; and

2. written instruments required in conjunction with any transaction involving any **Credit, Debit or Charge Card** issued to a **Management Staff Member** for personal use.
- M. **Credit, Debit or Charge Card** means any card, plate or other similar device used for the purpose of obtaining **Money**, property, labor or services on credit or for immediate payment. The terms do not mean a note, check, draft, money order or other negotiable instrument.
- N. **Crime Policy** means, collectively, the Declarations, the application, the Crime Terms and Conditions, and any endorsements attached thereto.
- O. **Digital Signature** means an electronic identifier created by computer, within, attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record.
- P. **Discover, Discovered, or Discovery** means the moment when the **Insured**, any partner in the **Insured**, or **Management Staff Member**:
1. first become(s) aware of facts that would cause a reasonable person to assume that a loss of a type covered by this **Crime Policy** has been or will be incurred, regardless of when the act or acts causing or contributing to such loss occurred, even though the exact details of loss may not then be known; or
 2. first receive(s) notice of a claim against the **Insured** alleging facts which, if true, would constitute a loss under this **Crime Policy**,
- whichever occurs first.
- Q. **Electronic Data** means facts or information converted to a form:
1. usable in a **Computer System**;
 2. that does not provide instructions or directions to a **Computer System**; or
 3. that is stored on electronic processing media for use by a **Computer Program**.
- R. **Electronic Signature** means a **Digital Signature**, an electronic sound, symbol or process, within, attached to, or logically associated with a record and executed or adopted by a person with the intent to sign the record.
- S. **Employee** means:
1. any natural person:
 - a. while in the **Insured's** service or for 60 days after termination of service, unless such termination is due to **Theft** or **Forgery** or any other dishonest act committed by the **Employee**;
 - b. who the **Insured** compensates directly by salary, wages or commissions; and
 - c. who the **Insured** has the right to direct and control while performing services for the **Insured**;
 2. any natural person who is temporarily furnished to the **Insured**:
 - a. to substitute for an **Employee** as set forth in paragraph 1. above, who is on medical, military or other leave of absence; or
 - b. to meet seasonal or short-term workload conditions;

while that person is subject to the **Insured's** direction and control and performing services for the **Insured**; provided, any such natural person who has care and custody of property outside the **Premises** is specifically excluded from this definition;

3. any natural person, other than a temporary **Employee** described in paragraph 2. above, who is leased to the **Insured** under a written agreement between the **Insured** and a labor leasing firm, while that person is subject to the **Insured's** direction and control and performing services for the **Insured**;
4. any natural person:
 - a. who is a member of the board of directors, member of the board of trustees or **LLC Manager** while acting as a member of any of the **Insured's** elected or appointed committees, including any member of such committee, to perform on the **Insured's** behalf, specific, as distinguished from general, directorial acts;
 - b. who is a non-compensated officer;
 - c. other than a non-compensated fund solicitor, while performing services for the **Insured** that are usual to the duties of an **Employee** or officer;
 - d. while acting as a non-compensated fund solicitor during fund raising campaigns;
 - e. who is a former **Employee**, member of the board of directors, partner, **LLC Manager**, or member of the board of trustees retained as a consultant while that person is subject to the **Insured's** direction and control and performing services for the **Insured**;
 - f. who is a guest student or intern pursuing studies or duties in any of the **Insured's** offices or **Premises**; while such person is subject to the **Insured's** direction and control and performing services for the **Insured**;
 - g. who is a volunteer, while such person is subject to the **Insured's** direction and control and is performing services for the **Insured**, or
5. any attorney retained by the **Insured**, and any employee of such attorney, while performing legal services for the **Insured**.

Employee also means any individual described in paragraphs 1-5 above while such person is on medical, military, or other leave of absence from the **Insured**. Coverage applies to any such **Employee** while on leave, regardless of whether such person remains subject to the **Insured's** direction and control during the time of leave.

Employee does not mean any agent, broker, factor, commission merchant, consignee, independent contractor or representative or other person of the same general character not specified in paragraphs 1. through 5. above.

T. **Employee Benefit Plan** means an employee welfare benefit plan or an employee pension benefit plan as more fully set forth in Title 1, Section 3 of the Employee Retirement Income Security Act of 1974 and any amendments thereto (ERISA) and which is solely sponsored by an **Employee Benefit Plan Sponsor**.

U. **Employee Benefit Plan Sponsor** means:

1. the **First Named Insured**,
2. any **Subsidiary**, or
3. any other entity listed in Item 1. of the Declarations.

V. **Fiduciary** means any natural person who is a trustee, an officer, an **Employee** or an administrator of any **Employee Benefit Plan**; and any person, or a member of the board of directors, an officer, an **Officer-Shareholder**, a member of the board of trustees, an **LLC Manager**, or an **Employee** while that person is handling **Money, Securities** and **Other Property** that belongs to any **Employee Benefit Plan**.

Fiduciary does not mean any agent, broker, independent contractor, broker/dealer, registered representative, investment advisor, custodian or other person or entity of the same general character.

W. **Financial Institution** means:

1. a bank, trust company, savings bank, credit union, savings and loan association or similar thrift institution; or
2. a stock brokerage firm, mutual fund, liquid assets fund or similar investment institution.

X. **Financial Institution Premises** means the interior of that portion of any building occupied by a **Financial Institution** (including any night depository chute and any safe maintained by such **Financial Institution**), transfer agent or registrar or similarly recognized place of safe deposit.

Y. **First Named Insured** means the entity first named in ITEM 1 of the Declarations.

Z. **Forgery**, or **Forged** means the signing of the name of another person or organization with a handwritten signature physically affixed directly to a **Covered Instrument** or **Covered Personal Instrument**, without authority and with the intent to deceive; it does not mean a signature that consists in whole or in part of one's own name signed with or without authority in any capacity, for any purpose.

AA. **Funds Transfer Fraud** means:

1. an electronic, telegraphic, cable, teletype or telephone instruction fraudulently transmitted to a **Financial Institution** directing such institution to debit a **Transfer Account** and to transfer, pay or deliver **Money** or **Securities** from the **Transfer Account** which instruction purports to have been transmitted by the **Insured**, but was in fact fraudulently transmitted by someone other than the **Insured** without the **Insured's** knowledge or consent;
2. a fraudulent written instruction, other than one covered under Insuring Agreement B., issued to a **Financial Institution** directing such **Financial Institution** to debit a **Transfer Account** and to transfer, pay or deliver **Money** or **Securities** from such **Transfer Account** by use of an electronic funds transfer system at specified intervals or under specified conditions, which written instruction purports to have been issued by the **Insured** but was in fact fraudulently issued, **Forged** or altered by someone other than the **Insured** without the **Insured's** knowledge or consent; or
3. an electronic, telegraphic, cable, teletype, telefacsimile, telephone or written instruction initially received by the **Insured**, which purports to have been transmitted by an **Employee**, but which was in fact fraudulently transmitted by someone else without the **Insured's** or the **Employee's** consent.

BB. **Identity Fraud** means the act of knowingly transferring or using, without lawful authority, a means of identification of a **Management Staff Member** with the intent to commit, aid, or abet any unlawful activity that constitutes a violation of federal law or a felony under any applicable jurisdiction.

CC. **Identity Fraud Expense** means:

1. costs for notarizing fraud affidavits or similar documents for credit agencies, financial institutions, merchants or other credit grantors that have required that such affidavits be notarized;
2. costs for certified mail to law enforcement agencies, credit agencies, financial institutions, merchants or other credit grantors;

3. costs for long distance telephone calls to law enforcement agencies, credit agencies, financial institutions, merchants or other credit grantors to report or discuss any actual **Identity Fraud**;
4. lost wages, up to a maximum payment of \$1,000. per week for a maximum period of five (5) weeks, as a result of absence from employment:
 - a. to communicate with law enforcement agencies, legal counsel, credit agencies, financial institutions, merchants or other credit grantors;
 - b. to complete fraud affidavits or similar documents; or
 - c. due to wrongful incarceration arising solely from someone having committed a crime in the **Management Staff Member's** name; provided, that lost wages will not apply in the case of wrongful incarceration absent all charges being dismissed or an acquittal;
5. loan application fees for re-applying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information;
6. reasonable attorney fees incurred, with the Company's prior written consent, for:
 - a. defense of lawsuits brought against the **Insured's Management Staff Member** by financial institutions, merchants, other credit grantors or their collection agencies;
 - b. the removal of any criminal or civil judgments wrongly entered against the **Insured's Management Staff Member**; or
 - c. challenging the accuracy or completeness of any information in a consumer credit report; and
7. costs for daycare and eldercare incurred solely as a direct result of any **Identity Fraud Discovered** during the **Policy Period**.

Identity Fraud Expense does not include any expense or loss not listed in paragraphs 1. through 7. of this Definition CC..

DD. **Insured** means:

1. for the purposes of Insuring Agreement A.2., any and all **Employee Benefit Plans**;
 - a. which have been established or maintained by an **Employee Benefit Plan Sponsor** as of the inception date of this **Crime Policy**, or
 - b. which have been created or acquired by an **Employee Benefit Plan Sponsor** after the inception date of this **Crime Policy**, subject to the provisions of General Agreements C and D.
- or
2. for the purposes of all other Insuring Agreements:
 - a. the **First Named Insured**,
 - b. any **Subsidiary**,
 - c. any **Sponsored Plan**, or
 - d. any other entity listed in Item 1. of the Declarations.

EE. **LLC Manager** means any natural person who was, is or becomes a manager, member of the board of managers, or a functionally equivalent executive of a limited liability company.

FF. **LLC Member** means any natural person who has an ownership interest in a limited liability company.

- GG. **Management Staff Member** means the **Insured's** proprietor, natural person partner, member of the board of directors, member of the board of trustees, officer, risk manager, in-house general counsel, **LLC Manager**, or **LLC Member**.
- HH. **Messenger** means any **Management Staff Member**, or relative thereof, any **Officer-Shareholder**, or any **Employee**, duly authorized, while having care and custody of covered property outside the **Premises**.
- II. **Money** means a medium of exchange in current use and authorized or adopted by a domestic or foreign government, including currency, coins, bank notes, bullion, travelers' checks, registered checks and money orders held for sale to the public.
- JJ. **Officer-Shareholder** means any officer who has a 25% or greater ownership interest in any one or more **Insureds**.
- KK. **Other Property** means any tangible property other than **Money** and **Securities** that has intrinsic value.
- LL. **Policy Period** means the period from the Inception Date to the Expiration Date set forth in ITEM 2 of the Declarations. In no event will the **Policy Period** continue past the effective date of cancellation or termination of this **Crime Policy**.
- MM. **Premises** means the interior of that portion of any building the **Insured** occupies in conducting the **Insured's** business.
- NN. **Restoration Expense** means reasonable costs incurred by the **Insured** to reproduce **Computer Programs** or **Electronic Data** and enable the **Insured** to restore the **Insured's Computer System** to the level of operational capability that existed immediately preceding a **Computer Violation**.

Restoration Expense does not include:

1. the **Insured's** internal corporate costs and expenses, including **Employee** remuneration and any costs related to any legal action;
 2. expenses incurred as a result of the reconstruction of **Computer Programs** and **Electronic Data** recorded on media, including magnetic or optical media if there are no analyses files, specifications or backups of **Computer Programs** or **Electronic Data** held outside the **Premises**;
 3. expenses incurred as a result of the reconstruction of **Computer Programs** and **Electronic Data** if the **Insured** knowingly used illegal copies of programs;
 4. expenses incurred to render the **Computer Programs** and **Electronic Data** usable by replacement processing equipment;
 5. expenses incurred to design, update or improve **Computer Programs** or **Electronic Data** or to perfect their operation or performance;
 6. expenses incurred as a result of alteration in **Computer Programs** and **Electronic Data** held on magnetic media due to the effect of magnetic fields, incorrect usage of the **Computer Programs** and **Electronic Data**, or the obsolescence of the **Computer System**;
 7. the **Insured's** lost revenue, sales or profits; or
 8. expenses incurred by any customer.
- OO. **Robbery** means the unlawful taking of **Money**, **Securities** and **Other Property** from the care and custody of the **Insured**, the **Insured's** partners or any other person (except any person acting as a watchperson or janitor) by one who has:
1. caused or threatened to cause that person bodily harm; or
 2. committed an unlawful act witnessed by that person.
- PP. **Safe Burglary** means the unlawful taking of:
1. **Money**, **Securities** and **Other Property** from within a locked safe or vault by a person unlawfully entering the safe or vault as evidenced by marks of forcible entry upon its exterior; or

2. a safe or vault from inside the **Premises**.

QQ. **Securities** means written negotiable and non-negotiable instruments or contracts representing **Money** or property including:

1. tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
2. evidences of debt issued in connection with any **Credit, Debit or Charge Card**, which cards are not issued by the **Insured**;

but does not include **Money**.

RR. **Single Loss** means:

1. for purposes of Insuring Agreement A.:
 - a. an individual act;
 - b. the combined total of all separate acts; or
 - c. a series of related acts;

committed by an **Employee** or committed by more than one **Employee** acting alone or in collusion with other persons both during and before the **Policy Period**;

2. for purposes of Insuring Agreements B. and H.1., all loss caused by any person, or loss in which that person is involved, whether the loss involves one or more written **Covered Instruments** or **Covered Personal Instruments**; and

3. for purposes of all other Insuring Agreements:

- a. any act or series of related acts or events involving one or more persons; or
- b. any act, acts or events involving a person or group of persons acting together;

whether identified or not, both during and before the **Policy Period**.

SS. **Sponsored Plan** means any employee benefit plan or employee pension benefit plan solely sponsored by any **Insured** that is not subject to the terms of ERISA.

TT. **Subsidiary** means:

1. any corporation, partnership, limited liability company or other entity, organized under the laws of any jurisdiction in which, on or before the Inception Date set forth in ITEM 2 of the Declarations, the **Insured** owns, directly or indirectly, more than 50% of the outstanding securities or voting rights representing the present right to elect, appoint, or exercise a majority control over such entity's board of directors, board of trustees, board of managers, natural person general partners, or functional equivalent; or
2. subject to the provisions set forth in Section II. GENERAL AGREEMENTS D. ACQUISITIONS, of the Crime Terms and Conditions, any entity that the **Insured** acquires or forms during the **Policy Period** in which the **Insured** owns, directly or indirectly, more than 50% of the outstanding securities or voting rights representing the present right to elect, appoint or exercise a majority control over such entity's board of directors, board of trustees, board of managers, natural person general partners, or functional equivalent.

Subsidiary does not include any entity in which any **Insured** is engaged as a participant in any type of joint venture unless such entity is specifically scheduled as an additional **Insured** by endorsement to this **Crime Policy**.

UU. **Theft** means:

1. under Insuring Agreement A.3., the intentional unlawful taking of **Money, Securities and Other Property** to the deprivation of a **Client**;
 2. under Insuring Agreements C. or D., the intentional unlawful taking of **Money and Securities** to the **Insured's** deprivation.
 3. under all other Insuring Agreements, the intentional unlawful taking of **Money, Securities and Other Property** to the **Insured's** deprivation.
- VV. **Transfer Account** means an account maintained by the **Insured** at a **Financial Institution** from which the **Insured** can initiate the transfer, payment or delivery of **Money or Securities**:
1. by means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly or through an electronic funds transfer system; or
 2. by means of written instructions (other than those described in Insuring Agreements B. and H.1.) establishing the conditions under which such transfers are to be initiated by such **Financial Institution** through an electronic funds transfer system.

IV. **EXCLUSIONS**

- A. This **Crime Policy** will not apply to loss resulting directly or indirectly from war, whether or not declared; civil war; insurrection; rebellion or revolution; military, naval or usurped power; governmental intervention, expropriation or nationalization; or any act or condition related to any of the foregoing.
- B. This **Crime Policy** will not apply to loss resulting directly or indirectly from seizure or destruction of property by order of governmental authority.
- C. This **Crime Policy** will not apply to loss resulting directly or indirectly from any fraudulent, dishonest or criminal act committed by the **Insured**, the **Insured's** natural person partners, any **LLC Member** or **Officer-Shareholder**, whether acting alone or in collusion with others; provided, this Exclusion C. will not apply to loss covered under Insuring Agreement A.2..
- D. This **Crime Policy** will not apply to loss resulting directly or indirectly from any fraudulent, dishonest or criminal act committed by any **Employee** or **Fiduciary** whether acting alone or in collusion with others, unless covered under Insuring Agreements A.1., A.2., A.3., F.2., or H..
- E. This **Crime Policy** will not apply to loss resulting directly or indirectly from any **Funds Transfer Fraud**, unless covered under Insuring Agreements A.1., A.2., A.3., or G..
- F. This **Crime Policy** will not apply to loss resulting directly or indirectly from the **Insured's** acceptance of money orders or **Counterfeit Money**, unless covered under Insuring Agreements A.1., A.2., A.3. or E..
- G. This **Crime Policy** will not apply to loss or damages resulting directly or indirectly from the input of **Electronic Data** by a natural person having the authority to enter the **Insured's Computer System**, unless covered under Insuring Agreements A.1., A.2., A.3., F.2. or G..
- H. This **Crime Policy** will not apply to loss resulting directly or indirectly from forged, altered or fraudulent documents or written instruments used as source documentation in the preparation of **Electronic Data**, unless covered under Insuring Agreements A.1., A.2., or A.3..
- I. This **Crime Policy** will not apply to any expenses incurred by the **Insured** in establishing the existence or the amount of any loss covered under this **Crime Policy**, unless covered under Insuring Agreement I..
- J. This **Crime Policy** will not apply to loss of income, whether or not earned or accrued, or potential income, including interest and dividends, not realized by the **Insured** as the result of any loss covered under this **Crime Policy**.
- K. This **Crime Policy** will not apply to damages of any type, except the **Insured's** direct compensatory damages resulting from a loss covered under this **Crime Policy**.

- L. This **Crime Policy** will not apply to indirect or consequential loss of any nature, including fines, penalties, multiple or punitive damages.
- M. This **Crime Policy** will not apply to loss resulting directly or indirectly from any **Theft**, disappearance, damage, destruction or disclosure of any intangible property or confidential information including:
1. trade secret information, confidential processing methods or other confidential information or intellectual property of any kind, or **Electronic Data** unless otherwise covered under Insuring Agreement F.2.; or
 2. **Computer Programs**.
- N. This **Crime Policy** will not apply to loss of, or damage to, manuscripts, records, accounts, microfilm, tapes or other records, whether written or electronic, or the cost of reproducing any information contained in such lost or damaged records, except when covered under Insuring Agreements C., D., or F.2..
- O. This **Crime Policy** will not apply to loss, or that part of any loss, the proof of which as to its existence or amount is dependent solely upon:
1. an inventory computation or physical count; or
 2. a profit and loss computation;
- provided that where the **Insured** establishes wholly apart from such computations or physical count that the **Insured** has sustained a loss covered under Insuring Agreements A.1., A.2, A.3. or F.1., then the **Insured** may offer the **Insured's** inventory records and an actual physical count of inventory in support of other evidence as to the amount of loss claimed.
- P. This **Crime Policy** will not apply to loss resulting directly or indirectly from trading whether or not in the name of the **Insured** or whether or not in a genuine or fictitious account, unless covered under Insuring Agreement A.1, A.2. or A.3..
- Q. This **Crime Policy** will not apply to loss resulting directly or indirectly from fire, except:
1. loss of or damage to **Money** or **Securities**; or
 2. damage to any safe or vault caused by the application of fire thereto in connection with any actual or attempted **Safe Burglary** when covered under Insuring Agreement C..
- R. This **Crime Policy** will not apply to loss resulting directly or indirectly from the giving or surrendering of **Money, Securities** or **Other Property** in any exchange or purchase, whether or not fraudulent, with any other party not in collusion with an **Employee**, except when covered under Insuring Agreement E..
- S. This **Crime Policy** will not apply to loss of **Money, Securities** or **Other Property** while in the custody of any **Financial Institution**, trust company, or similarly recognized place of safe deposit or armored motor vehicle company unless the loss is in excess of the amount recovered or received by the **Insured** under the **Insured's** contract, if any, with, or insurance carried by, any of the aforementioned.
- T. This **Crime Policy** will not apply to loss of **Money, Securities** or **Other Property** held by an armored motor vehicle company for the **Insured**, and which is stored by such company overnight inside buildings used in the conduct of its business.
- U. This **Crime Policy** will not apply to loss resulting directly or indirectly from nuclear reaction, nuclear radiation, radioactive contamination, biological or chemical contamination or to any related act or incident.
- V. This **Crime Policy** will not apply to loss of **Money, Securities** or **Other Property** resulting directly or indirectly from kidnap, extortion or ransom payments (other than **Robbery**) surrendered to any person as a result of a threat.
- W. This **Crime Policy** will not apply to loss resulting directly or indirectly from **Forgery** or alteration, except when covered under Insuring Agreements A.1., A.2., A.3., B., or H..
- X. This **Crime Policy** will not apply to loss resulting directly or indirectly from **Computer Fraud**, except when covered under Insuring Agreements A.1., A.2., A.3., F.1., or H.1..

- Y. This **Crime Policy** will not apply to loss under Insuring Agreements C. or D. resulting directly or indirectly from:
1. an accounting or arithmetical error or omission;
 2. the loss of property from within any money operated device, unless the amount of **Money** deposited in it is recorded by a continuous recording device;
 3. anyone, acting on the **Insured's** express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property;
 4. damage to motor vehicles, trailers or semi-trailers or equipment and accessories attached to them; or
 5. damage to the **Premises** or its exterior or to containers of covered property by vandalism or malicious mischief.
- Z. This **Crime Policy** will not apply to loss resulting directly or indirectly from the diminution in value of **Money, Securities** or **Other Property**.
- AA. This **Crime Policy** will not apply to loss arising from any **Credit, Debit or Charge Card** if the **Insured**, the **Insured's Employee** or **Management Staff Member** has not fully complied with the provisions, conditions or other terms under which any card was issued.
- BB. This **Crime Policy** will not apply to loss sustained by any **Subsidiary** or related **Employee Benefit Plan** or **Sponsored Plan**, occurring at any time during which such entity was not a **Subsidiary** or related **Employee Benefit Plan** or **Sponsored Plan**.
- CC. This **Crime Policy** will not apply to loss sustained by the **Insured** or any **Subsidiary** to the extent it results in a benefit, gain or transfer to the **Insured** or any **Subsidiary**, except to the extent that such loss is covered under Insuring Agreement A.2..

V. **CONDITIONS**

A. **GENERAL CONDITIONS**

1. Territory Covered

Except as indicated in Item 5. of the Declarations,

- a. the Company will cover loss the **Insured** sustains anywhere in the world, and
- b. the Company will cover all of the **Insured's** offices and **Premises**, including any additional offices or **Premises** pursuant to Sections II. GENERAL AGREEMENTS B. ADDITIONAL OFFICES, C. CONSOLIDATION, MERGER OR PURCHASE OF ASSETS, and D. ACQUISITIONS in this **Crime Policy**.

2. Cooperation

The **Insured** must cooperate with the Company in all matters pertaining to this **Crime Policy** as stated in its terms, conditions and limitations.

3. Extended Period to Discover Loss

The Company will pay the **Insured** for loss that the **Insured** sustained prior to the effective date of cancellation or termination of this **Crime Policy**, which is **Discovered** by the **Insured**:

- a. no later than 90 days from the date of cancellation or termination; and
- b. as respects any **Employee Benefit Plan**, no later than one (1) year from the date of cancellation or termination.

Notwithstanding the above, this extended period to **Discover** loss terminates immediately upon the effective date of any other insurance obtained by the **Insured** replacing in whole or in part the insurance afforded by this **Crime Policy**, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

4. Other Insurance

This **Crime Policy** applies only as excess insurance over, and will not contribute with: (1) any other valid and collectible insurance available to any **Insured** unless such insurance is written specifically excess of this **Crime Policy** by reference in such other policy to the Policy Number of this **Crime Policy**; and (2) indemnification to which any **Insured** is entitled from any other entity other than any **Insured**. As excess insurance, this **Crime Policy** will not apply or contribute to the payment of any loss to the **Insured** until the amount of such other insurance or indemnity has been exhausted by loss covered thereunder. If the limit of the other insurance or indemnity is insufficient to cover the entire amount of the loss, this **Crime Policy** will apply to that part of the loss not recoverable or recovered under the other insurance or indemnity. This **Crime Policy** will not be subject to the terms of any other insurance.

Any loss that is applicable to this Condition A.4. is subject to both the applicable Single Loss Limit of Insurance and applicable Single Loss Retention shown in ITEM 5 of the Declarations.

If this **Crime Policy** replaces prior insurance that provided the **Insured** with an extended period of time after the termination or cancellation of such prior insurance in which to **Discover** loss, then, and only with respect to loss **Discovered** during such extended period but sustained prior to the termination of such prior insurance, the coverage afforded by this **Crime Policy** applies as follows:

- a. the Company will have no liability for such loss, unless the amount of such loss exceeds the limit of insurance of that prior insurance; provided, that in such case, the Company will pay the **Insured** for the excess of such loss subject to the terms and conditions of this **Crime Policy**; and
- b. any payment the Company makes to the **Insured** for such excess loss will not be greater than the difference between the limit of insurance of the **Insured's** prior insurance and the applicable Single Loss Limit of Insurance of this **Crime Policy**. The Company will not apply the applicable Single Loss Retention to such excess loss.

5. Ownership of Property; Interests Covered

- a. The property covered under this **Crime Policy** except as provided in 5.b. below is limited to property:
 - i. that the **Insured** owns or leases;
 - ii. that the **Insured** holds for others:
 - (a) on the **Insured's Premises** or the **Insured's Financial Institution Premises**; or
 - (b) while in transit and in the care and custody of a **Messenger**; or
 - iii. for which the **Insured** is legally liable, except for property located inside the **Insured's Client's Premises** or the **Insured's Client's Financial Institution Premises**.

Notwithstanding the above, this **Crime Policy** is for the **Insured's** benefit only and provides no rights or benefits to any other person or organization. Any claim for loss that is covered under this **Crime Policy** must be presented by the **Insured**.

- b. If ITEM 5 of the Declarations indicates that coverage under Insuring Agreement A.3. Employee Theft of Client Property has been purchased, then the property covered under Insuring Agreement A.3. is limited to property:

- i. that the **Insured's Client** owns or leases;
- ii. that the **Insured's Client** holds for others; or
- iii. for which the **Insured's Client** is legally liable;

while the property is inside the **Insured's Client's Premises** or the **Insured's Client's Financial Institution Premises**.

Notwithstanding the above, this **Crime Policy** is for the **Insured's** benefit only and provides no rights or benefits to any other person or organization, including the **Insured's Client**. Any claim for loss by the **Insured's Client** that is covered under this **Crime Policy** must be presented by the **Insured**.

6. Representation, Concealment, Misrepresentation or Fraud

No statement made by the **Insured**, whether contained in the application, underwriting information or otherwise, is deemed to be a warranty of anything except that it is true to the best of the knowledge and belief of the person making the statement.

This **Crime Policy** is void in any case of fraud by the **Insured** as it relates to this **Crime Policy** at any time. This **Crime Policy** is also void if the **Insured**, at any time, intentionally conceals or misrepresents a material fact concerning:

- a. this **Crime Policy**;
- b. the **Money, Securities or Other Property**;
- c. the **Insured's** interest in the **Money, Securities or Other Property**; or
- d. a claim under this **Crime Policy**.

7. Premiums

The **First Named Insured** is responsible for the payment of all premiums and will be the payee for any return premiums the Company pays.

8. Transfer of Rights and Duties Under this **Crime Policy**

Rights and duties under this **Crime Policy** may not be transferred without the Company's written consent except in the case of the death of a natural person **Insured**. If such person dies, then the decedent's rights and duties will be transferred to the decedent's legal representative, but only while acting within the scope of duties as the decedent's legal representative. Until a legal representative is appointed, anyone having proper temporary custody of the decedent's property will have all rights and duties but only with respect to that property.

B. PROVISIONS AFFECTING LOSS ADJUSTMENT AND SETTLEMENT

1. Limit of Insurance

a. Policy Aggregate Limit of Insurance

If ITEM 5 of the Declarations indicates that this **Crime Policy** includes a Policy Aggregate Limit of Insurance, then the Company's total liability for all loss **Discovered** during the **Policy Period** will not exceed such Policy Aggregate Limit of Insurance. The Policy Aggregate Limit of Insurance will be reduced by the amount of any payment made under the terms of this **Crime Policy**. If the Policy Aggregate Limit of Insurance is exhausted by any payment made for loss **Discovered** during the **Policy Period**, the Company will have no further liability for loss regardless of when **Discovered** and whether or not previously reported to the Company.

If applicable, the Policy Aggregate Limit of Insurance will be reinstated to the extent of any net recovery pursuant to Condition B.6. that is received by the Company during the **Policy Period** and before the Crime Policy Aggregate Limit of Insurance is exhausted. Recovery from reinsurance or indemnity, or both, for the Company's benefit will not be deemed a recovery as used herein. In the event that a loss of **Securities** is settled by the Company through the use of a Lost Securities Bond, such loss will not reduce the Crime Policy Aggregate Limit of Insurance, but any payment under the Lost Securities Bond reduces the Policy Aggregate Limit of Insurance under this **Crime Policy**.

The provisions of this Condition B.1.a. will not be applicable to Insuring Agreement A.2.

If ITEM 5 of the Declarations indicates that this **Crime Policy** does not include a Crime Policy Aggregate Limit of Insurance, then payment of loss under this **Crime Policy** will not reduce the Single Loss Limit of Insurance for other **Single Losses**.

b. Single Loss Limit of Insurance

The maximum Single Loss Limit of Insurance for each Insuring Agreement will not exceed the applicable amount set forth in ITEM 5 of the Declarations for such Insuring Agreement.

c. Special Limit of Insurance for Specified Other Property

The Company's liability for loss under Insuring Agreements C. and D. is limited as follows

- i. the lesser of \$25,000. or the amount shown as the Single Loss Limit of Insurance for any **Single Loss** involving precious metals, precious or semi-precious stones, pearls, furs, or completed articles made of or containing such enumerated materials that constitute more than half the value of such articles;
- ii. the lesser of \$25,000. or the amount shown as the Single Loss Limit of Insurance for any **Single Loss**, including damage to manuscripts, drawings or records of any kind, or the cost of reconstructing them or reproducing any information contained in them;

The Special Limit of Insurance for Specified Other Property is part of, and not in addition to, any applicable limit of liability.

d. Identity Fraud Expense Reimbursement Single Loss Limit of Insurance

The maximum limit of insurance per the **Insured's Management Staff Member** for each **Identity Fraud** covered under Insuring Agreement H.2. will not exceed the applicable Single Loss Limit of Insurance stated in ITEM 5 of the Declarations. All acts incidental to an **Identity Fraud**, any series of **Identity Frauds**, and all **Identity Frauds** arising from the same method of operation, whether committed by one or more persons, will be deemed to arise out of one act and will be treated as one **Identity Fraud**. If an act causes a covered loss under Insuring Agreement H.2. to more than one **Management Staff Member**, the applicable Single Loss Limit of Insurance and Retention under Insuring Agreement H.2. applies to each **Management Staff Member** separately.

e. Loss Covered Under More Than One Insuring Agreement of this **Crime Policy**

Subject to any applicable Crime Policy Aggregate Limit of Insurance, if any **Single Loss** is comprised of loss covered under more than one Insuring Agreement, the most the Company will pay the **Insured** for such **Single Loss** is the lesser of:

- i. the actual amount of such **Single Loss**; or

- ii. the sum of the Single Loss Limits of Insurance applicable to such Insuring Agreements applying to such loss.

2. Single Loss Retention

The Company will not pay the **Insured** for any **Single Loss** unless the amount of such **Single Loss** exceeds the Single Loss Retention shown in Item 5 of the Declarations. The Company will pay the **Insured** the amount of any **Single Loss** in excess of the Single Loss Retention, up to the Single Loss Limit of Insurance for the applicable Insuring Agreement.

If more than one Single Loss Retention applies to the same **Single Loss**, then only the highest Single Loss Retention will be applied.

No Single Loss Retention applies to any legal expenses paid to the **Insured** solely under Insuring Agreement B.

3. The Insured's Duties in the Event of a Loss

After the **Insured Discovers** a loss or a situation that may result in loss of or loss from damage to **Money**, **Securities** or **Other Property** that exceeds 25% of the Single Loss Retention, the **Insured** must:

- a. notify the Company as soon as possible;
- b. notify law enforcement authorities if the **Insured** has reason to believe that any loss, except for loss covered under Insuring Agreements A.1., A.2., A.3., or F.2., involves a violation of law;
- c. submit to examination under oath at the Company's request and give the Company a signed statement of the **Insured's** answers;
- d. give the Company a detailed, sworn proof of loss within 120 days; and
- e. cooperate with the Company in the investigation and settlement of any claim.

Proof of loss under Insuring Agreement B. and H.1. must include: (1) an affidavit of **Forgery** setting forth the amount and cause of loss; and (2) the original written **Covered Instruments** or **Personal Covered Instruments** or a copy of such written instruments.

4. Valuation / Settlement

Subject to the applicable limit of insurance provision (Section V. CONDITIONS B. PROVISIONS AFFECTING LOSS ADJUSTMENT AND SETTLEMENT 1. Limit of Insurance) the Company will pay the **Insured** for:

- a. loss of **Money** but only up to and including its face value, and, at the Company's option, pay for loss of **Money** issued by any country other than the United States of America:
 - i. at face value in the **Money** issued by that country; or
 - ii. in the United States of America dollar equivalent determined by the rate of exchange published in The Wall Street Journal on the day the loss was **Discovered**;
- b. loss of **Securities** but only up to and including their value at the close of business on the day the loss was **Discovered**, and at the Company's option:
 - i. pay the **Insured** the value of such **Securities** or replace them in kind, in which event the **Insured** must assign to the Company all the **Insured's** rights, title and interest in those **Securities**; or

- ii. pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the **Securities**; provided, the Company will be liable only for the cost of the Lost Securities Bond as would be charged for a bond having a penalty not exceeding the lesser of the value of the **Securities** at the close of business on the day the loss was **Discovered**;
- c. loss of, or loss from damage to, **Other Property** or **Premises** including its exterior for the replacement cost without deduction for depreciation; provided, the Company will pay the **Insured** the lesser of the following:
 - i. the applicable Single Loss Limit of Insurance;
 - ii. the cost to replace **Other Property** or **Premises** including its exterior with property of comparable material and quality, and used for the same purpose; or
 - iii. the amount the **Insured** actually spends that is necessary to repair or replace such property;

provided, the Company will, at its option, pay the **Insured** for loss of, or loss from damage to, **Other Property** or **Premises** including its exterior, in the **Money** of the country in which the loss occurred, or in the United States of America dollar equivalent of the **Money** of the country in which the loss occurred determined by the rate of exchange published in The Wall Street Journal on the day the loss was **Discovered**.

The Company will not pay the **Insured** on a replacement cost basis for any loss or damage until such property is actually repaired or replaced, and unless the repairs or replacement are made as soon as reasonably possible after the loss or damage. If the lost or damaged property is not repaired or replaced, the Company will pay the **Insured** actual cash value on the day the loss was **Discovered**.

Any property that the Company pays the **Insured** for or replaces becomes the Company's property.

5. Records

The **Insured** must keep records of all **Money**, **Securities**, and **Other Property** under this **Crime Policy** so the Company can verify the amount of any loss.

6. Recoveries

- a. All recoveries for payments made under this **Crime Policy** should be applied, after first deducting the costs and expenses incurred in obtaining such recovery, in the following order of priority:
 - i. first, to the **Insured** to reimburse the **Insured** for loss sustained that would have been paid under this **Crime Policy** but for the fact that it is in excess of the applicable Single Loss Limit(s) of Insurance;
 - ii. second, to the Company in satisfaction of amounts paid or to be paid to the **Insured** in settlement of the **Insured's** covered claim;
 - iii. third, to the **Insured** in satisfaction of any Single Loss Retention; and
 - iv. fourth, to the **Insured** in satisfaction of any loss not covered under this **Crime Policy**.
- b. The value of all property received by the **Insured** from any source whatever and whenever received, in connection with any matter from which a loss has arisen, will be valued as of the date received and will be deducted from the covered loss.

- c. Recoveries do not include any recovery:
 - i. from insurance, suretyship, reinsurance, security or indemnity taken for the Company's benefit; or
 - ii. of original **Securities** after duplicates of them have been issued.

7. Transfer of the Insured's Rights of Recovery Against Others to the Company

The **Insured** must transfer to the Company all the **Insured's** rights of recovery against any person or organization for any loss the **Insured** sustained and for which the Company has paid or settled. The **Insured** must also do everything necessary to secure those rights and do nothing after loss to impair them.

8. Legal Action Against the Company

The **Insured** may not bring any legal action against the Company involving loss:

- a. unless the **Insured** has complied with all the terms of this **Crime Policy**;
- b. until 90 days after the **Insured** has filed proof of loss with the Company; and
- c. unless brought within two (2) years from the date the **Insured Discovers** the loss.

If any limitation in this Condition B.8. is deemed to be inconsistent with applicable law, such limitation is amended so as to equal the minimum period of limitation provided by such law.

9. Liberalization

If the Company adopts any revision to the Crime Terms and Conditions of this **Crime Policy** that would broaden coverage and such revision does not require an additional premium or endorsement and the revision is adopted within 45 days prior to or during the **Policy Period**, the broadened coverage will apply to this **Crime Policy** as of the date the revision is approved for general use by the applicable department of insurance.

C. EMPLOYEE BENEFIT PLAN PROVISIONS – INFLATION GUARD

In compliance with certain provisions of ERISA:

- 1. if any **Employee Benefit Plan** is insured jointly with any other entity under this **Crime Policy**, the **Insured** must select a Single Loss Limit of Insurance for Insuring Agreement A.2. that is sufficient to provide an amount of insurance for each **Employee Benefit Plan** that is at least equal to that required if each **Employee Benefit Plan** were insured separately;
- 2. if the **Insured** is an entity other than an **Employee Benefit Plan**, any payment the Company makes to the **Insured** for loss sustained by any **Employee Benefit Plan** will be held by such **Insured** for the use and benefit of the **Employee Benefit Plan(s)** sustaining the loss; and
- 3. if two or more **Employee Benefit Plans** are covered under this **Crime Policy**, any payment the Company makes for loss:
 - a. sustained by two or more **Employee Benefit Plans**; or

- b. of commingled **Money, Securities** or **Other Property** of two or more **Employee Benefit Plans**;

that arises out of a **Single Loss** is to be shared by each **Employee Benefit Plan** sustaining loss, in the proportion that the limit of insurance required under ERISA for each such **Employee Benefit Plan**, bears to the total of those limits of insurance.

4. If, at the inception date of this **Crime Policy**, or a preceding policy written by the Company that provided ERISA fidelity coverage for **Employee Benefit Plans**, the **Insured** has or had a Single Loss Limit of Insurance under such ERISA fidelity coverage for **Employee Benefit Plans** that is or was equal to or greater than the limit of insurance required under ERISA, the Single Loss Limit of Insurance under Insuring Agreement A.2. will equal the greater of the amount of the limit of insurance required by ERISA or the Single Loss Limit of Insurance set forth in Item 5. of the Declarations for Insuring Agreement A.2.

D. CANCELLATION OR TERMINATION

1. The **Insured** may cancel:
 - a. this **Crime Policy** in its entirety;
 - b. an Insuring Agreement; or
 - c. coverage for any **Insured**;

by mailing or delivering to the Company advance written notice of cancellation.

2. The Company may cancel:
 - a. this **Crime Policy** in its entirety;
 - b. an Insuring Agreement; or
 - c. coverage for any **Insured**;

by mailing or delivering to the **First Named Insured** written notice of cancellation at least 20 days before the effective date of cancellation if the Company cancels for nonpayment of premium; or 60 days before the effective date of cancellation if the Company cancels for any other reason.

The Company will mail or deliver the Company's notice to the **First Named Insured's** last mailing address known to the **Company**. Notice of cancellation will state the effective date of cancellation and the **Policy Period** will end on that date. If this **Crime Policy** or an Insuring Agreement is cancelled, the Company will send the **First Named Insured** any premium refund due. If the Company cancels this **Crime Policy**, the refund will be pro rata. If the **Insured** cancels, the earned premium will be computed in accordance with the customary short rate table and procedure. The cancellation will be effective even if the Company has not made or offered a refund. If notice is mailed, proof of mailing will be sufficient proof of notice.

3. This **Crime Policy** terminates:
 - a. in its entirety immediately upon the expiration of the **Policy Period**;

- b. in its entirety immediately upon exhaustion of the Policy Aggregate Limit of Insurance, if applicable; provided, that no **Crime Policy** termination under this Condition D.3.b. will be effective with respect to any **Employee Benefit Plan** covered under Insuring Agreement A.2.;
- c. in its entirety immediately upon the voluntary liquidation or dissolution of the **First Named Insured**; provided, that no **Crime Policy** termination under this Condition D.3.c. will be effective with respect to any **Employee Benefit Plan** covered under Insuring Agreement A.2.; or
- d. as to any **Subsidiary** immediately upon the **Change of Control** of such **Subsidiary**.

4. This **Crime Policy** terminates as to any **Employee**:

- a. as soon as the **Insured's** partner, any of the **Insured's Management Staff Members** or any **Employee** with managerial or supervisory responsibility not in collusion with the **Employee** becomes aware of any dishonest or fraudulent employment related act involving an amount in excess of \$10,000; or
- b. 60 days after the **Insured's** partner, any of the **Insured's Management Staff Members** or any **Employee** with managerial or supervisory responsibility not in collusion with the **Employee** becomes aware of any dishonest or fraudulent non-employment related act; either of which acts were committed by such **Employee** in the **Insured's** service, during the term of employment by the **Insured** or prior to employment by the **Insured**, provided such dishonest or fraudulent non-employment related act involved **Money, Securities** or **Other Property** is in an amount in excess of \$10,000.

E. CHANGES

Only the **First Named Insured** is authorized to make changes in the terms of this **Crime Policy** and solely with the Company's prior written consent. This **Crime Policy's** terms can be changed, amended or waived only by endorsement issued by the Company and made a part of this **Crime Policy**. Notice to any representative of the **Insured** or knowledge possessed by any agent or by any other person will not effect a waiver or change to any part of this **Crime Policy**, or estop the Company from asserting any right under the terms, conditions and limitations of this **Crime Policy**, nor may the terms, conditions and limitations hereunder be waived or changed, except by a written endorsement to this **Crime Policy** issued by the Company.

F. ENTIRE AGREEMENT

The Declarations, the application, the Crime Terms and Conditions, and any endorsements attached thereto, constitute the entire agreement between the **Insured** and the Company.

G. HEADINGS

The titles of the various paragraphs of this **Crime Policy** and its endorsements are inserted solely for convenience or reference and are not to be deemed in any way to limit or affect the provision to which they relate.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**REPLACE GENERAL AGREEMENT E. - CHANGE OF CONTROL - NOTICE REQUIREMENTS
ENDORSEMENT**

This endorsement changes the following:

Crime

It is agreed that:

The following replaces section II. **GENERAL AGREEMENTS, E. CHANGE OF CONTROL – NOTICE REQUIREMENTS:**

E. CHANGE OF CONTROL – NOTICE REQUIREMENTS

When the **Insured** learns that a **Change of Control** has taken place as to the **First Named Insured**, or will take place during the **Policy Period**, the **Insured** must give the Company written notice within 90 days of the effective date of such **Change of Control**.

Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, exclusions, or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

Issuing Company: **Travelers Casualty and Surety Company of America**

Policy Number: **107922722**

CRI-19060 Ed. 07-13

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GLOBAL COVERAGE COMPLIANCE ENDORSEMENT – ADDING FINANCIAL INTEREST COVERAGE AND SANCTIONS CONDITION AND AMENDING TERRITORY CONDITION

This endorsement changes the following:

Crime

It is agreed that:

1. The following is added to section **III. DEFINITIONS**:

Financial Interest means the **First Named Insured's** insurable interest in an **Insured** that is domiciled in a country or jurisdiction in which the Company is not licensed to provide this insurance, as a result of the **First Named Insured's**:

1. ownership of the majority of the outstanding securities or voting rights of the **Insured** representing the present right to elect, appoint, or exercise a majority control over such **Insured's** board of directors, board of trustees, board of managers, natural person general partner, or functional foreign equivalent;
2. indemnification of, or representation that it has an obligation to indemnify, the **Insured** for loss sustained by such **Insured**; or
3. election or obligation to obtain insurance for such **Insured**.

2. The following replaces section **V. CONDITIONS, A. GENERAL CONDITIONS, 1., Territory Covered**:

1. Territory Covered

- a. Except as indicated in Item 5. of the Declarations,

- i. the Company will cover loss the **Insured** sustains anywhere in the world, and
- ii. the Company will cover all of the **Insured's** offices and **Premises**, including any additional offices or **Premises** pursuant to sections II. GENERAL AGREEMENTS B. ADDITIONAL OFFICES, C. CONSOLIDATION, MERGER OR PURCHASE OF ASSETS, and D. ACQUISITIONS in this **Crime Policy**.

- b. This **Crime Policy** does not apply to:

- i. loss sustained by an **Insured** domiciled; or
- ii. loss of **Other Property** located,

in any country or jurisdiction in which the Company is not licensed to provide this insurance, to the extent that providing this insurance would violate the laws or regulations of such country or jurisdiction.

- c. In the event an **Insured** sustains loss referenced in b. above to which this **Crime Policy** would have applied, the Company will reimburse the **First Named Insured** for its loss, on account of its **Financial Interest** in such **Insured**.

3. The following is added to section **V. CONDITIONS, B. PROVISIONS AFFECTING LOSS ADJUSTMENT AND SETTLEMENT**:

In the event the Company reimburses the **First Named Insured** on account of its **Financial Interest** in an **Insured**, as a condition precedent to exercising rights under this **Crime Policy**, the **First Named Insured** will cause the **Insured** to comply with the conditions of this **Crime Policy**.

4. The following is added to section **V. CONDITIONS**:

SANCTIONS

This **Crime Policy** will provide coverage for any loss or expenses, or otherwise will provide any benefit, only to the extent that providing such coverage or benefit does not expose the Company or any of its affiliated or parent companies to any trade or economic sanction under any law or regulation of the United States of America or any other applicable trade or economic sanction, prohibition or restriction.

Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, exclusions, or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

AMENDATORY ENDORSEMENT FOR CERTAIN ERISA CONSIDERATIONS

This endorsement changes the following:

Crime

It is agreed that:

1. The following replaces section **I. INSURING AGREEMENTS**, A. 2. ERISA Fidelity:

2. ERISA Fidelity

The Company will pay the **Insured** for direct loss of, or direct loss from damage to, **Money, Securities and Other Property** that belongs to an **Employee Benefit Plan**, directly caused by acts of **Fraud or Dishonesty** committed by a **Fiduciary**, whether identified or not, acting alone or in collusion with other persons.

2. The following is added to section **III. DEFINITIONS**:

Fraud or Dishonesty has the meaning set forth in Title 29, Code of Federal Regulations, Section 2580.412-9.

Handled or Handling mean "handle", "handled", "handles" or "handling" as these terms are set forth in Title 29, Code of Federal Regulations, Section 2580.412-6.

3. The following replaces section **III. DEFINITIONS**, V.

V. **Fiduciary** means:

1. any natural person who is a trustee, officer, **Employee**, or an administrator, of any **Employee Benefit Plan**;
or
2. any natural person who is a member of the board of directors, member of the board of trustees, a partner, an **LLC Manager**, an **LLC Member**, an **Officer-Shareholder**, an officer, or an **Employee**, of any **Employee Benefit Plan Sponsor**; while that person is **Handling Money, Securities, or Other Property** that belongs to an **Employee Benefit Plan**.

Fiduciary does not mean any agent, broker, independent contractor, third party administrator, broker-dealer, registered representative, investment advisor, custodian, or other person or entity of the same general character.

4. The following replaces section **IV. EXCLUSIONS**, M and Z:

M. This **Crime Policy** will not apply to loss resulting directly or indirectly from any **Theft**, disappearance, damage, destruction, or disclosure of any intangible property or confidential information, including:

1. trade secret information, confidential processing methods, or other confidential information or intellectual property of any kind, or **Electronic Data**, unless otherwise covered under Insuring Agreement F.2.; or
2. **Computer Programs**,

provided that this exclusion will not apply to loss that is otherwise covered under Insuring Agreement A. 2., ERISA Fidelity caused by a **Fiduciary's** access to, use of, or disclosure of, such intangible property or confidential information to commit acts of **Fraud or Dishonesty**.

Z. This **Crime Policy** will not apply to loss resulting directly or indirectly from the diminution in value of **Money, Securities, or Other Property**, provided that this exclusion will not apply to loss that is otherwise covered under Insuring Agreement A. 2., ERISA Fidelity caused by a **Fiduciary's** acts of **Fraud or Dishonesty**.

5. The following replaces section V. **CONDITIONS, A. GENERAL CONDITIONS**, 3. Extended Period to Discover Loss:
3. Extended Period to Discover Loss

The Company will pay the **Insured** for loss that the **Insured** sustained prior to the effective date of cancellation or termination of this **Crime Policy**, which is **Discovered** by the **Insured**:

- a. no later than 90 days from the date of cancellation or termination; and
- b. as respects any **Employee Benefit Plan**, no later than one year from the date of cancellation or termination.

Notwithstanding the above, with respect to all Insuring Agreements other than Insuring Agreement A.2. ERISA Fidelity, this extended period to **Discover** loss terminates immediately upon the effective date of any other insurance obtained by the **Insured** replacing in whole or in part the insurance afforded by this **Crime Policy**. With respect to Insuring Agreement A.2. ERISA Fidelity, the extended period to Discover Loss terminates upon the effective date of any other insurance obtained by the **Employee Benefit Plan Sponsor** or the **Employee Benefit Plan** that offers the same coverage afforded by this **Crime Policy** in an amount no less than the minimum amount required under ERISA section 412 and that provides coverage for loss sustained prior to its effective date.

Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, exclusions, or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

SOCIAL ENGINEERING FRAUD INSURING AGREEMENT ENDORSEMENT

This endorsement changes the following:

Crime

It is agreed that:

1. The following is added to ITEM 5. of the Declarations:

Insuring Agreement	Single Loss Limit of Insurance	Single Loss Retention
Social Engineering Fraud	\$50,000	\$5,000

2. The following **INSURING AGREEMENT** is added to section **I. INSURING AGREEMENTS**:

SOCIAL ENGINEERING FRAUD

The Company will pay the **Insured** for the **Insured's** direct loss from the transferring, paying or delivering of **Money** or **Securities**, directly caused by **Social Engineering Fraud**.

3. The following are added to section **III. DEFINITIONS**:

Authorized Person means an **Officer-Shareholder**, sole proprietor, director, trustee, natural person partner, **LLC Manager** or **LLC Member** who is authorized by the **Insured** to transfer, pay, or deliver **Money** or **Securities** or to instruct **Employees** or other **Authorized Persons** to transfer, pay, or deliver **Money** or **Securities**.

Communication means an electronic, telegraphic, cable, teletype, telephonic voice, telefacsimile, or written instruction received by an **Employee** or **Authorized Person** that:

1. directs the **Employee** or **Authorized Person** to transfer, pay, or deliver **Money** or **Securities**;
2. contains a misrepresentation of a material fact; and
3. is relied upon by the **Employee** or **Authorized Person**, believing the material fact to be true.

Social Engineering Fraud means the intentional misleading of an **Employee** or **Authorized Person** by a natural person impersonating:

1. a **Vendor**, or that **Vendor's** attorney;
2. a **Client**, or that **Client's** attorney;
3. an **Employee**; or
4. an **Authorized Person**,
through the use of a **Communication**.

Vendor means an entity or natural person that has provided goods or services to the **Insured** under a genuine, pre-existing, written agreement or other agreed-upon arrangement.

Vendor does not include any **Financial Institution**, asset manager, armored motor vehicle company, or similar entity.

4. The following replaces section **III. DEFINITIONS, G. Computer System**:

G. Computer System means:

1. any computer; and
2. any input, output, processing, storage, or communication device, or any related network, cloud service, operating system, or application software, that is connected to, or used in connection with, such computer, that is rented by, owned by, leased by, licensed to, or under the direct operational control of, the **Insured**.

5. Solely with respect to the Social Engineering Fraud Insuring Agreement, the following replaces section III. **DEFINITIONS, C. Client:**

C. **Client** means an entity or natural person for which the **Insured** provides goods or performs services, for a fee, or as specified in a pre-existing written agreement, but only while the written agreement is in effect.

6. The following replaces section III. **DEFINITIONS, E. Computer Fraud:**

E. **Computer Fraud** means an intentional, unauthorized, and fraudulent entry or change of data or computer instructions directly into a **Computer System:**

1. by a natural person or entity, other than an **Employee, Authorized Person**, independent contractor, or any individual under the direct supervision of the **Insured**, including any such entry or change made via the internet, provided that such entry or change causes **Money, Securities, or Other Property** to be transferred, paid, or delivered from inside the **Premises** or from the **Insured's Financial Institution Premises**, to a place outside the **Premises** or the **Insured's Financial Institution Premises**; or
2. made by an **Employee** or **Authorized Person** acting in good faith upon an intentional, unauthorized, and fraudulent instruction received from a computer software contractor who has a written agreement with the **Insured** to design, implement, or service **Computer Programs** for a **Computer System** covered under section I. **INSURING AGREEMENTS, F. COMPUTER CRIME** .

For purposes of this definition, an intentional, unauthorized, and fraudulent entry or change of data or computer instructions does not include such entry or change made by an **Employee, Authorized Person**, independent contractor, or any individual under the direct supervision of the **Insured** made in reliance upon any fraudulent electronic, cable, teletype, telephonic voice, telefacsimile, or written instruction, except as defined in E.2. above. An intentional, unauthorized, and fraudulent entry or change of data or computer instructions also does not include such entry or change that involves the use, or purported use, of any **Credit, Debit, or Charge Card** or any access, convenience, identification, stored value, or other similar cards, including the information contained on such cards.

Computer Fraud does not include **Social Engineering Fraud** or **Funds Transfer Fraud**.

7. The following replaces section III. **DEFINITIONS, AA. Funds Transfer Fraud:**

AA. **Funds Transfer Fraud** means:

1. an electronic, telegraphic, cable, teletype, or telephone instruction, fraudulently transmitted to a **Financial Institution** directing such institution to debit a **Transfer Account** and to transfer, pay, or deliver **Money** or **Securities** from the **Transfer Account** , which instruction purports to have been transmitted by the **Insured** but was in fact fraudulently transmitted by someone other than the **Insured** without the **Insured's** knowledge or consent; or
2. a fraudulent written instruction, other than one covered under Insuring Agreement B., issued to a **Financial Institution** directing such **Financial Institution** to debit a **Transfer Account** and to transfer, pay, or deliver **Money** or **Securities** from such **Transfer Account** by use of an electronic funds transfer system at specified intervals or under specified conditions, which written instruction purports to have been issued by the **Insured** but was in fact fraudulently issued, **Forged**, or altered by someone other than the **Insured** without the **Insured's** knowledge or consent.

Funds Transfer Fraud does not include **Social Engineering Fraud**.

8. The following replaces section III. **DEFINITIONS, DD. Insured:**

DD. **Insured** means:

1. for the purposes of Insuring Agreement A.2. and the Social Engineering Fraud Insuring Agreement, any and all **Employee Benefit Plans:**
 - a. which have been established or maintained by an **Employee Benefit Plan Sponsor** as of the inception date of this **Crime Policy**; or
 - b. which have been created or acquired by an **Employee Benefit Plan Sponsor** after the inception date of this **Crime Policy**, subject to the provisions of General Agreements C. and D.
2. for the purposes of all Insuring Agreements, except Insuring Agreement A.2.:
 - a. the **First Named Insured**,
 - b. any **Subsidiary**,
 - c. any **Sponsored Plan**, or
 - d. any other entity listed in Item 1. of the Declarations.

9. The following replaces section **IV. EXCLUSIONS**, G., H., and R.:
- G. This **Crime Policy** will not apply to loss or damages resulting directly or indirectly from the input of **Electronic Data** by a natural person having the authority to enter the **Computer System**, unless covered under Insuring Agreements A.1., A.2., A.3., F1., but only when covered under section III. DEFINITIONS, E., **Computer Fraud**, 2., F.2., G., or the Social Engineering Fraud Insuring Agreement.
 - H. This **Crime Policy** will not apply to loss resulting from forged, altered, or fraudulent negotiable instruments, securities, documents, or instructions used as source documentation to enter **Electronic Data** or send instructions, provided this does not apply to Insuring Agreements A.1., A.2., A.3., or the Social Engineering Fraud Insuring Agreement.
 - R. This **Crime Policy** will not apply to loss resulting directly or indirectly from:
 - 1. the giving or surrendering of **Money, Securities** or **Other Property** in any exchange or purchase, whether genuine or fictitious; or
 - 2. any other giving or surrendering of, or voluntary parting with, **Money, Securities** or **Other Property**, whether or not induced by any dishonest or fraudulent act, except when covered under:
 - a. Insuring Agreement A.;
 - b. Insuring Agreement E.;
 - c. Insuring Agreement F1., or
 - d. the Social Engineering Fraud Insuring Agreement.
10. Solely with respect to the Social Engineering Fraud Insuring Agreement, the following replaces section **IV. EXCLUSIONS**, T.:
- T. This **Crime Policy** will not apply to loss of **Money, Securities** or **Other Property**:
 - 1. while in the mail; or
 - 2. while in the custody of any messenger, carrier for hire, or armored motor vehicle company.
11. Solely with respect to the Social Engineering Fraud Insuring Agreement, the following are added to section **IV. EXCLUSIONS**:
- This **Crime Policy** will not apply to:
- a. loss or damage due to **Theft** by an **Employee, Forgery, Computer Fraud, Funds Transfer Fraud**, or acceptance of money orders or **Counterfeit Money**;
 - b. loss due to any investment in **Securities**, or ownership in any corporation, partnership, real property, or similar instrument, whether or not such investment is genuine;
 - c. loss due to the failure, malfunction, illegitimacy, inappropriateness, or inadequacy of any product or service;
 - d. loss resulting directly or indirectly from the failure of any party to perform in whole or in part under any contract;
 - e. loss due to any non-payment of or default upon any loan, extension of credit, or similar promise to pay;
 - f. loss due to any party's use of or acceptance of any **Credit, Debit or Charge Card** or any access, convenience, identification, stored value or other similar card or instrument, including the information contained on such cards, whether or not genuine; or
 - g. loss due to items of deposit which are not finally paid for any reason, including forgery or any other fraud; however, this exclusion does not apply to United States Government checks or drafts that are returned by the United States Government for any reason after the funds for said checks or drafts have been credited to the **Insured's** account at a **Financial Institution**.

Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, exclusions, or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DELETE EXCLUSION FOR PRIOR LOSSES INVOLVING SUBSIDIARIES ENDORSEMENT

This endorsement changes the following:

Crime

It is agreed that:

Section **IV. EXCLUSIONS**, BB. is deleted.

Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, exclusions, or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

INCLUDE DESIGNATED PROPERTY MANAGERS AS EMPLOYEES ENDORSEMENT

This endorsement changes the following:

Crime

It is agreed that:

1. The following is added to section **III. DEFINITIONS, S. Employee:**

Employee also includes each natural person, partnership or corporation that:

1. the **Insured** appoints in a written agreement to act as the **Insured's** property manager;
2. is shown in the schedule below; and
3. is subject to the **Insured's** direction and control while performing services for the **Insured**,

but only while such person, partnership or corporation (hereafter "Designated Property Manager") is acting on the **Insured's** behalf and while in possession of the **Money, Securities and Other Property**.

Employee also includes any natural person, partnership or corporation previously appointed in a written agreement to act as the **Insured's** property manager, but only for acts committed while performing such services for the **Insured** that are **Discovered** during the current **Policy Period**.

Each such Designated Property Manager, including the natural person, partners, officers and employees of that Designated Property Manager, are considered to be, collectively, one **Employee** for the purposes of this insurance; except with respect to section V. CONDITIONS, D. CANCELLATION OR TERMINATION, Paragraph 4.

2. The following replaces the last sentence of section **III. DEFINITIONS, S. Employee:**

Employee does not mean any agent, broker, factor, commission merchant, consignee, independent contractor or representative or other person of the same general character not specified in paragraphs 1. through 5. above or in the schedule set forth in this Include Designated Property Managers as Employees Endorsement.

3. The most the Company will pay under this **Crime Policy** for **Theft** committed by a Designated Property Manager included as an **Employee** by this endorsement is the Single Loss Limit of Insurance shown in the schedule below. Such Single Loss Limit of Insurance is part of, not in addition to, the Single Loss Limit of Insurance shown in the Declarations as applicable to Insuring Agreement, A. FIDELITY, 1. Employee Theft.
4. The Company will not pay the **Insured** for any **Single Loss** caused by a Designated Property Manager included as an **Employee** by this endorsement unless the amount of such **Single Loss** exceeds the Single Loss Retention shown in the schedule below.
5. If ITEM 5 of the Crime Declarations indicates that this **Crime Policy** includes a Policy Aggregate Limit of Insurance, then section V. CONDITIONS, B. PROVISIONS AFFECTING LOSS ADJUSTMENT AND SETTLEMENT, 1. Limit of Insurance, a. Policy Aggregate Limit of Insurance, applies to this endorsement and any payment under this **Crime Policy** for loss caused by a Designated Property Manager included as an **Employee** by this endorsement will reduce, and may exhaust, the Aggregate Limit of Insurance by the amount of such payment.

Including any natural person, partnership, or corporation, other than specifically designated in the schedule below, which the **Insured** appoints in writing after the effective date of this endorsement to act as a Designated Property Manager, provided:

1. that coverage for any Designated Property Manager appointed in writing subsequent to the effective date of this endorsement will only be afforded for loss directly caused by such Designated Property Manager and sustained by the **Insured** on or after the date the new Designated Property Manager was appointed;

2. the loss is **Discovered** by the **Insured** during the **Policy Period** or Extended Period to Discover Loss pursuant to the terms set forth in section V. CONDITIONS, A. GENERAL CONDITIONS, 3. Extended Period to Discover Loss; and
3. the Single Loss Limit of Insurance and the Single Loss Retention amounts applicable to any Designated Property Manager appointed in writing subsequent to the effective date of this endorsement are the highest such values shown in the schedule below, respectively.

SCHEDULE

<u>Designated Property Manager</u>	<u>Single Loss Limit of Insurance</u>	<u>Single Loss Retention</u>
Boulder Mountain Property Management	\$50,000	\$500

Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, exclusions, or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

IDAHO CANCELLATION OR TERMINATION ENDORSEMENT

This endorsement changes the following:

Crime

It is agreed that:

1. The following replaces section **V., CONDITIONS, D.2.:**
2. The Company may cancel:
 - a. this **Crime Policy** in its entirety;
 - b. an Insuring Agreement; or
 - c. coverage for any **Insured**;

by mailing or delivering to the **First Named Insured** written notice of cancellation at least **20** days (number of days must equal or exceed 20 days) before the effective date of cancellation if the Company cancels for nonpayment of premium; or **60** days (number of days must equal or exceed 60 days) before the effective date of cancellation if the Company cancels for any reason scheduled below. The Company may cancel for any of the following reasons:

- a. nonpayment of premium,
- b. fraud or material misrepresentation,
- c. activities or omissions by the **Insured** which increase hazards,
- d. change in risks which may increase loss,
- e. loss or decrease of the Company's reinsurance,
- f. continuation of the policy would place the Company in violation of the insurance laws,
- g. violation or breach of policy terms by the **Insured**

The Company will mail or deliver the Company's notice to the **First Named Insured's** last mailing address known to the Company. Notice of cancellation will state the effective date of cancellation and the **Policy Period** will end on that date. If this **Crime Policy** or an Insuring Agreement is cancelled, the Company will send the **First Named Insured** any premium refund due, computed on a pro-rata basis. The cancellation will be effective even if the Company has not made or offered a refund. If notice is mailed, proof of mailing will be sufficient proof of notice.

2. The following is added to section **V., CONDITIONS, D. CANCELLATION OR TERMINATION:**
5. The Company will not be required to renew this **Liability Policy** upon its expiration. If the Company elects not to renew, the Company will provide to the **First Named Insured** written notice to that effect **45** days (number of days must equal or exceed 45 days) before the Expiration Date set forth in ITEM 2 of the Declarations.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

Issuing Company: **Travelers Casualty and Surety Company of America**
Policy Number: **107922722**



**PO Box 2950
Hartford, CT 06104-2950**

October 5, 2023

SUMMIT PHASE II CONDOMINIUM ASSOCIATION INC
PO BOX 2183
SUN VALLEY, ID 83353-2183

Re: Important Information about [Claims Information Line](#)

Dear SUMMIT PHASE II CONDOMINIUM ASSOCIATION INC

Travelers Bond & Specialty Insurance is pleased to announce its **1-800-842-8496** Claims Information Line. This line is designed to provide insureds with an additional resource on how to report claims or those circumstances or events which may become claims.

Policyholders will be able to obtain assistance on the following topics from the Claims Information Line:

- The information that needs to be included with the claim notice
- The address, electronic mail address and/or facsimile number to which the policyholder can send claims related information
- Get questions on the claim process answered

The Declarations Page of your policy sets forth where you should report claims and claims related information. You should also review the policy's reporting requirements to be aware of how much time you have to report a claim to Travelers. The sooner Travelers is notified, the sooner we can become involved in the process and offer assistance to our policyholder. A delay in reporting may result in all or part of a matter to fall outside of the coverage provided.

The Claims Information Line should streamline the claim reporting process and allow policyholders to ask questions on what information is needed as well as other questions which will assist them in working with Travelers. While the Claims Information Line provides policyholders a valuable resource by answering questions and providing information, the line does not replace the reporting requirements contained in the Policy.

We hope this improvement to customer service is something our policyholders will find helps them understand the claim process and provides them a resource for reporting.



P.O. Box 2950
Hartford, CT 06104-2950

10/05/2023

SUMMIT PHASE II CONDOMINIUM ASSOCIATION INC

PO BOX 2183
SUN VALLEY, ID 83353-2183

RE: Risk Management PLUS+ Online® from Travelers Bond & Specialty Insurance (www.rmplusonline.com)

As a Travelers Bond & Specialty Insured you receive risk management services, at no additional cost, to help protect you and your business.

Risk Management PLUS+ Online, is a robust website to assist you in the mitigation of risk relative to employment practices, directors and officers, fiduciary liability, cyber, crime, kidnap & ransom, and identity fraud exposures.

Highlights of Risk Management PLUS+ Online include:

- Thousands of articles on a variety of risk management topics
- Topical webinars and podcasts on current issues
- Checklists to assist in managing risk
- Web based training
- Model Employee Handbook, including policies and forms for downloading or printing that reduce risks in the workplace.

The following Risk Management PLUS+ Online Registration Instructions contain easy, step-by-step instructions to register for this valuable tool. For more information, call 1-888-712-7667 and ask for your Risk Management PLUS+ Online representative. It's that simple.

Thank you for choosing Travelers Bond & Specialty Insurance for your insurance needs. Travelers is a market leader in providing management liability and crime coverages that are specifically customized for your organization.

Instructions for Registration & Orientation to Risk Management PLUS+ Online®

Registration for Site Administrators:

The Site Administrator is the person in your organization who will oversee Risk Management PLUS+ Online for the organization. The Site Administrator is typically a person who leads human resources and/or financial functions or is responsible for legal matters pertaining to personnel. The Site Administrator may add other Site Administrators later to assist with their responsibilities. To register:

1. Go to www.rmplusonline.com.
2. In the Sign-In box, click **Register**.
3. Enter the password/passcode: TRVP110000
4. Fill in the Registration Information and click **Submit**.
5. Your organization is registered, and you are registered as Site Administrator.

Learning to Navigate the Site:

1. Go to www.rmplusonline.com. On each page, you will see a box outlined in blue that contains the instructions for use of that page.
2. If you have any questions, just click on **Contact Us** on the front page. Enter your question in the form provided, and the System Administrator will get back to you quickly with the answer.
3. You can also schedule a live walk-through of the site by sending a request for a walk-through via the contact link on the front page.

This notice provides no coverage, nor does it change any policy terms. To determine the scope of coverage and the insured's rights and duties under the policy, read the entire policy carefully. For more information about the content of this notice, the insured should contact their agent or broker. If there is any conflict between the policy and this notice, the terms of the policy prevail.

Idaho Insurer And Insurance Department Contact Information Notice

For information about this policy, contact the insurance agent or broker listed in the policy. If additional information is needed, contact Travelers at the following address:

Travelers
P.O. Box 2950
Hartford, Connecticut 06104-2950

Or call Travelers at 800.328.2189

If there is an issue or complaint that Travelers has not satisfactorily resolved, the Idaho Department of Insurance can be contacted at the following address:

Idaho Insurance Department
700 West State Street, 3rd Floor
PO Box 83720
Boise, Idaho 83720

Or call the insurance department at 800.721.3272, or 208.334.4250
Or visit the insurance department's website at www.doi.idaho.gov

This notice provides no coverage, nor does it change any policy terms. To determine the scope of coverage and the insured's rights and duties under the policy, read the entire policy carefully. For more information about the content of this notice, the insured should contact their agent or broker. If there is any conflict between the policy and this notice, the terms of the policy prevail.

Independent Agent And Broker Compensation Notice

For information on how Travelers compensates independent agents, brokers, or other insurance producers, please visit this website: www.travelers.com/w3c/legal/Producer_Compensation_Disclosure.html.

Or write or call:

Travelers, Agency Compensation
P.O. Box 2950
Hartford, Connecticut 06104-2950
(866) 904.8348