



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

Account Manager: Sara Grygiel sara.grygiel@sentrywest.com 385.355.6245

Certificates of Insurance:

HOA Requests eoia@sentrywest.com

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

All Other Certificate Requests

Please send to the above account manager(s)

Office Contact Information

Local 801.272.8468
Fax 801.277.3511



Disclaimers

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

Recommendations

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

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

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

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

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

It includes:

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

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

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

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

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

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

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

HDI GLOBAL INSURANCE COMPANY

A Stock Insurance Company
161 North Clark St., CHICAGO, IL 60601

COMMON POLICY DECLARATIONS RENEWAL DECLARATION

POLICY NO: HDI55CL0738135-01/000

RENEWAL OF: HDI55CL0738135-00

NAMED INSURED AND MAILING ADDRESS

TRAIL CREEK PLACE HOMEOWNERS
ASSOCIATION INC
PO BOX 1234
KETCHUM, ID 83340

AGENCY AND MAILING ADDRESS

4333
SENTRY WEST INSURANCE SERVICES
P.O. BOX 9289
SALT LAKE CITY, UT 84109

POLICY PERIOD: FROM 08/15/2025 TO 08/15/2026 AT 12:01 AM STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE.

THE NAMED INSURED IS: Other

BUSINESS DESCRIPTION: CONDOMINIUM ASSOCIATION

AUDIT FREQUENCY: Annual

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

THIS POLICY CONSISTS OF THE COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED.

	PREMIUM
COMMERCIAL PROPERTY	\$ 6,444
COMMERCIAL GENERAL LIABILITY	\$ 518
COMMERCIAL CRIME AND FIDELITY	\$ Not Covered
COMMERCIAL INLAND MARINE	\$ Not Covered
COMMERCIAL AUTO	\$ 178
TOTAL PREMIUM	\$ 7,140
COMMERCIAL UMBRELLA	\$ Not Covered
POLICY PREMIUM	\$ 7,140.00

FORMS AND ENDORSEMENTS APPLICABLE TO ALL COVERAGE PARTS

See Forms Schedule

THESE DECLARATIONS, IF APPLICABLE, TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE FORM(S) AND ENDORSEMENTS, AND SUPPLEMENTAL FORM DECLARATION(S), IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

HDI GLOBAL INSURANCE COMPANY

A Stock Insurance Company
161 North Clark St., CHICAGO, IL 60601
COMMERCIAL PROPERTY
RENEWAL DECLARATION

POLICY NO: HDI55CL0738135-01/000

RENEWAL OF: HDI55CL0738135-00

NAMED INSURED AND MAILING ADDRESS

TRAIL CREEK PLACE HOMEOWNERS
ASSOCIATION INC
PO BOX 1234
KETCHUM, ID 83340

AGENCY AND MAILING ADDRESS

4333

SENTRY WEST INSURANCE SERVICES
P.O. BOX 9289
SALT LAKE CITY, UT 84109

POLICY PERIOD: FROM 08/15/2025 TO 08/15/2026 AT 12:01 AM STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE.

THE NAMED INSURED IS :Other

**BUSINESS DESCRIPTION :CONDOMINIUM
ASSOCIATION**

LOCATION: 1 BUILDING: 1

PROPERTY AT YOUR PREMISES

ADDRESS: 593 2ND AVENUE SOUTH, KETCHUM, ID 83340

BUILDING DESCRIPTION:

PROTECTION CLASS: 3 CONSTRUCTION: FRAME

COVERAGES PROVIDED

INSURANCE AT THE DESCRIBED PREMISES APPLIES ONLY FOR COVERAGES FOR WHICH AN AMOUNT OF INSURANCE IS SHOWN

COVERAGE	CAUSE OF LOSS	DED	COINSURANCE	AMOUNT OF INSURANCE
Building	Special Including Theft	\$5,000	100%	See Blanket Summary

Agreed Value: \$1,720,000

Exp Date: 08/15/2026

Inflation Guard: 4%

Replacement Cost

OPTIONAL COVERAGES

BUILDING	LIMIT	FORM
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HDI GLOBAL INSURANCE COMPANY

A Stock Insurance Company
 161 North Clark St., CHICAGO, IL 60601
COMMERCIAL PROPERTY
 RENEWAL DECLARATION

POLICY NO: HDI55CL0738135-01/000

INSURED: TRAIL CREEK PLACE HOMEOWNERS

EFFECTIVE DATE: 08/15/2025

AGENT: SENTRY WEST INSURANCE SERVICES

OPTIONAL COVERAGES

Equipment Breakdown	View Form	CF 10 50
Ordinance or Law Coverage A	Refer To Building Limit	CP 04 05
Ordinance or Law Coverage B & C	View Form	CP 04 05

LOCATION: 1 BUILDING: 2

PROPERTY AT YOUR PREMISES

ADDRESS: 593 2ND AVENUE SOUTH, KETCHUM, ID 83340

BUILDING DESCRIPTION:

PROTECTION CLASS: 3 CONSTRUCTION: FRAME

COVERAGES PROVIDED

INSURANCE AT THE DESCRIBED PREMISES APPLIES ONLY FOR COVERAGES FOR WHICH AN AMOUNT OF INSURANCE IS SHOWN

COVERAGE	CAUSE OF LOSS	DED	COINSURANCE	AMOUNT OF INSURANCE
Building	Special Including Theft	\$5,000	100%	See Blanket Summary

Agreed Value: \$2,418,000

Exp Date: 08/15/2026

Inflation Guard: 4%

Replacement Cost

OPTIONAL COVERAGES

BUILDING	LIMIT	FORM
Equipment Breakdown	View Form	CF 10 50
Ordinance or Law Coverage A	Refer To Building Limit	CP 04 05
Ordinance or Law Coverage B & C	View Form	CP 04 05

BLANKET SUMMARY -

Average Rates

BLANKET ID:	1	LIMIT:	\$4,138,000	CAUSE OF LOSS:	Special Including Theft
LOCATION#	BUILDING#	COVERAGE		COINSURANCE:	100%

HDI GLOBAL INSURANCE COMPANY

A Stock Insurance Company
161 North Clark St., CHICAGO, IL 60601
COMMERCIAL PROPERTY
RENEWAL DECLARATION

POLICY NO: HDI55CL0738135-01/000

INSURED: TRAIL CREEK PLACE HOMEOWNERS

EFFECTIVE DATE: 08/15/2025

AGENT: SENTRY WEST INSURANCE SERVICES

BLANKET SUMMARY -		Average Rates
1	1	Building
1	2	Building

MISCELLANEOUS COVERAGE - POLICY

COVERAGE	FORM	PREMIUM
PROPERTY ENHANCEMENT ENDORSEMENT	MP 95 34	\$108

TERRORISM RISK INSURANCE ACT CHARGE IS \$188

TOTAL COMMERCIAL PROPERTY PREMIUM \$6,444

FORMS AND ENDORSEMENTS

APPLYING TO COMMERCIAL PROPERTY AND MADE PART OF THIS POLICY AT TIME OF ISSUE:

See Forms Schedule

NOTE: IF NO ENTRY APPEARS ON THE ABOVE ENDORSEMENTS, INFORMATION REQUIRED TO COMPLETE THE FORM WILL BE SHOWN ON THE SUPPLEMENTAL FORM DECLARATION IMMEDIATELY FOLLOWING THE APPLICABLE ENDORSEMENT.

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HDI GLOBAL INSURANCE COMPANY

A Stock Insurance Company
161 North Clark St., CHICAGO, IL 60601

GENERAL LIABILITY RENEWAL DECLARATION

POLICY NO: HDI55CL0738135-01/000

RENEWAL OF: HDI55CL0738135-00

NAMED INSURED AND MAILING ADDRESS

TRAIL CREEK PLACE HOMEOWNERS
ASSOCIATION INC
PO BOX 1234
KETCHUM, ID 83340

AGENCY AND MAILING ADDRESS

4333

SENTRY WEST INSURANCE SERVICES
P.O. BOX 9289
SALT LAKE CITY, UT 84109

POLICY PERIOD: FROM 08/15/2025 TO 08/15/2026 AT 12:01 AM STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE.

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

COMMERCIAL GENERAL LIABILITY COVERAGE

LIMITS OF INSURANCE

GENERAL AGGREGATE		\$2,000,000	
PRODUCTS – COMPLETED OPERATIONS		INCLUDED	
AGGREGATE			
PERSONAL INJURY & ADVERTISING INJURY		\$1,000,000	
EACH OCCURRENCE		\$1,000,000	
DAMAGE TO PREMISES RENTED TO YOU		\$100,000	ANY ONE PREMISES
MEDICAL EXPENSE		\$5,000	ANY ONE PERSON

MISCELLANEOUS COVERAGE – POLICY

COVERAGE	PREMIUM
Enhancement Endorsement Coverage	\$161

LOCATION OF ALL PREMISES YOU OWN, RENT OR OCCUPY:

1 593 2nd Avenue South, Ketchum, ID 83340

DESCRIPTION OF BUSINESS

FORM OF BUSINESS:

INDIVIDUAL

PARTNERSHIP

JOINT VENTURE

TRUST

HDI GLOBAL INSURANCE COMPANY

A Stock Insurance Company
161 North Clark St., CHICAGO, IL 60601

GENERAL LIABILITY RENEWAL DECLARATION

POLICY NO: HDI55CL0738135-01/000
INSURED: TRAIL CREEK PLACE HOMEOWNERS

EFFECTIVE DATE: 08/15/2025
AGENT: SENTRY WEST INSURANCE SERVICES

DESCRIPTION OF BUSINESS

LIMITED LIABILITY COMPANY ORGANIZATION, INCLUDING A CORPORATION (BUT NOT INCLUDING A PARTNERSHIP, JOINT VENTURE OR LIMITED LIABILITY COMPANY)
 OTHER

BUSINESS DESCRIPTION: CONDOMINIUM ASSOCIATION

LOC	CLASSIFICATION	CODE	PREMIUM BASIS	EXPOSURE	PMS RATE	PDTS RATE	OTHER RATE
1	Condominiums - residential - (association risk only) Products-completed operations are subject to the General Aggregate Limit	62003	Number of Units	6	33.239	0	

TERRORISM RISK INSURANCE ACT CHARGE IS \$111

CYBER LIABILITY AND DATA BREACH RESPONSE COVERAGE ENDORSEMENT (CYB 008) \$147

TOTAL GENERAL LIABILITY PREMIUM **\$518**

FORMS AND ENDORSEMENTS

APPLYING TO THIS COVERAGE PART AND MADE PART OF THIS POLICY AT TIME OF ISSUE:

See Forms Schedule

NOTE: IF NO ENTRY APPEARS ON THE ABOVE ENDORSEMENTS, INFORMATION REQUIRED TO COMPLETE THE FORM WILL BE SHOWN ON THE SUPPLEMENTAL FORM DECLARATION IMMEDIATELY FOLLOWING THE APPLICABLE ENDORSEMENT.

THESE DECLARATIONS AND THE COMMON POLICY DECLARATIONS, IF APPLICABLE, TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE FORM(S) AND ENDORSEMENTS, AND SUPPLEMENTAL FORM DECLARATIONS), IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

HDI GLOBAL INSURANCE COMPANY

A Stock Insurance Company
161 North Clark St., CHICAGO, IL 60601

COMMERCIAL AUTOMOBILE POLICY RENEWAL DECLARATION

POLICY NO: HDI55CL0738135-01/000

RENEWAL OF: HDI55CL0738135-00

NAMED INSURED AND MAILING ADDRESS

TRAIL CREEK PLACE HOMEOWNERS
ASSOCIATION INC
PO BOX 1234
KETCHUM, ID 83340

AGENCY AND MAILING ADDRESS

4333
SENTRY WEST INSURANCE SERVICES
P.O. BOX 9289
SALT LAKE CITY, UT 84109

POLICY PERIOD: FROM 08/15/2025 TO 08/15/2026 AT 12:01 AM STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE

ITEM ONE

THE NAMED INSURED IS: **Other**

**BUSINESS DESCRIPTION: CONDOMINIUM
ASSOCIATION**

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

ITEM TWO – SCHEDULE OF COVERAGES AND COVERED AUTOS

This policy provides only those coverages where a charge is shown in the premium column below. Each of these coverages will apply only to those "autos" shown as covered "autos". "Autos" are shown as covered "autos" for a particular coverage 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.

COVERED AUTOS SYMBOLS	COVERAGES	LIMITS	PREMIUM
8, 9	Liability	See Item Five For Non Owned Liability See Item Four For Hired Borrowed Auto	\$ 178
	Auto Medical Payments	\$ Each Person	\$
	Uninsured Motorists - UM	\$ Each Accident	\$
	Underinsured Motorists - UIM	\$ Each Accident	\$

HDI GLOBAL INSURANCE COMPANY

A Stock Insurance Company
161 North Clark St., CHICAGO, IL 60601

COMMERCIAL AUTOMOBILE POLICY

RENEWAL DECLARATION

POLICY NO: HDI55CL0738135-01/000

INSURED: TRAIL CREEK PLACE HOMEOWNERS

EFFECTIVE DATE: 08/15/2025

AGENT: SENTRY WEST INSURANCE SERVICES

COVERED AUTOS SYMBOLS	COVERAGES	LIMITS	PREMIUM
	Physical Damage: Comprehensive Coverage	Actual Cash Value Or Cost Of Repair, Whichever Is Less, Minus Deductible For Each Covered Auto (See Item Three), But No Deductible Applies To Loss Caused By Fire Or Lightning. See Item Four For Hired Or Borrowed Autos.	\$
	Physical Damage: Specified Causes Of Loss Coverage	Actual Cash Value Or Cost Of Repair, Whichever Is Less, Minus Deductible For Each Covered Auto (See Item Three) For Loss Caused By Mischief Or Vandalism. See Item Four for Hired or Borrowed Autos.	\$
	Physical Damage: Collision Coverage	Actual Cash Value Or Cost Of Repair, Whichever Is Less, Minus Deductible For Each Covered Auto (See Item Three). See Item Four for Hired or Borrowed Autos.	\$
	Physical Damage: Towing And Labor	\$ For Each Disablement Of A Private Passenger Auto	\$
		PREMIUM FOR ENDORSEMENTS	\$
		ESTIMATED POLICY PREMIUM	\$ 178.00
		*This policy may be subject to final audit	

FORMS AND ENDORSEMENTS

APPLYING TO THIS COVERAGE PART AND MADE PART OF THIS POLICY AT TIME OF ISSUE:

See Forms Schedule

NOTE: IF NO ENTRY APPEARS ON THE ABOVE ENDORSEMENTS, INFORMATION REQUIRED TO COMPLETE THE FORM WILL BE SHOWN ON THE SUPPLEMENTAL FORM DECLARATION IMMEDIATELY FOLLOWING THE APPLICABLE ENDORSEMENT.

HDI GLOBAL INSURANCE COMPANY

A Stock Insurance Company
161 North Clark St., CHICAGO, IL 60601

COMMERCIAL AUTOMOBILE POLICY RENEWAL DECLARATION

POLICY NO: HDI55CL0738135-01/000

INSURED: TRAIL CREEK PLACE HOMEOWNERS

EFFECTIVE DATE: 08/15/2025

AGENT: SENTRY WEST INSURANCE SERVICES

ITEM FOUR – SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS.

LIABILITY COVERAGE – COST OF HIRE RATING BASIS FOR AUTOS NOT USED IN YOUR MOTOR CARRIER OPERATIONS (OTHER THAN MOBILE OR FARM EQUIPMENT)

STATE	LIABILITY COVERAGE	ESTIMATED ANNUAL COST OF HIRE FOR EACH STATE	LIMIT	DEDUCTIBLE	PREMIUM
ID	Excess Liability	\$ IF ANY	\$ 1,000,000	\$	\$ 0
				Total Premium	\$ 0

For “autos” **NOT** used in your motor carrier operations, cost of hire means the total amount you incur for the hire of “autos” you don’t 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.

COVERAGE TYPE	BALANCE TO MINIMUM PREMIUM
Cost Of Hire Rating Basis For Autos Not Used In Your Motor Carrier Operations (Other Than Mobile Or Farm Equipment)	\$ 122
Total Balance to Minimum Premium	\$ 122

ITEM FIVE – SCHEDULE FOR NON-OWNERSHIP LIABILITY

STATE: ID

NAMED INSURED'S BUSINESS	RATING BASIS	NUMBER	LIMIT	DEDUCTIBLE	PREMIUM
Other than Garage Service Operations, Social Service Agencies and Educational Institutions and Commercial Driving Schools	Number of Employees	2	\$ 1,000,000	\$	\$ 56
				Total Premium	\$ 56

HDI GLOBAL INSURANCE COMPANY

A Stock Insurance Company
161 North Clark St., CHICAGO, IL 60601

COMMERCIAL AUTOMOBILE POLICY

RENEWAL DECLARATION

POLICY NO: HDI55CL0738135-01/000

INSURED: TRAIL CREEK PLACE HOMEOWNERS

EFFECTIVE DATE: 08/15/2025

AGENT: SENTRY WEST INSURANCE SERVICES

OPTIONAL FORMS AND ENDORSEMENTS - POLICY

COVERAGE	FORM NUMBER	PREMIUM

THESE DECLARATIONS, IF APPLICABLE, TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE FORM(S) AND ENDORSEMENTS, AND SUPPLEMENTAL FORM DECLARATION(S), IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

HDI GLOBAL INSURANCE COMPANY

A Stock Insurance Company
161 North Clark St., CHICAGO, IL 60601
FORMS SCHEDULE

POLICY NO: HDI55CL0738135-1

RENEWAL OF: HDI55CL0738135-00

ACCOUNT NUMBER:**NAMED INSURED AND MAILING ADDRESS**

TRAIL CREEK PLACE HOMEOWNERS
PO BOX 1234
KETCHUM, ID 83340

AGENCY AND MAILING ADDRESS

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SENTRY WEST INSURANCE SERVICES
P.O. BOX 9289
Salt Lake City, UT 84109

POLICY PERIOD: FROM 08/15/2025 TO 08/15/2026 AT 12:01 AM STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE.

NOTE: IF NO ENTRY APPEARS ON THE FOLLOWING ENDORSEMENTS, INFORMATION REQUIRED TO COMPLETE THE FORM WILL BE SHOWN ON THE SUPPLEMENTAL FORM DECLARATION IMMEDIATELY FOLLOWING THE APPLICABLE ENDORSEMENT.

INTERLINE FORMS		APPLICABLE COVERAGE PARTS
AH0018 01-21	Disclosure and Offer of Terrorism	General Liability, Commercial Property
IL SU 4003 06 24	Signature Page	Commercial Package
AH0050 06-15	POLICYHOLDER NOTICE OF CLAIM REPORTING PROCEDURES	Commercial Auto, General Liability, Commercial Property
II 3005 01-24	Fraud Warning Notices	Commercial Auto, General Liability, Commercial Property
IL0719OFAC 06-24	Advisory Notice to Policyholders OFAC Sanctions Enforcement	Commercial Auto, General Liability, Commercial Property
ILAM4001 05-23	Sanction Limitation and Exclusion Clause	Commercial Auto, General Liability, Commercial Property
IL0017 11-98	Common Policy Conditions	Commercial Auto, General Liability, Commercial Property
IL0021 09-08	Nuclear Energy Liability Exclusion Endorsement (Broad Form)	Commercial Auto, General Liability
IL0204 09-08	Idaho Changes - Cancellation And Nonrenewal	Commercial Auto, General Liability, Commercial Property
IL0935 07-02	Exclusion Of Certain Computer- Related Losses	Commercial Property
IL0952 01-15	Cap On Losses From Certified Acts Of Terrorism	Commercial Property
NP0014 01-21	Advisory Notice to Policyholders	General Liability, Commercial Property
NP0060 09-19	Statement Regarding Flood Insurance	Commercial Property

HDI GLOBAL INSURANCE COMPANY

A Stock Insurance Company
161 North Clark St., CHICAGO, IL 60601

FORMS SCHEDULE

POLICY NO: HDI55CL0738135-1

RENEWAL OF: HDI55CL0738135-00

ACCOUNT NUMBER:**NAMED INSURED AND MAILING ADDRESS**

TRAIL CREEK PLACE HOMEOWNERS
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INTERLINE FORMS		APPLICABLE COVERAGE PARTS
PP3000 12-23	Privacy Notice	Commercial Auto, General Liability, Commercial Property

COMMERCIAL PROPERTY FORMS

CF1050 01-18	Equipment Breakdown Enhancement Endorsement
CF3010 03-20	Cyber Incident Exclusion
CP0010 10-12	Building And Personal Property Coverage Form
CP0090 07-88	Commercial Property Conditions
CP0405 09-17	Ordinance Or Law Coverage
CP1030 09-17	Causes Of Loss - Special Form
MP9534 01-12	Property Enhancement Endorsement Commercial Property
CF1013 03-05	Fungus, Wet Rot, Dry Rot And Bacteria - Exclusion
CF1022 01-07	Exclusion Of Loss Due To Virus Or Bacteria (Including Food Contamination Business Income Exception)

COMMERCIAL GENERAL LIABILITY FORMS

GC4009 04-22	Exclusion - Opioids and Other Prescription Drugs
GC4010 04-22	Exclusion - Governmental Actions Related to Prescription Drugs
CG0001 04-13	Commercial General Liability Coverage Form
CG2004 11-85	Additional Insured - Condominium Unit Owners
CG2107 05-14	Exclusion - Access or Disclosure of Confidential or Personal Information and Data-Related Liability - Limited Bodily Injury Exception not Included
CG2132 05-09	Communicable Disease Exclusion
CG2146 07-98	Abuse Or Molestation Exclusion
CG2147 12-07	Employment-Related Practices Exclusion
CG2167 12-04	Fungi Or Bacteria Exclusion
CG2170 01-15	Cap On Losses From Certified Acts Of Terrorism
CG2176 01-15	Exclusion Of Punitive Damages Related To A Certified Act Of Terrorism
CG2426 04-13	Amendment Of Insured Contract Definition

HDI GLOBAL INSURANCE COMPANY

A Stock Insurance Company
161 North Clark St., CHICAGO, IL 60601
FORMS SCHEDULE

POLICY NO: HDI55CL0738135-1

RENEWAL OF: HDI55CL0738135-00

ACCOUNT NUMBER:

NAMED INSURED AND MAILING ADDRESS

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COMMERCIAL GENERAL LIABILITY FORMS

CYB008 06-17	Cyber Liability and Data Breach Response Coverage Endorsement
CYB101 06-24	Cyber Breach Response Supplemental Declarations
CYB201 06-24	Cyber Breach Response Endorsement
CG2196 03-05	Silica or Silica-Related Dust Exclusion
GC1110 06-18	Lead Exclusion
MP9540 03-05	Exclusion - Asbestos
GC1060 04-11	General Liability - Enhancement Endorsement

COMMERCIAL AUTO FORMS

CA0001 11-20	Business Auto Coverage Form
CA0118 11-13	Idaho Changes
CA2384 10-13	Exclusion Of Terrorism
BA0118 11-13	Idaho Changes

HDI Global Insurance Company

Commercial Advantage Policy
Commercial Advantage Excess Policy
General Liability
Inland Marine
Commercial Property
Umbrella

THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE AND OFFER OF COVERAGE 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.

TRAIL CREEK PLACE HOMEOWNERS

Insured's Name

PO BOX 1234

Ketchum, ID 83340

Insured's Mailing Address

HDI55CL0738135-1

Policy Number

PREMIUM DUE DATE:

Billing Notice Sent Separately

**NOTICE OF
DISCLOSURE OF PREMIUM AND OFFER OF COVERAGE
FOR CERTIFIED ACTS OF TERRORISM**

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

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

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE

CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

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

DISCLOSURE OF PREMIUM AND SELECTION OR REJECTION OF COVERAGE

I hereby elect to purchase coverage for losses arising from certified acts of terrorism. I understand that the premium due for this coverage is \$199

I hereby reject coverage for losses arising from certified acts of terrorism. I understand that an **exclusion** for losses resulting from certified acts of terrorism will be made part of this policy.

If a premium is indicated below, this policy includes coverage in a Standard Fire Policy State.
I understand that I must still pay an additional premium for coverage for fire losses arising from certified acts of terrorism. I further understand that the premium due for this limited fire loss coverage is \$0

Policyholder's Signature

Date

POLICYHOLDER NOTICE OF CLAIM REPORTING PROCEDURES

You should contact your local insurance agent to report a claim. Your agency's name and address are located at the upper right of your policy's declaration pages.

If you are unable to contact your agent and want to make a claim involving a fatality, serious injury, large property loss or a catastrophic claim, you may call and report the claim directly to Effective Claims Management, Inc. Effective Claims Management, Inc. handles claims for the HDI Global Insurance Company policy on which this notice is attached.

- To report a serious claim during normal business hours (Monday through Friday 8:00 a.m. to 5:00 p.m. CST), please call 800-426-5119 ext. 1780.
- To report a serious claim after normal business hours, call 817-888-5664 for Casualty (Auto and GL), or 817-888-1955 for Property.

This Notice does **not** form a part of your insurance contract. The Notice is designed to provide helpful information for you to report a claim. If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) apply. Please read your policy and the endorsements attached to your policy carefully.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – OPIOIDS AND OTHER PRESCRIPTION DRUGS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

The following exclusion is added to Paragraph **2. Exclusions** of Section I – Coverage A Bodily Injury and Property Damage Liability and to Paragraph **2. Exclusions** of Section I – Coverage B Personal and Advertising Injury Liability:

Opioids and Other Prescription Drugs

This insurance does not apply to any claim, “suit”, demand, or loss that alleges “bodily injury”, “property damage”, or “personal and advertising injury” arising directly or indirectly out of or in any way related to any actual or alleged:

1. Diversion, abuse, misuse, addictive use, illicit use, overuse, or unlawful distribution of:
 - a. Codeine, fentanyl, hydrocodone, oxycontin, hydromorphone, meperidine, methadone, oxycodone, naloxone, or any other opioid or narcotic drug, medication, or substance of any type, nature, or kind; or
 - b. Any other drugs which require a prescription; or
2. Failure or inadequacy of any controls, practices, or procedures to prevent or report behavior relating to the actual or alleged diversion, abuse, misuse, addictive use, illicit use, overuse, or unlawful distribution of any substance referenced in 1.a. or 1.b. above; or
3. Failure to warn or inadequacy of warnings related to the consequences of any diversion, abuse, misuse, addictive use, illicit use, overuse, or unlawful distribution of any substance referenced in 1.a. or 1.b. above.

This exclusion applies even if the claims against any insured allege negligence, including but not limited to negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured.

We shall have no duty to defend, respond to, investigate, or indemnify any insured against any loss, claim, “suit”, or other proceeding alleging damages arising out of or related to “bodily injury”, “property damage”, or “personal and advertising injury” to which this exclusion applies. This exclusion also applies to any obligation to share damages with, repay, or indemnify anyone else against whom damages are sought because of such “bodily injury”, “property damage”, or “personal and advertising injury”.

All other terms and conditions of the policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – GOVERNMENTAL ACTIONS RELATED TO PRESCRIPTION DRUGS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

The following exclusion is added to Paragraph **2. Exclusions** of Section I – Coverage A Bodily Injury and Property Damage Liability and to Paragraph **2. Exclusions** of Section I – Coverage B Personal and Advertising Injury Liability:

Governmental Actions Related to Prescription Drugs

This insurance does not apply to any claim, "suit", demand, or loss brought by or on behalf of any state, municipality, or other governmental entity or agency seeking damages, fines, penalties, or any other type of relief, whether monetary or not, arising from, or in any way related to, any insured selling, distributing, or dispensing drugs which require a prescription.

This exclusion applies even if the claims against any insured allege negligence, including but not limited to negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured.

We shall have no duty to defend, respond to, investigate, or indemnify any insured against any loss, claim, "suit", or other proceeding seeking damages, fines, penalties, or any other type of relief, whether monetary or not, arising from, or in any way related to, "bodily injury", "property damage", or "personal and advertising injury" to which this exclusion applies. This exclusion also applies to any obligation to share damages with, repay, or indemnify anyone else against whom damages are sought because of such "bodily injury", "property damage", or "personal and advertising injury".

All other terms and conditions of the policy remain unchanged.

FRAUD WARNING NOTICES

Pursuant to statutory requirements, we are required to inform you of the specific fraud warning notice that is required on all applications for insurance. Please note that the state of New York requires a signature on the fraud warning.

For all states not listed below, the following fraud warning notice applies:

Fraud Warning Notice: Any person who knowingly and with intent to defraud any insurance company or another person files an application for insurance or statement of claim containing any materially false information, or conceals, for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent act, which may subject the person to criminal and civil penalties.

State Fraud Warning Notices

Alabama	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or who knowingly presents false information in an application for insurance is guilty of a crime and may be subject to restitution, fines, or confinement in prison, or any combination thereof.
Arkansas	
Louisiana	
Rhode Island	
West Virginia	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
California	For your protection California law requires the following to appear on this form: Any person who knowingly presents false or fraudulent information to obtain or amend insurance coverage or to make a claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.
Colorado	It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable for insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.
District of Columbia	WARNING: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits, if false information materially related to a claim was provided by the applicant.
Florida	Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.
Kentucky	Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or

	conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.
Maine	It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or denial of insurance benefits.
Maryland	Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
New Jersey	Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.
New Mexico	ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO CIVIL FINES AND CRIMINAL PENALTIES.
Ohio	Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.
Oklahoma	WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.
Oregon	Fire: This entire policy shall be void if, whether before or after a loss, the insured has willfully concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof, or the interest of the insured therein, or in case of any fraud or false swearing by the insured relating thereto.
Pennsylvania	General: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties. Auto: Any person who knowingly and with intent to injure or defraud any insurer files an application or claim containing any false, incomplete or misleading information shall, upon conviction, be subject to imprisonment for up to seven years and the payment of a fine of up to \$15,000."
Tennessee Virginia Washington	It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.
Vermont	Any person who knowingly presents a false statement in an application for insurance may be guilty of a criminal offense and subject to penalties under state law.

This page only applies to the state of New York.

New York	<p>General: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.</p> <p>Auto: Any person who knowingly makes or knowingly assists, abets, solicits or conspires with another to make a false report of the theft, destruction, damage or conversion of any motor vehicle to a law enforcement agency, the department of motor vehicles or an insurance company, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the value of the subject motor vehicle or stated claim for each violation.</p> <p>Fire: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime.</p> <p>The proposed insured affirms that the foregoing information is true and agrees that these applications shall constitute a part of any policy issued whether attached or not and that any willful concealment or misrepresentation of a material fact or circumstances shall be grounds to rescind the insurance policy.</p>
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SIGNED BY THE RISK MANAGER, IN-HOUSE GENERAL COUNSEL OR SENIOR OFFICER OF THE
INSURED ACTING AS THE AUTHORIZED REPRESENTATIVE FOR PURCHASING INSURANCE.

SIGNATURE	
NAME & TITLE	
DATE	

ADVISORY NOTICE TO POLICYHOLDERS

OFAC SANCTIONS ENFORCEMENT

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

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

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

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

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

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



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SANCTION LIMITATION AND EXCLUSION CLAUSE

The Company shall not be deemed to provide cover and the Company shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the Company to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

COMMON POLICY CONDITIONS

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. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

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

C. 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 CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT

(Broad Form)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART

COMMERCIAL GENERAL LIABILITY COVERAGE PART

FARM COVERAGE PART

LIQUOR LIABILITY COVERAGE PART

MEDICAL PROFESSIONAL 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

UNDERGROUND STORAGE TANK POLICY

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 "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:

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material **(a)** containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and **(b)** resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a)** Any "nuclear reactor";
- (b)** Any equipment or device designed or used for **(1)** separating the isotopes of uranium or plutonium, **(2)** processing or utilizing "spent fuel", or **(3)** handling, processing or packaging "waste";

(c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

(d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

IDaho CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

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

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 five days following the date of postmark; or
- (2) 30 days before the effective date of cancellation if we cancel for any other reason.

b. More Than 60 Days

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

- (1) Nonpayment of premium;
- (2) Fraud or material misrepresentation made by you or with your knowledge in obtaining the policy, continuing the policy or in presenting a claim under the policy;
- (3) Acts or omissions on your part which increase any hazard insured against;
- (4) Change in the risk which materially increases the risk of loss after the policy has been issued or renewed including, but not limited to, an increase in exposure due to regulation, legislation or court decision;
- (5) Loss of or decrease in reinsurance which provided us with coverage for all or part of the risk insured;

- (6) A determination by the Director of Insurance that continuation of this policy would jeopardize our solvency or place us in violation of the insurance laws of Idaho or any other state; or
- (7) Violation or breach by the insured of any policy terms or conditions other than nonpayment of premium.

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

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

B. The following 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 percent (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 CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 CRIME AND FIDELITY COVERAGE PART
 STANDARD PROPERTY POLICY

- A.** We will not pay for loss ("loss") or damage caused directly or indirectly by the following. Such loss ("loss") or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss ("loss") or damage.
 - 1.** The failure, malfunction or inadequacy of:
 - a.** Any of the following, whether belonging to any insured or to others:
 - (1)** Computer hardware, including microprocessors;
 - (2)** Computer application software;
 - (3)** Computer operating systems and related software;
 - (4)** Computer networks;
 - (5)** Microprocessors (computer chips) not part of any computer system; or
 - (6)** Any other computerized or electronic equipment or components; or
 - b.** Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph **A.1.a.** 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.
 - 2.** Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph **A.1.** of this endorsement.

B. If an excluded Cause of Loss as described in Paragraph **A.** of this endorsement results:

 - 1.** In a Covered Cause of Loss under the Crime and Fidelity Coverage Part, the Commercial Inland Marine Coverage Part or the Standard Property Policy; or
 - 2.** Under the Commercial Property Coverage Part:
 - a.** In a "Specified Cause of Loss", or in elevator collision resulting from mechanical breakdown, under the Causes of Loss – Special Form; or
 - b.** 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 ("loss") or damage caused by such "Specified Cause of Loss", elevator collision, or Covered Cause of Loss.

C. We will not pay for repair, replacement or modification of any items in Paragraphs **A.1.a.** and **A.1.b.** of this endorsement to correct any deficiencies or change any features.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM 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 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 the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

Advisory Notice To Policyholders

2019 Reauthorization of the

Federal Terrorism Risk Insurance Act

This Notice does **not** form a part of your insurance contract. The Notice is designed to alert you to actions that you may want to take when reviewing the Notice of Disclosure of Premium and Offer of Coverage for Certified Acts of Terrorism, AH0018. If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) apply. Please read your policy and the endorsements attached to your policy carefully.

The Terrorism Risk Insurance Act (TRIA) EXCLUDES Commercial Auto and Crime. Therefore, if your policy includes Commercial Auto or Crime, a terrorism exclusion applies to these lines of coverage.

For policies other than Commercial Auto and Crime, your policy contains coverage for Certified Acts of Terrorism.

- If you choose to keep this coverage, no further action is required.
- If you choose NOT to keep this coverage, you must indicate your rejection on the enclosed notice and return it to our office within 30 days. Once we have received this rejection, we will remove the coverage and the premium from your policy.

SPECIAL NOTES:

Disregard any premium due information that may show in your notice. The premium due for this coverage is payable according to the terms of your billing notice.

If your policy has been issued with a policy minimum premium, the rejection of this coverage may result in no premium change.

In states designated as Standard Fire Policy States, we are required by law to provide you with coverage for any fire losses resulting from terrorism and to charge you for that coverage.

UMBRELLA AND COMMERCIAL ADVANTAGE EXCESS POLICIES:

If you have elected to reject Certified Acts of Terrorism coverage on your underlying policies, you must also reject the coverage on this policy.

REMINDER:

To reject this coverage for lines other than Commercial Auto and Crime (it is already excluded on these lines), you must properly fill out the enclosed notice, sign, date and return it within 30 days to:

American Hallmark Insurance Services, Inc.

5420 Lyndon B. Johnson Frwy, Suite 1100

Dallas, TX 75240-2345

If the notice is not received within 30 days, this coverage will be removed as of the date of your signature and earned premium may be charged.

REJECTION OF TERRORISM COVERAGE ON RENEWAL POLICIES:

By signing the written rejection, you are authorizing the attachment of terrorism exclusion(s) to your policy. These exclusions will continue to attach to all subsequent renewals until you notify us of a change in your election. Refer to the Notice of Disclosure of Premium and Offer of Coverage for Certified Acts of Terrorism, AH 00 18, for the cost of this insurance.

If you have questions, please contact your agent.

STATEMENT REGARDING FLOOD INSURANCE

You may also need to consider the purchase of flood insurance. Your insurance policy does not include coverage for damage resulting from a flood even if hurricane winds and rain caused the flood to occur. Without separate flood insurance coverage, you may have uncovered losses caused by a flood.

Please discuss the need to purchase separate flood insurance coverage with your insurance agent or insurance company or visit:

www.floodsmart.gov

HDI GLOBAL INSURANCE COMPANY

HDI SPECIALTY INSURANCE COMPANY

PRIVACY NOTICE

We value your business and your trust in HDI. The privacy and confidentiality of your personal information is among our top priorities. This notice explains our practices and procedures for securing your personal information before, during and after your relationship with us. We will provide one copy of this Privacy Statement with each policy we issue. Additional copies of this statement are available upon request. Thank you for choosing HDI for your insurance needs.

How We Protect Your Information

We understand the importance of securing your personal information. We utilize physical, electronic, and procedural safeguards to protect your nonpublic personal data in compliance with applicable state and federal laws. Access to customer information is strictly limited to select HDI employees, only when necessary for a business purpose.

What Personal Information We Collect About You

We collect nonpublic personal information about you from the following sources as required in the ordinary course of business:

- Information received on applications and other forms, whether in writing, in person, by phone, electronically, or by other means, including, but not limited to: names, addresses, social security numbers, birth dates, employment information, prior policy coverage, outstanding account balances, payment history and claims history.
- Information about your transactions with us, our affiliates, or others associated with our business relationship, and information we receive from insurance agents, consumer reporting agencies, investigators connected with claims adjusting, state motor vehicle departments, inspection services, insurance support organizations or other sources as permitted or required by law.
- Information we receive in medical records or from medical professionals.
- Information otherwise obtained in the claims adjustment process, including litigation.

What Personal Information We Disclose About You

We do not disclose customer or client nonpublic personal information to anyone, except as permitted or required by law. Permitted disclosures include information necessary to process transactions on your behalf, and information about you or about participants, beneficiaries, or claimants under your insurance policy in the ordinary course of business.

Your Rights

You have the right to access and request correction of recorded nonpublic personal information. To access your information, please send a signed, written request to HDI Global Insurance Company, 161 N. Clark Street, 48th Floor, Chicago, IL 60601, Attn: Legal or via email at privacy@us.hdi.global. Please include your full name, address, telephone number, and policy or claim number in your letter. We will respond within 45 days upon receipt of your request. We may request other information to validate your identity, such as a copy of your driver's license or other valid photo ID. Additionally, please indicate any desired corrections. If we agree with your request, we will correct our records. If we do not agree, you may file a written statement of dispute with us.

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 quotation marks 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 Of Covered Auto Designation Symbols	
1	Any "Auto"	
2	Owned "Autos" Only	Only those "autos" you own (and for Covered Autos Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" you acquire ownership of after the Policy begins.
3	Owned Private Passenger "Autos" Only	Only the private passenger "autos" you own. This includes those private passenger "autos" you acquire ownership of after the Policy begins.
4	Owned "Autos" Other Than Private Passenger "Autos" Only	Only those "autos" you own that are not of the private passenger type (and for Covered Autos Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" not of the private passenger type you acquire ownership of after the Policy begins.
5	Owned "Autos" Subject To No-fault	Only those "autos" you own that are required to have no-fault benefits in the state where they are licensed or principally garaged. This includes those "autos" you acquire ownership of after the Policy begins provided they are required to have no-fault benefits in the state where they are licensed or principally garaged.
6	Owned "Autos" Subject To A Compulsory Uninsured Motorists Law	Only those "autos" you own that because of the law in the state where they are licensed or principally garaged are required to have and cannot reject Uninsured Motorists Coverage. This includes those "autos" you acquire ownership of after the Policy begins provided they are subject to the same state uninsured motorists requirement.
7	Specifically Described "Autos"	Only those "autos" described in Item Three of the Declarations for which a premium charge is shown (and for Covered Autos Liability Coverage any "trailers" you don't own while attached to any power unit described in Item Three).
8	Hired "Autos" Only	Only those "autos" you lease, hire, rent or borrow. This does not include any "auto" you lease, hire, rent or borrow from any of your "employees", partners (if you are a partnership), members (if you are a limited liability company) or members of their households.
9	Non-owned "Autos" Only	Only those "autos" you do not own, lease, hire, rent or borrow that are used in connection with your business. This includes "autos" owned by your "employees", partners (if you are a partnership), members (if you are a limited liability company) or members of their households but only while used in your business or your personal affairs.

19	Mobile Equipment Subject To Compulsory Or Financial Responsibility Or Other Motor Vehicle Insurance Law Only	Only those "autos" that are land vehicles and that would qualify under the definition of "mobile equipment" under this Policy if they were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where they are licensed or principally garaged.
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B. Owned Autos

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 after the policy period begins 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 after the policy period begins 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.
3. An "auto" that is leased or rented to you without a driver, under a written agreement for a continuous period of at least six months that requires you to provide primary insurance covering such "auto", will be considered a covered "auto" you own.

C. Certain Trailers, Mobile Equipment And Temporary Substitute Autos

If Covered Autos Liability Coverage is provided by this Coverage Form, the following types of vehicles are also covered "autos" for Covered Autos Liability Coverage:

1. "Trailers" with a registered Gross Vehicle Weight Rating of 3,000 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 – COVERED AUTOS 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 Covered Autos 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 Covered Autos Liability Coverage to meet the limits specified by a compulsory or financial responsibility law of 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

(3) 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 6.b. and 6.c. 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:

- (a) 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
- (b) 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.

14. Unmanned Aircraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance or use of "unmanned aircraft".

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 Covered Autos 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 And Labor

We will pay up to the limit shown in the Declarations for towing and labor costs incurred each time a covered "auto" that is a private passenger type, light truck or medium truck 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 pay up to \$30 per day, to a maximum of \$900, 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 indicates that Comprehensive Coverage is provided for any covered "auto";
- (2) Specified Causes of Loss only if the Declarations indicates that Specified Causes Of Loss Coverage is provided for any covered "auto"; or

(3) Collision only if the Declarations indicates that Collision Coverage is provided for any covered "auto".

However, the most we will pay for any expenses for loss of use is \$30 per day, to a maximum of \$900.

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 4.c. and 4.d. 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. Limits Of Insurance

1. The most we will pay for:

- a. "Loss" to any one covered "auto" is the lesser of:
 - (1) The actual cash value of the damaged or stolen property as of the time of the "loss"; or
 - (2) The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality.

- b.** 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:
 - (1)** 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;
 - (2)** Removable from a permanently installed housing unit as described in Paragraph **b.(1)** above; or
 - (3)** An integral part of such equipment as described in Paragraphs **b.(1)** and **b.(2)** above.
- 2. An adjustment for depreciation and physical condition will be made in determining actual cash value in the event of a total "loss".
- 3. 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 prior to the application of the Limit Of Insurance, provided that:

- 1. The Comprehensive or Specified Causes Of Loss Coverage deductible applies only to "loss" caused by:
 - a. Theft or mischief or vandalism; or
 - b. All perils.
- 2. Regardless of the number of covered "autos" damaged or stolen, the maximum deductible applicable for all "loss" in any one event caused by:
 - a. Theft or mischief or vandalism; or
 - b. All perils,

will be equal to five times the highest deductible applicable to any one covered "auto" on the Policy for Comprehensive or Specified Causes Of Loss Coverage. The application of the highest deductible used to calculate the maximum deductible will be made regardless of which covered "autos" were damaged or stolen in the "loss".

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 Covered Autos 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 don't 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 Covered Autos 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 Covered Autos 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

Under this Coverage Form, we cover "accidents" and "losses" occurring:

- a. During the policy period shown in the Declarations; and
- b. Within the coverage territory.

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 else 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.

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.
- 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

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

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 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 Paragraph 6.b. or 6.c. 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:

- (a) 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
- (b) 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 and 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:

- a. 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;
- b. 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
- c. 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, alkalies, 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:

- a. 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
- b. 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.

Q. "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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

IDAHO CHANGES

For a covered "auto" licensed or principally garaged in, or "auto dealer operations" conducted in, Idaho, this endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO 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 Coverage

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 **C.1.** of the Business Auto and Motor Carrier Coverage Forms and in Paragraph **4.a.** of the Auto Dealers 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 **C.2.** of the Business Auto and Motor Carrier Coverage Forms and in Paragraph **4.b.** of the Auto Dealers Coverage Form does not apply to a "loaned vehicle".

B. Changes In Conditions

The **Other Insurance** Condition in the Auto Dealers and Business Auto Coverage Forms and the **Other Insurance – Primary And Excess Insurance Provisions** Condition in the Motor Carrier Coverage Form are revised by the addition of the following:

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:

1. One provides coverage to a licensed seller or dealer that owns the "loaned vehicle"; and
2. The other provides coverage to the operator of the "loaned vehicle"; and
3. At the time of such "accident" or "loss", the operator's liability and/or physical damage insurance as described in Paragraph **2.** is primary and the licensed seller or dealer's liability and/or physical damage insurance described in Paragraph **1.** 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 CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF TERRORISM

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
SINGLE INTEREST AUTOMOBILE PHYSICAL DAMAGE INSURANCE POLICY

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 enclosed in quotation marks:

- 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 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, Garagekeepers Coverage – Customers' Sound Receiving Equipment or the Single Interest Automobile Physical Damage Insurance Policy, 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 **B.5.** and **B.6.** are exceeded.

With respect to this exclusion, Paragraphs **B.5.** and **B.6.** 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, Garagekeepers Coverage – Customers' Sound Receiving Equipment or the Single Interest Automobile Physical Damage Insurance Policy, 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 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.

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 **C.5.** is exceeded.

With respect to this exclusion, Paragraph **C.5.** 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.

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 quotation marks 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 "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known 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 attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
 - (b) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

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

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

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

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

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

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

d. Workers' Compensation And Similar Laws

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

e. Employer's Liability

"Bodily injury" to:

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

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

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

f. Pollution

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

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

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

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

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

(b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

(c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:

(i) Any insured; or

(ii) Any person or organization for whom you may be legally responsible; 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 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, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2)** Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3)** Property loaned to you;

- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any 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 seven 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. Electronic Data

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

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

As used in this exclusion, electronic data means information, facts or 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.

q. 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 Transactions Act (FACTA); or

(4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

Exclusions **c.** through **n.** 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 end 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 "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, in any manner, 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, in any manner, 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 the 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 Businesses

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

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

However, this exclusion does not apply to Paragraphs **14.a., b. and c.** of "personal and advertising injury" under the Definitions section.

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. 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.

p. 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 Transactions 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.

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:
 - (a) The accident takes place in the "coverage territory" and during the policy period;
 - (b) The expenses are incurred and reported to us within one year of the date of the accident; and
 - (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.
- b. We will make these payments regardless of fault. These payments will not exceed the 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 damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
- b. This insurance applies to such liability assumed by the insured;
- c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
- d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
- e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- f. The indemnitee:

- (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 **2.b.(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 applicable 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" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
 - (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1)(a) above;
 - (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph (1)(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", "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 the sum of:
 - a. Medical expenses under Coverage **C**;
 - b. Damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
 - c. 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, 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, Builder's 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.

(2) When this insurance is excess, we will have no duty under Coverages **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 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 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 the 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 where it is licensed or principally garaged.

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

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. "Coverage territory" means:
 - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
 - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph a. above; or
 - c. All other parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you in the territory described in Paragraph a. above;
 - (2) The activities of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business; or
 - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication; provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in Paragraph a. above or in a settlement we agree to.

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

if such property can be restored to use by 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;
- 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 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" 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.

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.

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

b. Does not include "bodily injury" or "property damage" arising out of:

- (1)** The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
- (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, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

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

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

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

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

21. "Your product":

a. Means:

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

b. Includes:

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

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

22. "Your work":

a. Means:

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

b. Includes:

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

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – CONDOMINIUM
UNIT OWNERS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

WHO IS AN INSURED (Section II) is amended to include as an insured each individual unit owner of the insured 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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION AND DATA-RELATED LIABILITY – LIMITED BODILY INJURY EXCEPTION NOT INCLUDED

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**A. Exclusion 2.p. of Section I – Coverage A –
Bodily Injury And Property Damage Liability** is
replaced by the following:

2. Exclusions

This insurance does not apply to:

p. 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.

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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMUNICABLE DISEASE EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

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

2. Exclusions

This insurance does not apply to:

Communicable Disease

"Bodily injury" or "property damage" arising out of the actual or alleged transmission of a communicable disease.

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

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

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

2. Exclusions

This insurance does not apply to:

Communicable Disease

"Personal and advertising injury" arising out of the actual or alleged transmission of a communicable disease.

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ABUSE OR MOLESTATION EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

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

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of:

- 1.** The actual or threatened abuse or molestation by anyone of any person while in the care, custody or control of any insured, or

- 2.** The negligent:
 - a.** Employment;
 - b.** Investigation;
 - c.** Supervision;
 - d.** Reporting to the proper authorities, or failure to so report; or
 - e.** Retention;of a person for whom any insured is or ever was legally responsible and whose conduct would be excluded by Paragraph **1.** above.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYMENT-RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

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

This insurance does not apply to:

"Bodily injury" to:

(1) A person arising out of any:

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

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

This exclusion applies:

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

B. 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:

(1) A person arising out of any:

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

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

This exclusion applies:

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FUNGI OR BACTERIA EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

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

2. Exclusions

This insurance does not apply to:

Fungi Or Bacteria

- a. "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
- b. Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for bodily consumption.

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

2. Exclusions

This insurance does not apply to:

Fungi Or Bacteria

- a. "Personal 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.

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

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
UNDERGROUND STORAGE TANK POLICY

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 CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF PUNITIVE DAMAGES RELATED TO A CERTIFIED ACT OF TERRORISM

This endorsement modifies insurance provided under the following:

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
UNDERGROUND STORAGE TANK POLICY

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.

3. 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 CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF INSURED CONTRACT DEFINITION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

The definition of "insured contract" in the **Definitions** section is replaced by the following:

"Insured contract" means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b. A sidetrack agreement;
- c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization, provided the "bodily injury" or "property damage" is caused, in whole or in part, by you or by those acting on your behalf. However, such part of a contract or agreement shall only be considered an "insured contract" to the extent your assumption of the tort liability is permitted by law. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

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

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, 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.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**CYBER LIABILITY AND DATA BREACH
RESPONSE COVERAGE ENDORSEMENT****THIS ENDORSEMENT PROVIDES CLAIMS-MADE COVERAGE.
PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY.**

This Endorsement modifies insurance provided under the following Coverage Form:

COMMERCIAL ADVANTAGE POLICY (BUSINESSOWNERS)**COMMERCIAL GENERAL LIABILITY COVERAGE PART****NOTICE**

- EXCEPT TO SUCH EXTENT AS MAY OTHERWISE BE PROVIDED HEREIN, THE COVERAGES PROVIDED UNDER INSURING AGREEMENTS 1., 3., 4., AND 5. OF THIS COVERAGE ARE LIMITED TO LIABILITY FOR ONLY THOSE CLAIMS OR SUITS THAT ARE FIRST MADE AGAINST THE INSUREDS DURING THE CYBER LIABILITY AND DATA BREACH RESPONSE COVERAGE PERIOD AND REPORTED IN WRITING TO US PURSUANT TO THE TERMS HEREIN, VARIOUS PROVISIONS IN THIS COVERAGE RESTRICT COVERAGE. PLEASE READ THE ENTIRE COVERAGE CAREFULLY TO DETERMINE RIGHTS, DUTIES AND WHAT IS AND IS NOT COVERED.
- THE LIMIT OF LIABILITY AVAILABLE TO PAY JUDGMENTS OR SETTLEMENTS FOR COVERAGE PROVIDED UNDER INSURING AGREEMENTS 1., 3., 4., AND 5 UNDER THIS COVERAGE SHALL BE REDUCED BY AMOUNTS INCURRED FOR CLAIMS EXPENSES. AMOUNTS INCURRED FOR CLAIMS EXPENSES SHALL BE APPLIED AGAINST THE RETENTION AMOUNT.
- EXCEPT TO SUCH EXTENT AS MAY OTHERWISE BE PROVIDED HEREIN, THE COVERAGES PROVIDED UNDER INSURING AGREEMENTS 2., 6, 7., AND 8. OF THIS COVERAGE PROVIDE FIRST PARTY COVERAGE ON AN INCIDENT DISCOVERED AND REPORTED BASIS. COVERAGE UNDER INSURING AGREEMENTS 2., 6, 7., AND 8. APPLIES ONLY TO INCIDENTS FIRST DISCOVERED BY THE INSURED AND REPORTED TO THE INSURER DURING THE POLICY PERIOD.

SCHEDULE

Retroactive Date: None		
Cyber Liability and Data Breach Response Coverage Total Premium: \$147		
Insuring Agreements and Limits of Liability:		
Policy Aggregate Limit of Liability	\$50,000	Aggregate for all "loss" combined, including "damages", "penalties", "PCI fines, expenses and costs", "cyber extortion loss", "data protection loss", and "business interruption loss" and "claims expenses".
Cyber Liability Aggregate Sublimits of Liability:		
Information Security & Privacy Liability (Insuring Agreement 1.)	\$50,000	Aggregate for all "loss" arising from "damages" including "claims expenses".
Regulatory Defense and Penalties (Insuring Agreement 3.)	\$10,000	Aggregate for all "loss" arising from "penalties" including "claims expenses"

Cyber Liability Aggregate Sublimits of Liability (Continued):		
Website Media Content Liability (Insuring Agreement 4.)	\$50,000	Aggregate for all "loss" arising from "damages" including "claims expenses"
PCI Fines, Expenses, and Costs (Insuring Agreement 5.)	\$5,000	Aggregate for "loss" arising from "PCI Fines, Expenses, and Costs" including "claims expenses"
Cyber Extortion (Insuring Agreement 6.)	\$10,000	Aggregate for "loss" arising from "cyber extortion loss"
First Party Data Protection (Insuring Agreement 7.)	\$10,000	Aggregate for "loss" arising from "data protection loss"
First Party Network Business Interruption (Insuring Agreement 8.)	\$10,000	Aggregate for "loss" arising from "business interruption loss"
Limits Of Coverage For Privacy Breach Response Services (Insuring Agreement 2.):		Coverage for all "Privacy Breach Response Services" is separate from and in addition to the "Policy Aggregate Limit of Liability"
Notification Services, Call Center Services, and Breach Resolution and Mitigation Services	5,000	"Notified Individuals" in the Aggregate
Aggregate Limit of Coverage for all "Computer Expert Services", "Legal Services", and "Public Relations and Crisis Management Expenses"	\$25,000	Aggregate for all "computer expert services", "legal services", and "public relations and crisis management expenses" combined
Retentions:		
Cyber Liability and Data Breach Response (Insuring Agreement 1., 3., 4. and 5.)		
Retention	None	Each claim
Cyber Liability and Data Breach Response (Insuring Agreement 6., 7. and 8.)		
Retention	\$2,500	Each Incident
Privacy Breach Response Services and Retention (Insuring Agreement 2.)		
"Computer Expert Services", "Legal Services", and "Public Relations and Crisis Management Expenses"	\$0	Each incident
"Notified Individuals"	0	Each incident
"Notified Individuals"	0	Each incident
Waiting Period / Retention (Insuring Agreement 8.)		One retention per incident must be satisfied, whichever is greater.
"Income Loss" / "Extra Expense" Retention	\$2,500	
"Waiting Period"	12 Hours	

Insuring Agreements 1., 3., 4., and 5. of this Endorsement provide coverage on a claims made and reported basis and apply only to “claims” first made and reported to us during the “policy period” or the optional extension period, if applicable. Amounts incurred as “claims expenses” under this policy shall reduce and may exhaust the limit of liability.

Insuring Agreements 2., 6., 7., and 8. of this Endorsement provide first party coverage and apply only to incidents discovered and reported to us during the “policy period”.

This Cyber Liability and Data Breach Response Coverage Endorsement is being added to the Policy Coverage Form, and the terms and conditions of this Endorsement govern the scope of coverage and your and our duties.

Throughout this Endorsement, the words “you” and “your” refer to the “named insured(s)” shown in the Schedule and any other person(s) or organization(s) qualifying as a “named insured” under this Endorsement. The words “we”, “us” and “our” refer to the company providing this coverage. The word “insured” means any person or organization qualifying as such under **SECTION III- WHO IS AN INSURED**.

This Endorsement amends the Policy to provide cyber liability and data breach response coverage on a claims made and reported or incidents discovered and reported basis. Various provisions in this Endorsement restrict coverage. Read the entire Endorsement carefully to determine your rights and duties and what is and is not covered. The terms, conditions, exclusions, and limits of liability set forth in this Endorsement apply only to the coverage provided by this Endorsement.

Words and phrases that appear in quotation marks have special meaning. Refer to **SECTION XI – DEFINITIONS**. To the extent any words or phrases used in this Endorsement are defined elsewhere in the Policy, such definitions provided elsewhere do not apply to give meaning to the words or phrases used in this Endorsement.

The terms and conditions of the Cancellation Condition of the Policy Coverage Form and any amendment to such terms are incorporated herein and shall apply to coverage as is afforded by this Endorsement, unless specifically stated otherwise in an endorsement(s) attached hereto.

SECTION I – INSURING AGREEMENTS

Coverage is provided under the following insuring agreements for which a policy aggregate limit of liability is shown in the Schedule:

1. Information Security and Privacy Liability

We will pay on behalf of the insured, “damages” and “claims expenses” which the insured shall become legally obligated to pay because of any “claim”, including a “claim” for a violation of a “privacy law”, first made against any insured during the “policy period” or optional extension period, if applicable, and reported in writing to us during the “policy period” or as otherwise provided in **SECTION VIII – NOTICE AND DUTIES IN THE EVENT OF A CLAIM, LOSS OR CIRCUMSTANCE THAT MIGHT LEAD TO A CLAIM** for:

- a. theft, loss, or “unauthorized disclosure” of “personally identifiable information” or “third party information” that is in the care, custody or control of the “insured organization”, or a third party for whose theft, loss or “unauthorized disclosure” of “personally identifiable information” or “third party information” the “insured organization” is legally liable (a third party shall include a business associate as defined by the Health Insurance Portability and Accountability Act (HIPAA));
- b. one or more of the following acts or incidents that directly result from a failure of “computer security” to prevent a “security breach”:

- i. the alteration, corruption, destruction, deletion, or damage to data stored on “computer systems”;
- ii. the failure to prevent transmission of “malicious code” from “computer systems” to computer or network systems that are not owned, operated or controlled by an insured; or
- iii. the participation by the “insured organization’s” “computer systems” in a “denial of service attack” directed against a computer or network systems that are not owned, operated or controlled by an insured;
- c. the “insured organization’s” failure to timely disclose an incident described in paragraphs a. or b. of this section in violation of any “breach notice law”;
- d. failure by the insured to comply with that part of a “privacy policy” that specifically:
 - i. prohibits or restricts the “insured organization’s” disclosure, sharing or selling of a person’s “personally identifiable information”;
 - ii. requires the “insured organization” to provide access to “personally identifiable information” or to correct incomplete or inaccurate “personally identifiable information” after a request is made by a person; or
 - iii. mandates procedures and requirements to prevent the loss of “personally identifiable information”;

provided the “insured organization” must, at the

time of such acts, errors or omissions, have in force a "privacy policy" that addresses those subsections d.i.-d.iii. above that are relevant to such "claim";

- e. failure by the insured to administer:
 - i. an identity theft prevention program as required by regulations and guidelines promulgated pursuant to 15 U.S.C. §1681m(e), as amended, or
 - ii. an information disposal program required by regulations and guidelines promulgated pursuant to 15 U.S.C. §1681w, as amended.

2. Privacy Breach Response Services

We will provide privacy breach response services to the "insured organization" because of an incident, or a reasonably suspected incident, described in paragraphs a. or b. of **SECTION I – INSURING AGREEMENTS, 1. Information Security and Privacy Liability**, that takes place, is discovered and is reported in writing to us during the "policy period" or as otherwise provided in **SECTION VIII – NOTICE AND DUTIES IN THE EVENT OF A CLAIM, LOSS OR CIRCUMSTANCE THAT MIGHT LEAD TO A CLAIM**.

Privacy breach response services means the following:

- a. "computer expert services";
- b. "legal services";
- c. "public relations and crisis management expenses";
- paragraphs a.-c. are subject to a monetary limit as noted in the Schedule;
- d. "notification services" to provide notification to:
 - i. individuals who are required to be notified by the "insured organization" under the applicable "breach notice law"; or
 - ii. in our discretion, individuals affected by an incident in which their "personally identifiable information" has been subject to theft, loss, or "unauthorized disclosure" in a manner which compromises the security or privacy of such individual by posing a significant risk of financial, reputational or other harm to the individual;
- e. "call center services"; and
- f. "breach resolution and mitigation services";
- paragraphs d.-f. are subject to a maximum notified individual limit noted in the Schedule.

3. Regulatory Defense and Penalties

We will pay on behalf of the insured, "claims expenses" and "penalties" which the insured shall become legally obligated to pay because of any "claim" in the form of a "regulatory proceeding" first made against any insured during the "policy period"

or the optional extension period, if applicable, and reported in writing to us during the "policy period", or as otherwise provided in **SECTION VIII – NOTICE AND DUTIES IN THE EVENT OF A CLAIM, LOSS OR CIRCUMSTANCE THAT MIGHT LEAD TO A CLAIM**, for a violation of a "privacy law" and caused by an incident described in paragraphs a., b. or c. of **SECTION I – INSURING AGREEMENTS, 1. Information Security and Privacy Liability**.

4. Website Media Content Liability

We will pay on behalf of the insured, "damages" and "claims expenses" which the insured becomes legally obligated to pay because of a "claim" first made against any insured during the "policy period" or the optional extension period, if applicable, and reported in writing to us during the "policy period", or as otherwise provided in **SECTION VIII – NOTICE AND DUTIES IN THE EVENT OF A CLAIM, LOSS OR CIRCUMSTANCE THAT MIGHT LEAD TO A CLAIM**, that arises out of one or more of the following acts committed in the course of the "insured organization's" display of "media material" on its website or on social media web pages created and maintained by or on behalf of the "insured organization":

- a. defamation, libel, slander, trade libel, infliction of emotional distress, outrage, outrageous conduct, or other tort related to disparagement or harm to the reputation or character of any person or organization;
- b. a violation of the rights of privacy of an individual, including false light and public disclosure of private facts;
- c. invasion of or interference with an individual's right of publicity, including commercial appropriation of name, persona, voice or likeness;
- d. plagiarism, piracy or misappropriation of ideas under implied contract;
- e. infringement of copyright;
- f. infringement of domain name, trademark, trade name, trade dress, logo, title, metatag, slogan, service mark, service name; or
- g. improper deep-linking or framing within electronic content.

5. PCI Fines, Expenses and Costs

We will indemnify the insured for "PCI fines, expenses, and costs" which the insured shall become legally obligated to pay because of a "claim" first made against any insured during the "policy period" or optional extension period, if applicable, and reported in writing to us during the "policy period" or as otherwise provided in **SECTION VIII – NOTICE AND DUTIES IN THE EVENT OF A CLAIM, LOSS OR CIRCUMSTANCE THAT MIGHT LEAD TO A CLAIM**. We have no duty to defend any "claim" or to pay any "claims expenses" associated with a "claim"

under this section.

6. Cyber Extortion

We will indemnify the "named insured" for "cyber extortion loss", in excess of the retention, incurred by the "insured organization" as a direct result of an "extortion threat" first made against the "insured organization" during the "policy period" and reported in writing to us during the "policy period" or as otherwise provided **SECTION VIII – NOTICE AND DUTIES IN THE EVENT OF A CLAIM, LOSS OR CIRCUMSTANCE THAT MIGHT LEAD TO A CLAIM**. We will not pay for "cyber extortion loss" which is part of a series of related threats that began prior to the "policy period".

7. First Party Data Protection

We will indemnify the insured for "data protection loss", in excess of the retention, which the insured pays as a direct result of one or more of the following:

- a. alteration, corruption, destruction, deletion or damage to a "data asset", or
- b. inability to access a "data asset"

that is directly caused by a failure of "computer security" to prevent a "security breach", provided such "security breach" is discovered and reported in writing to us during the "policy period" or as otherwise provided in **SECTION VIII – NOTICE AND DUTIES IN THE EVENT OF A CLAIM, LOSS OR CIRCUMSTANCE THAT MIGHT LEAD TO A CLAIM**. A "data protection loss" will be deemed to occur at the time such alteration, corruption, destruction, deletion or damage to or inability to access a "data asset" is first discovered by the insured.

8. First Party Network Business Interruption

We will indemnify the insured for "business interruption loss", in excess of the retention, incurred by the insured during the "period of restoration" or the "extended interruption period", if applicable, as a direct result of the actual and necessary interruption or suspension of "computer systems" that first takes place during the "policy period" and is directly caused by a failure of "computer security" to prevent a "security breach", provided such "security breach" is discovered and reported in writing to us during the "policy period" or as otherwise provided in **SECTION VIII – NOTICE AND DUTIES IN THE EVENT OF A CLAIM, LOSS OR CIRCUMSTANCE THAT MIGHT LEAD TO A CLAIM**.

SECTION II – DEFENSE AND SETTLEMENT OF CLAIMS

1. We shall have the right and duty to defend:
 - a. any "claim" against the insured seeking "damages" even if any of the allegations of the "claim" are groundless, false or fraudulent; or

- b. under **SECTION I – INSURING AGREEMENTS**,
3. **Regulatory Defense and Penalties**, any "claim" in the form of a "regulatory proceeding".

Selection of defense counsel shall be mutually agreed upon between the "named insured" and us; however, in the absence of such agreement, our decision shall be final.

2. With respect to any "claim" against the insured seeking "damages" or "penalties" which are payable under this Endorsement, we will pay "claims expenses" incurred with our prior written consent. The limit of liability available to pay "damages" and "penalties" shall be reduced and may be completely exhausted by payment of "claims expenses".
3. If the insured refuses to consent to any settlement or compromise recommended by us and acceptable to the claimant and elects to contest the "claim", our liability for any "damages", "penalties", and/or "claims expenses" shall not exceed the lesser of:
 - a. the amount for which the "claim" could have been settled, plus the "claims expenses" incurred up to the time of such refusal; or
 - b. the applicable limit of liability, whichever is less, and we shall have the right to withdraw from further defense by tendering control of said defense to the insured. The portion of any proposed settlement or compromise that requires the insured to cease, limit or refrain from actual or alleged infringement or otherwise injurious activity or is attributable to future royalties or other amounts that are not "damages" (or "penalties" for "claims" covered under **SECTION I – INSURING AGREEMENTS**, **3. Regulatory Defense and Penalties**) shall not be considered in determining the amount for which a "claim" could have been settled.

SECTION III – WHO IS AN INSURED

Whether expressed in the singular or plural, insured shall mean:

1. The "named insured" and any "subsidiaries" of the "named insured" (together the "insured organization");
2. A director, manager of a limited liability company ("manager") or officer of the "insured organization", but only with respect to the performance of their duties as such on behalf of the "insured organization";
3. An "employee" of the "insured organization", but only for work done while acting within the scope of their employment and related to the conduct of the "insured organization's" business;
4. A principal if the "named insured" is a sole proprietorship, or a partner if the "named insured" is a partnership, but only with respect to the performance of their duties as such on behalf of the "insured organization";

5. Any person previously qualified as an insured under paragraphs 2., 3. or 4. of this section prior to the termination of the required relationship with the "insured organization", but only with respect to the performance of their duties as such on behalf of the "insured organization";
6. The estate, heirs, executors, administrators, assigns and legal representatives of any insured in the event of such insured's death, incapacity, insolvency or bankruptcy, but only to the extent that such insured would otherwise be provided coverage under this Endorsement; and
7. The lawful spouse, or a domestic partner, of any insured, but solely by reason of any act, error or omission of an insured other than such spouse or domestic partner.

SECTION IV – EXCLUSIONS

This coverage does not apply to any "claim" or "loss":

1. For, arising out of or resulting from:
 - a. physical injury, sickness, disease or death of any person, including any mental anguish or emotional distress resulting from such physical injury, sickness, disease or death; or
 - b. physical injury to or destruction of any tangible property, including the loss of use thereof; provided that electronic data shall not be considered tangible property for purposes of this exclusion;
2. For, arising out of or resulting from any employer- "employee" relations, policies, practices, acts or omissions, or any actual or alleged refusal to employ any person, or misconduct with respect to "employees", whether such "claim" is brought by an "employee", former "employee", applicant for employment, or relative or domestic partner of such person; provided, that this exclusion shall not apply to an otherwise covered "claim" under paragraph a. or b. under **SECTION I – INSURING AGREEMENTS, 1. Information Security and Privacy Liability** by a current or former "employee" of the "insured organization", or to the providing of privacy breach response services involving current or former "employees" of the "insured organization";
3. For, arising out of or resulting from any actual or alleged act, error or omission or breach of duty by any director, officer or "manager" in the discharge of their duty if the "claim" is brought by or on behalf of the "named insured", a "subsidiary", or any principals, directors, officers, "managers", stockholders, members or "employees" of the "named insured" or a "subsidiary" in his or her capacity as such;
4. For, arising out of or resulting from any contractual liability or obligation or arising out of or resulting from breach of contract or agreement, either oral or written; however, this exclusion will not apply;

- a. with respect only to the coverage provided pursuant to paragraph a. of **SECTION I – INSURING AGREEMENTS, 1. Information Security and Privacy Liability**, to any obligation of the "insured organization" to maintain the confidentiality or security of "personally identifiable information" or of "third party information";
- b. with respect only to paragraph d. of **SECTION I – INSURING AGREEMENTS, 4. Website Media Content Liability**, for misappropriation of ideas under implied contract;
- c. to "computer expert services" or "legal services" covered under **SECTION I – INSURING AGREEMENTS, 2. Privacy Breach Response Services**;
- d. to "PCI fines, expenses & costs" covered under **SECTION I – INSURING AGREEMENTS, 5. PCI Fines, Expenses and Costs**, or
- e. to the extent the insured would have been liable in the absence of such contract or agreement;
5. For, arising out of or resulting from any actual or alleged antitrust violation, restraint of trade, unfair competition, or false, deceptive or misleading advertising or violation of the Sherman Antitrust Act, the Clayton Act, or the Robinson-Patman Act, as amended;
6. For, arising out of or resulting from any actual or alleged false, deceptive or unfair trade practices; however, this exclusion does not apply to:
 - a. any "claim" covered under paragraphs a., b. or c. of **SECTION I – INSURING AGREEMENTS, 1. Information Security and Privacy Liability** or **SECTION I – INSURING AGREEMENTS, 3. Regulatory Defense and Penalties**; or
 - b. the provision of privacy breach response services covered under **SECTION I – INSURING AGREEMENTS, 2. Privacy Breach Response Services**; that results from a theft, loss or "unauthorized disclosure" of "personally identifiable information" provided that no member of the "control group" participated or colluded in such theft, loss or "unauthorized disclosure";
7. For, arising out of or resulting from:
 - a. the actual or alleged unlawful collection, acquisition or retention of "personally identifiable information" (except as otherwise covered under paragraph e. of **SECTION I – INSURING AGREEMENTS, 1. Information Security and Privacy Liability**) or other personal information by, on behalf of, or with the consent or cooperation of the "insured organization"; or the failure to comply with a legal requirement to provide individuals with the ability to assent to or withhold assent (e.g. opt-in or opt-out) from the collection, disclosure or use of "personally identifiable information"; provided that this exclusion shall not apply to the actual or alleged unlawful collection,

acquisition or retention of "personally identifiable information" by a person or entity that is not a "related party" and without the knowledge of the "insured organization"; or

b. the distribution of unsolicited email, text messages, direct mail, or facsimiles, wiretapping, audio or video recording, or telemarketing, if such distribution, wiretapping or recording is done by or on behalf of the "insured organization";

8. For, arising out of or resulting from

- a. that which was the subject of written notice given to us or to any other insurer prior to the initial inception date of this coverage; or
- b. which was the subject of any prior and/or pending written demand made against any insured or a civil administrative or arbitration proceeding commenced against any insured, prior to the initial inception date of this coverage, or that involved the same or substantially the same fact, circumstance or situation underlying or alleged in such prior demand or proceeding;

9. For, arising out of resulting from any of the following:

- a. any actual or alleged violation of the Organized Crime Control Act of 1970 (commonly known as Racketeer Influenced and Corrupt Organizations Act or RICO), as amended;
- b. any actual or alleged violation of any securities law, regulation or legislation, including but not limited to the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Act of 1940, the Sarbanes-Oxley Act of 2002 or any "Blue Sky" laws;
- c. any actual or alleged acts, errors or omissions related to any of the "insured organization's" pension, healthcare, welfare, profit sharing, mutual or investment plans, funds of trusts, including any violation of any provision of the Employee Retirement Income Security Act of 1974 (ERISA);
- d. any actual or alleged violation of a regulation promulgated under any of the laws described in paragraphs a., b. or c. above; or
- e. any actual or alleged violation of a federal, state, local or foreign laws or legislation similar to the laws described in paragraphs a. b. or c. above;

however, this exclusion does not apply to any otherwise covered "claim" under paragraph a., b. or c. of **SECTION I – INSURING AGREEMENTS, 1. Information Security and Privacy Liability** or to providing privacy breach response services covered under **SECTION I – INSURING AGREEMENTS, 2. Privacy Breach Response Services**, that results from a theft, loss or "unauthorized disclosure" of "personally identifiable information", provided that no member of the "control group" participated or colluded in such theft, loss or "unauthorized disclosure";

10. For, arising out of or resulting from any actual or alleged acts, errors, or omissions related to any of the "insured organization's" pension, healthcare, welfare, profit sharing, mutual or investment plans, funds or trusts, including any violation of any provision of the Employee Retirement Income Security Act of 1974 (ERISA) or any similar federal law or legislation, or similar law or legislation of any state, province or other jurisdiction, or any amendment to ERISA or any violation of any regulation, ruling or order issued pursuant to ERISA or such similar laws or legislation; however this exclusion does not apply to any otherwise covered "claim" under paragraph a. b. or c. of **SECTION I – INSURING AGREEMENTS, 1. Information Security and Privacy Liability** or to the providing of privacy breach response services under **SECTION I – INSURING AGREEMENTS, 2. Privacy Breach Response Services**, that results from a theft, loss or "unauthorized disclosure" of "personally identifiable information", provided that no member of the "control group" participated, or is alleged to have participated or colluded, in such theft, loss or "unauthorized disclosure";

11. Arising out of or resulting from any criminal, dishonest, fraudulent, or malicious act, error or omission, any intentional "security breach", intentional violation of a "privacy policy", or intentional or knowing violation of the law, if committed by such insured, or by others if the insured colluded or participated in any such conduct or activity; provided this exclusion shall not apply to:

- a. "claims expenses" incurred in defending any "claim" alleging the foregoing until such time as there is a final non-appealable adjudication, judgment, binding arbitration decision or conviction against the insured, or written admission by the insured, establishing such conduct, or a plea of nolo contendere or no contest regarding such conduct, at which time the "named insured" shall reimburse us for all "claims expenses" incurred defending the "claim" and we shall have no further liability for "claims expenses"; or
- b. a "claim" or "loss" against a natural person insured if such insured did not personally commit, participate in or know about any act, error, omission, incident or event giving rise to such "claim" or "loss".

For purposes of this exclusion, only acts, errors, omissions or knowledge of a member of the "control group" will be imputed to the "insured organization".

12. For, arising out of or resulting from any actual or alleged:

- a. infringement of patent or patent rights or misuse or abuse of patent or patent rights;
- b. infringement of copyright arising from or related to software code or software products other than infringement resulting from a theft or "unauthorized disclosure";

rized access or use" of software code by a person who is not a "related party";

c. use or misappropriation of any ideas, trade secrets or third party corporate information by, or on behalf of, the "insured organization", or by any other person or entity if such use or misappropriation is done with the knowledge, consent or acquiescence of a member of the "control group";

d. disclosure, misuse or misappropriation of any ideas, trade secrets or confidential information that came into the possession of any person or entity prior to the date the person or entity became an employee, officer, director, "manager", principal, partner or "subsidiary" of the insured; or

e. under paragraph b. of **SECTION I – INSURING AGREEMENTS, 1. Information Security and Privacy Liability**, theft of or "unauthorized disclosure" of a "data asset";

13. In connection with or resulting from a "claim" brought by or on behalf of the any state, federal, local or foreign governmental entity, in such entity's regulatory or official capacity; provided, this exclusion shall not apply to an otherwise covered "claim" under **SECTION I – INSURING AGREEMENTS, 3. Regulatory Defense and Penalties** or to the provision of privacy breach response services under **SECTION I – INSURING AGREEMENTS, 2. Privacy Breach Response Services** to the extent such services are legally required to comply with a "breach notice law";

14. For, arising out of or resulting from a "claim" by or on behalf of one or more insureds under this Endorsement against any other insured or insureds under this Endorsement, provided this exclusion shall not apply to an otherwise covered "claim" under paragraphs a., b. or c. of **SECTION I – INSURING AGREEMENTS, 1. Information Security and Privacy Liability** made by a current or former "employee" of the "insured organization";

15. For, arising out of or resulting from:

- a. any "claim" made by any business enterprise in which any insured has greater than a fifteen percent (15%) ownership interest or made by any parent company or other entity which owns more than fifteen percent (15%) of the "named insured"; or
- b. the insured's activities as a trustee, partner, member, "manager", officer, director or "employee" of any "employee" trust, charitable organization, corporation, company or business other than that of the "insured organization";

16. For, arising out of or resulting from any of the following:

- a. trading losses, trading liabilities or change in value of accounts;

b. any loss, transfer or theft of "monies", "securities" or tangible property of others in the care, custody or control of the "insured organization";

c. the monetary value of any transactions or electronic fund transfers by or on behalf of the insured which is lost, diminished, or damaged during transfer from, into or between accounts; or

d. the value of coupons, price discounts, prizes, awards, or any other valuable consideration given in excess of the total contracted or expected amount.

17. For, arising out of or resulting from:

- a. the actual or alleged obligation to make licensing fees or royalty payments;
- b. any costs or expenses incurred or to be incurred by the insured or others for the reprinting, re-posting, recall, removal or disposal of any "media material" or any other information, content or media, including any media or products containing such "media material", information, content or media;
- c. any "claim" brought by or on behalf of any intellectual property licensing bodies or organizations;
- d. the actual or alleged inaccurate, inadequate or incomplete description of the price of goods, products or services, cost guarantees, cost representations, or contract price estimates, the authenticity of any goods, products or services, or the failure of any goods or services to conform with any represented quality or performance;
- e. any actual or alleged gambling, contest, lottery, promotional game or other game of chance; or
- f. any "claim" made by or on behalf of any independent contractor, joint venture or venture partner arising out of or resulting from disputes over ownership of rights in "media material" or services provided by such independent contractor, joint venture or venture partner;

18. With respect to **SECTION I – INSURING AGREEMENTS, 6. Cyber Extortion, 7. First Party Data Protection** and **8. First Party Network Business Interruption**, for, arising out of or resulting from any criminal, dishonest, fraudulent, or malicious act, error or omission, any "security breach", "extortion threat", or intentional or knowing violation of the law, if committed by any member of the "control group" or any person in participation or collusion with any member of the "control group";

19. With respect to **SECTION I – INSURING AGREEMENTS, 7. First Party Data Protection** and **8. First Party Network Business Interruption**, for, arising out of or resulting from:

- a. any failure or malfunction of electrical or telecommunication infrastructure or services,

provided that this exclusion shall not apply to any otherwise covered "claim" or "loss" arising out of failure of "computer security" to prevent a "security breach" that was solely caused by a failure or malfunction of telecommunication infrastructure or services under the insured's direct operational control;

- b. fire, flood, earthquake, volcanic eruption, explosion, lightning, wind, hail, tidal wave, landslide, act of God or other physical event; or
- c. any satellite failures;

20. With respect to **SECTION I – INSURING AGREEMENTS, 6. Cyber Extortion**, for, arising out of or resulting from:

- a. any threat to physically harm or kidnap any person; or
- b. any threat to harm, take, or transfer property other than any "data asset", even if such threat is made in conjunction with a threat to a "data asset";

21. Arising out of or resulting from any seizure, nationalization, confiscation, or destruction of "computer systems" or "data assets" by order of any governmental or public authority;

22. Arising out of or resulting from an "extortion threat" first made against the "insured organization" during the "policy period" by any of the "insured organization's" directors, officers, principals, trustees, governors, "managers", members, management committee members, members of the management board, partners, or any person in collusion with any of the foregoing;

23. With respect to **SECTION I – INSURING AGREEMENTS, 8. First Party Network Business Interruption**, for, arising out of or resulting from the failure to prevent a "security breach" of "computer security" that is operated by a third party service provider and used for the purpose of providing hosted computer application services to the "insured organization" or for processing, maintaining, hosting or storing the "insured organization's" electronic data, pursuant to written contract with the "insured organization" for such services, provided such coverage is subject to the sublimit of liability set forth in the Schedule;

24. For, arising out of or resulting from, directly or indirectly occasioned by, happening through or in consequence of: war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority; provided that this exclusion will not apply to cyber terrorism. For purposes of this exclusion, cyber terrorism means the premeditated use of disruptive activities, or threat to use disruptive activities, against a computer system or network with the intention to cause harm, further social, ideological, religious, political or similar objectives, or to intimidate any person(s) in furtherance of such objectives;

25. With respect to **SECTION I – INSURING AGREEMENTS, 6. Cyber Extortion, 7. First Party Data Protection and 8. First Party Network Business Interruption**, arising out of or resulting from any related or continuing acts, errors, omissions, incidents or events, where the first such act, error, omission, incident or event was committed or occurred prior to the retroactive date;

26. Either in whole or in part, directly or indirectly arising out of or resulting from or in consequence of, or in any way involving:

- a. asbestos, or any materials containing asbestos in whatever form or quantity;
- b. the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of any fungi, molds, spores or mycotoxins of any kind; any action taken by any party in response to the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of fungi, molds, spores or mycotoxins of any kind, such action to include investigating, testing for, detection of, monitoring of, treating, remediating or removing such fungi, molds, spores or mycotoxins; and any governmental or regulatory order, requirement, directive, mandate or decree that any party take action in response to the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of fungi, molds, spores or mycotoxins of any kind, such action to include investigating, testing for, detection of, monitoring of, treating, remediating or removing such fungi, molds, spores or mycotoxins; we will have no duty or obligation to defend any insured with respect to any "claim" or governmental or regulatory order, requirement, directive, mandate or decree which either in whole or in part, directly or indirectly, arises out of or results from or in consequence of, or in any way involves the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of any fungi, molds, spores or mycotoxins of any kind;
- c. the existence, emission or discharge of any electromagnetic field, electromagnetic radiation or electromagnetism that actually or allegedly affects the health, safety or condition of any person or the environment, or that affects the value, marketability, condition or use of any property; or

- d. the actual, alleged or threatened discharge, dispersal, release or escape of pollutants; or any governmental, judicial or regulatory directive or request that the insured or anyone acting under the direction or control of the insured test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants. Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant including gas, acids, alkalis, chemicals, heat, smoke, vapor, soot, fumes or waste. Waste includes but is not limited to materials to be recycled, reconditioned or reclaimed.

SECTION V – LIMIT OF LIABILITY AND COVERAGE

- 1. The policy aggregate limit of liability set forth in the Schedule is our combined total limit of liability for all “damages”, “penalties”, “PCI fines, expenses and costs”, “cyber extortion loss”, “data protection loss”, “business interruption loss” and “claims expenses” payable under this Endorsement.
- 2. The Regulatory Defense and Penalties sublimit of liability stated in the Schedule is the aggregate sublimit of liability payable under **SECTION I – INSURING AGREEMENTS, 3. Regulatory Defense and Penalties** of this Endorsement and is part of and not in addition to the policy aggregate limit of liability.
- 3. The PCI Fines, Expenses and Costs sublimit of liability stated in the Schedule is the aggregate sublimit of liability payable under **SECTION I – INSURING AGREEMENTS, 5. PCI Fines, Expenses and Costs** of this Endorsement and is part of and not in addition to the policy aggregate limit of liability.
- 4. The Cyber Extortion sublimit of liability stated in the Schedule is the aggregate sublimit of liability payable under **SECTION I – INSURING AGREEMENTS, 6. Cyber Extortion** of this Endorsement and is part of and not in addition to the policy aggregate limit of liability. Multiple related or continuing “extortion threats” shall be considered a single “extortion threat” for purposes of this insurance and shall be deemed to have occurred at the time of the first such “extortion threat”. Prior to the payment of any “extortion payment”, the “insured organization” shall make every reasonable effort to determine that the “extortion threat” is not a hoax, or otherwise not credible. The “insured organization” shall take all steps reasonable and practical to avoid or limit the payment of an “extortion payment”.
- 5. The First Party Data Protection sublimit of liability stated in the Schedule is the aggregate sublimit of liability payable under **SECTION I – INSURING AGREEMENTS, 7. First Party Data Protection** of this Endorsement and is part of and not in addition to the policy aggregate limit of liability. All “data protection loss” that arises out of the same or a continuing “security breach”, from related or repeated “security breaches”, or from multiple “security breaches”, resulting from a failure of “computer security” shall be deemed to be a single “data protection loss”.
- 6. The First Party Network Business Interruption sublimit of liability stated in the Schedule is the aggregate sublimit of liability payable under **SECTION I – INSURING AGREEMENTS, 8. First Party Network Business Interruption** of this Endorsement and is part of and not in addition to the policy aggregate limit of liability. All “business interruption loss” resulting from multiple covered interruptions or suspensions of “computer systems” that arise out of the same or a continuing “security breach”, from related or repeated “security breaches”, or from multiple “security breaches” resulting from a failure of “computer security” shall be deemed to be a single “business interruption loss”; provided, however, that a separate “waiting period” shall apply to each “period of restoration”.
- 7. Neither the inclusion of more than one insured under this Endorsement, nor the making of “claims” by more than one person or entity shall increase the sublimit of liability or policy aggregate limit of liability.
- 8. The limit of liability for the optional extension period shall be part of and not in addition to the policy aggregate limit of liability.
- 9. We shall not be obligated to pay any “damages”, “penalties” or “claims expenses”, or to undertake or continue defense of any suit or proceeding after the policy aggregate limit of liability has been exhausted by payment of “damages”, “penalties”, “PCI fines, expenses and costs”, “cyber extortion loss”, “data protection loss”, “business interruption loss” or “claims expenses”, or after deposit of the policy aggregate limit of liability in a court of competent jurisdiction. Upon such payment, we shall have the right to withdraw from further defense of any “claim” under this Endorsement by tendering control of said defense to the insured.
- 10. The “notified individuals” limit stated in the Schedule is the maximum total number of “notified individuals” to whom notification will be provided or attempted for all incidents or series of related incidents giving rise to an obligation to provide “notification services”, “call center services” or “breach resolution and mitigation services”.
- 11. The aggregate limit of coverage stated for “computer expert services” and “legal services” in the Schedule is the aggregate limit of coverage for all “computer expert services” and “legal services” combined. This is a separate limit, apart from and in addition to the policy aggregate limit of liability.
- 12. If the total number of notifications made pursuant to paragraph d. of **SECTION I – INSURING AGREEMENTS, 2. Privacy Breach Response Services** aggregates to more than the “notified individuals” limit of coverage stated in the Schedule, the “insured organization” will be responsible for paying for priva-

cy breach response services with respect to any excess notification, and such costs will not be covered under this Endorsement. If an incident involves notifications made pursuant to paragraph c. of **SECTION I – INSURING AGREEMENTS, 2. Privacy Breach Response Services** both within the “notified individuals” limit of coverage stated in the Schedule and in excess of such limit, all excess notifications will be provided by the same service provider that provides “notification services” covered under this Endorsement, and the costs will be allocated between us and the “insured organization” pro rata based on the number of covered and non-covered notifications.

13. To the extent privacy breach response services “costs” are covered pursuant to a “claim” as described in paragraph 6.d. of **SECTION XI – DEFINITIONS**, such “costs” shall be covered solely under **SECTION I – INSURING AGREEMENTS, 1. Information Security and Privacy Liability**.

SECTION VI – RETENTION

1. The retention amount set forth in the Schedule applies separately to each incident, event or related incidents or events, giving rise to a “claim”, “data protection loss”, “business interruption loss” or “cyber extortion loss”. The retention shall be satisfied by monetary payments by the “named insured” of “damages”, “claims expenses”, “crisis management and public relations expenses”, “penalties”, “cyber extortion loss”, “data protection loss” or “business interruption loss”.
2. In the event that a “loss” arising out of a “claim” is subject to more than one retention, the applicable retention amount shall apply to such “loss”, provided, that the sum of such retention amounts shall not exceed the largest applicable retention amount.
3. Satisfaction of the applicable retention is a condition precedent to the payment by us of any amounts or providing of any services hereunder, and we shall be liable only for the amounts in excess of such retention subject to our total liability not exceeding the policy aggregate limit of liability. The “named insured” shall make direct payments within the retention to appropriate other parties designated by us.
4. With respect to **SECTION I – INSURING AGREEMENTS, 8. First Party Network Business Interruption**, the retention set forth in the Schedule applies separately to each “security breach”. The retention shall be satisfied by covered “business interruption loss” retained by the “insured organization”. The retention applicable to **SECTION I – INSURING AGREEMENTS, 8. First Party Network Business Interruption** shall be reduced on a dollar-for-dollar basis by the amount of “income loss” that was sustained by the “insured organization” during the “waiting period”.

SECTION VII – OPTIONAL EXTENSION PERIOD

1. We will provide an optional extension period as described below in the event of the termination of this coverage for any reason except the non-payment of premium.
2. The optional extension period does not extend the policy period or change the scope of coverage provided. The optional extension period only extends the claims reporting period.
3. A “claim” first made against any insured and reported to us during the optional extension period will be deemed to have been made on the last day of the policy period provided that the “claim” is for any act, error, or omission committed during the “policy period”.
4. The policy aggregate limit of liability for the optional extension period shall be part of, and not in addition to, the applicable policy aggregate limit of liability for the “policy period”. The purchase of the optional extension period does not in any way increase the policy aggregate limit of liability or any sublimit of liability.
5. The optional extension period does not apply to **SECTION I – INSURING AGREEMENTS, 2. Privacy Breach Response Services, 6. Cyber Extortion, 7. First Party Data Protection or 8. First Party Network Business Interruption**.
6. You must give us a written request within thirty (30) days of your election of the optional extension period. Payment of the full additional premium for the optional extension period endorsement is due within thirty (30) days of the termination of this coverage. If notice of election and payment for the optional extension period is not given to us within such thirty (30) day period, there shall be no right to purchase the optional extension period.
7. At the commencement of the optional extension period the entire premium shall be deemed earned, and in the event the “named insured” terminates the optional extension period for any reason prior to its natural expiration, we will not be liable to return any premium paid for the optional extension period.

SECTION VIII – NOTICE AND DUTIES IN THE EVENT OF A CLAIM, LOSS OR CIRCUMSTANCE THAT MIGHT LEAD TO A CLAIM

1. With respect to **SECTION I – INSURING AGREEMENTS, 1. Information Security and Privacy Liability, 3. Regulatory Defense and Penalties, 4. Website Media Content Liability and 5. PCI Fines, Expenses and Costs**:
 - a. If any “claim” is made against the insured, the insured shall forward as soon as practicable to us written notice of such “claim” by facsimile, email or express or certified mail, together with every demand, notice, summons or other process received by the insured or the insured’s representative. In no event shall we be given notice of a “claim” later than the end of the “policy

period", the end of the optional extension period, if applicable, or sixty (60) days after the expiration date of the "policy period";

- b. If, during the "policy period", the insured becomes aware of any circumstance that could reasonably be the basis for a "claim", it may give written notice to us in the form of a facsimile, email or express or certified mail as soon as practicable during the "policy period". Such notice must include:
 - i. the specific details of the act, error, omission, or "security breach" that could reasonably be the basis for a "claim";
 - ii. the injury or damage which may result or has resulted from the circumstance; and
 - iii. the facts by which the insured first became aware of the act, error, omission or "security breach".

Any subsequent "claim" made against the insured arising out of such circumstance which is the subject of the written notice will be deemed to have been made at the time written notice complying with the above requirements was first given to us.

- c. A "claim" or legal obligation under paragraph a. of this section shall be considered to be reported to us when written notice is first received by us in the form of a facsimile, email or express or certified mail of the "claim" or legal obligation, or of an act, error, or omission, which could reasonably be expected to give rise to a "claim" if provided in compliance with this paragraph.
- d. In the event coverage is renewed by us and privacy breach response services are provided because of such incident or suspected incident that was discovered by the insured prior to the expiration of this coverage, and first reported during the sixty (60) day post "policy period" reporting period, then any subsequent "claim" arising out of such incident or suspected incident is deemed to have been made during the "policy period".

2. With respect to **SECTION I – INSURING AGREEMENT, 2. Privacy Breach Response Services** and **6. Cyber Extortion:**

- a. If any incident, or reasonably suspected incident, described in paragraphs a. or b. of **SECTION I – INSURING AGREEMENTS, 1. Information Security and Privacy Liability** occurs, or in the event of a cyber extortion threat, the insured must report such incident, or reasonably suspected incident, to us in writing by facsimile, email or express or certified mail as soon as practicable during the "policy period" after discovery by the insured. In no event shall we be given notice of such incident later than the end of the "policy period", the end of the optional extension period, if applicable, or sixty (60) days after the expiration date of the "policy period".

3. With respect to **SECTION I – INSURING AGREEMENT, 7. First Party Data Protection** and **8. First Party Network Business Interruption:**

- a. Notice of "Data Protection Loss" or "Business Interruption Loss"
 - i. With respect to **SECTION I – INSURING AGREEMENT, 7. First Party Data Protection**, the "named insured" must forward written notice by facsimile, email or express or certified mail immediately upon discovery of alteration, corruption, destruction, deletion or damage to or inability to access a "data asset" to which this Endorsement applies. In no event shall we be given notice of "data protection loss" later than the end of the "policy period", the end of the optional extension period, if applicable, or sixty (60) days after the expiration date of the "policy period";
 - ii. With respect to **SECTION I – INSURING AGREEMENT, 8. First Party Network Business Interruption**, the "named insured" must forward written notice by facsimile, email or express or certified mail immediately upon discovery of the interruption or suspension of "computer systems" to which this Endorsement applies. In no event shall we be given notice of "business interruption loss" later than the end of the "policy period", the end of the optional extension period, if applicable, or sixty (60) days after the expiration date of the "policy period";
- b. Proof of Loss & Appraisal
 - i. Before coverage will apply, the "named insured" must prepare and submit to us a written and detailed "proof of loss" sworn by an officer of the "named insured" within ninety (90) days after the insured discovers a "data protection loss" or the "insured organization" sustains a "business interruption loss", as applicable, but in no event later than six (6) months following the end of the "policy period" (unless such period has been extended by our written consent).
 - ii. Such proof of loss shall include a narrative with full particulars of such "data protection loss" or "business interruption loss", including, the time, place and cause of the "data protection loss" or "business interruption loss", a detailed calculation of any "data protection loss" or "business interruption loss", the "insured organization's" interest and the interest of all others in the property, the sound value thereof and the amount of "data protection loss" or "business interruption loss" or damage thereto and all other insurance thereon.
 - iii. The "named insured" must, upon our request, submit to an examination under oath

and provide copies of the underlying documents, data and materials that reasonably relate to or are part of the basis of the claim for such "data protection loss" or "business interruption loss". The costs and expenses of preparing and submitting a proof of loss, and establishing or proving "data protection loss", "business interruption loss" or any other "loss" under this Endorsement shall be the insured's obligation.

iv. If we do not agree with the "named insured" on the amount of a "data protection loss" or a "business interruption loss", each party shall select and pay a qualified and disinterested appraiser or other qualified expert (the "Appraiser(s)") to state the amount of the loss or reasonable expenses, and the Appraisers shall choose an umpire. If the Appraisers cannot agree on an umpire, the "named insured" or we may request a judge of a court having jurisdiction to make the selection. Each Appraiser shall submit their loss estimate to the umpire, and agreement by the umpire and at least one of the Appraisers as to the amount of a "data protection loss" or "business interruption loss" shall be binding on all "insureds" and us. The "named insured" and we will equally share the costs of the umpire and any other costs other than the cost of the Appraisers. This provision shall govern only appraisal under this section and shall not control the determination of whether such "data protection loss" or "business interruption loss" is otherwise covered by this Endorsement. We retain and do not waive our right to deny coverage or to enforce any obligation under this Endorsement.

SECTION IX – OTHER INSURANCE

The coverage under this Endorsement shall apply in excess of any other valid and collectible insurance available to any insured, including any self-insured retention or deductible portion thereof, unless such other insurance is written, only as specific excess insurance over the policy aggregate limit of liability or any other applicable limit of liability or coverage of this Endorsement.

SECTION X – SUBROGATION

If any payment is made under this Endorsement and there is available to us any of the insured's rights of recovery against any other party, then we shall maintain all such rights of recovery. The insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The insured shall do nothing after an incident or event giving rise to a "claim" or "loss" to prejudice such rights. Any recoveries shall be applied first to subrogation expenses, second to

"loss" paid by us and lastly to the retention. Any additional amounts recovered shall be paid to the "named insured".

SECTION XI – DEFINITIONS

1. "Breach notice law" means: any federal, state, local or foreign statute or regulation that requires notice to persons whose "personally identifiable information" was accessed or reasonably may have been accessed by an unauthorized person;
2. "Breach resolution and mitigation services" means a credit monitoring, identity monitoring or other solution offered to "notified individuals". The product offered to "notified individuals" will be selected by us in consultation with the "insured organization".
3. "Business interruption loss" means the total of:
 - a. "income loss" and
 - b. "extra expense" during the "period of restoration", and "extended income loss" if the "income loss" during the "period of restoration" is in excess of the applicable Retention;

provided that "business interruption loss" shall not mean and **SECTION I – INSURING AGREEMENTS, 8. First Party Network Business Interruption** shall not cover any of the following: loss arising out of any liability to any third party for whatever reason; legal costs or legal expenses of any type; loss incurred as a result of unfavorable business conditions, loss of market or any other consequential loss or costs or expenses the "insured organization" incurs to identify and remove software program errors or vulnerabilities.

4. "Call center services" means the provision of a call center to answer calls during standard business hours for a period of ninety (90) days following notification (or longer if required by applicable law or regulation) of an incident for which notice is provided pursuant to paragraph d. of **SECTION I – INSURING AGREEMENTS, 2. Privacy Breach Response Services**. "Call center services" will be provided by a service provider selected by us in consultation with the "insured organization".
5. "Claim" means:
 - a. a written demand received by any insured for money or services, including service of a suit or institution of regulatory or arbitration proceedings;
 - b. with respect to coverage provided under **SECTION I – INSURING AGREEMENTS, 3. Regulatory Defense and Penalties** only, institution of a "regulatory proceeding" against any insured;
 - c. a written request or agreement to toll or waive a statute of limitations relating to a potential "claim" described in paragraph a. above; and
 - d. with respect to coverage provided under paragraph a. of **SECTION I – INSURING AGREEMENTS, 4. Subrogation** only, institution of a "subrogation proceeding" against any insured;

MENTS, 1. Information Security and Privacy Liability only, a demand received by any insured to fulfill the “insured organization’s” contractual obligation to provide notice of an incident, or reasonably suspected incident, described in paragraph a. of **SECTION I – INSURING AGREEMENTS, 1. Information Security and Privacy Liability** pursuant to a “breach notice law”.

Multiple “claims” arising from the same or a series of related or repeated acts, errors, or omissions, or from any continuing acts, errors, omissions, or from multiple “security breaches” arising from a failure of “computer security” shall be considered a single “claim” for the purposes of this Endorsement, irrespective of the number of claimants or “insureds” involved in the “claim”. All such “claims” shall be deemed to have been made at the time of the first such “claim”.

6. “Claims expenses” means:

- a. reasonable and necessary fees charged by an attorney designated pursuant to paragraph 1. of **SECTION II – DEFENSE AND SETTLEMENT OF CLAIMS**;
- b. all other legal costs and expenses resulting from the investigation, adjustment, defense and appeal of a “claim”, suit, or proceeding arising in connection therewith, or circumstance which might lead to a “claim” if incurred by us or the insured with our prior written consent;
- c. the premium cost for appeal bonds for covered judgments or bonds to release property used to secure a legal obligation, if required in any “claim” against an “insured” provided that we shall have no obligation to appeal or to obtain bonds.

“Claims expenses” do not include any salary, overhead, or other charges by the insured for any time spent cooperating with the defense and investigation of any “claim”, or circumstance that might lead to a “claim”, under this Endorsement, or costs to comply with any regulatory orders, settlements or judgments.

7. “Computer expert services” means costs for:

- a. a computer security expert to determine the existence and cause of an actual or suspected electronic data breach which may require the “insured organization” to comply with a “breach notice law” and to determine the extent to which such information was accessed by an unauthorized person or persons; and if such breach is actively in progress on the “insured organization’s” “computer systems”, to assist in containing the existing intrusion on such systems from accessing “personally identifiable information”; and

- b. a Payment Card Industry (PCI) Forensic Investigator that is approved by the PCI Security Standards Council and is retained by the “insured organization” in order to comply with the terms of a “merchant services agreement” to investigate the existence and extent of an actual or suspected compromise of credit card data; and, in our discretion, where a computer security expert described in paragraph a. above has not been retained, for a computer security expert to provide advice and oversight in connection with the investigation conducted by the PCI Forensic Investigator; and

- c. a computer security expert to demonstrate the insured’s ability to prevent a future electronic data breach as required by a “merchant services agreement”.

“Computer expert services” will be provided by a service provider selected by us in consultation with the “insured organization”.

- 8. “Computer security” means software, computer or network hardware devices, as well as the “insured organization’s” information security policies and procedures, the function or purpose of which is to prevent “unauthorized access or use”, a “denial of service attack” against “computer systems”, infection of “computer systems” by “malicious code” or transmission of “malicious code” from “computer systems”. “Computer security” includes anti-virus and intrusion detection software, firewalls and electronic systems that provide access control to “computer systems” through the use of passwords, biometric or similar identification of authorized users.**

- 9. “Computer systems” means computers, any software residing on such computers, and associated input and output devices, data storage devices, networking equipment, and back up facilities:**

- a. operated by and either owned by or leased to the “insured organization”, or
- b. systems operated by a third party service provider and used for the purpose of providing hosted computer application services, including cloud services, to the “insured organization” or for processing, maintaining, hosting or storing the “insured organization’s” electronic data, pursuant to written contract with the “insured organization” for such services.

- 10. “Control group” means any principal, partner, corporate officer, director, “manager”, general counsel (or most senior legal counsel) or risk manager of the “insured organization” and any individual in a substantially similar position.**

- 11. “Cyber extortion loss” means:**

- a. any “extortion payment” that has been made under duress by or on behalf of the “insured organization”.

nization", with our prior written consent, but solely to prevent or terminate an "extortion threat";

b. reasonable and necessary expenses incurred by the "insured organization", with our prior written approval, that directly relate to the "insured's efforts to prevent or terminate an "extortion threat".

12. "Damages" means a monetary judgment, award or settlement. The term "damages" shall not include or mean:

- a. future profits, restitution, disgorgement of unjust enrichment or profits by an insured, or the costs of complying with orders granting injunctive or equitable relief;
- b. return or offset of fees, charges, or commissions charged by or owed to an "insured" for goods or services already provided or contracted to be provided;
- a. pursuant to a lease or other written contract to which the "insured organization" is a party;
- b. a natural person volunteer who is directed and controlled by the "insured organization" while performing labor or service for the "insured organization";
- c. a natural person who is a director, trustee, officer, administrator, "manager" or partner of the "insured organization", when performing acts coming within the scope of the usual duties of a director, trustee, officer, administrator, "manager" or partner; or
- d. a natural person who is:
- c. a trustee, officer, "employee", administrator, fiduciary or manager of any Employee Welfare or Pension taxes or loss of tax benefits;
- d. fines, sanctions or penalties;
- e. punitive or exemplary damages, or any damages which are a multiple of compensatory damages, unless insurable by law in any applicable venue that most favors coverage for such punitive, exemplary or multiple damages;
- f. discounts, coupons, prizes, awards or other incentives offered to the insured's customers or clients;
- g. liquidated damages, but only to the extent that such damages exceed the amount for which the insured would have been liable in the absence of such liquidated damages agreement; or
- h. any amounts for which the insured is not liable, or for which there is no legal recourse against the insured.

13. "Data asset" means any software or electronic data that exists in computer systems and that is subject to regular back up procedures, including computer programs, applications, account information, customer information, private or personal information, marketing information, financial information, and any other information maintained by the "named insured" in its ordinary course of business.

14. "Data protection loss" means:

- a. with respect to any "data asset" that is altered, corrupted, destroyed, deleted or damaged, the actual, reasonable and necessary costs and expenses incurred by the insured to restore a "data asset" from back-ups or from originals or to gather, assemble and recollect such "data asset" from other sources to the level or condition in which it existed immediately prior to its alteration, corruption, destruction, deletion or damage; or
- b. with respect to any "data asset" that the insured is unable to access, the lesser of the actual, reasonable and necessary costs and expenses incurred by the "insured organization" to:
 - i. regain access to such "data asset"; or
 - ii. restore such "data asset" from back-ups or originals or gather, assemble and recollect such "data asset" from other sources, to the level or condition in which it existed immediately prior to the insured's inability to access it;
- a) Provided that if such "data asset" cannot reasonably be accessed, restored, gathered, assembled or recollected, then "data protection loss" means the actual, reasonable and necessary costs and expenses incurred by the insured to reach this determination. Provided further that "data protection loss" shall not exceed, and shall not mean, any amount in excess of the amount by which the net profit before income taxes of the insured would have decreased had the insured failed to restore, gather, assemble or recollect as set forth in sub-paragraphs a. and b. above.
- c. "data protection loss" shall not mean, and there shall be no coverage under **SECTION I – INSURING AGREEMENTS, 7. First Party Data Protection** for:
 - i. costs or expenses incurred by the insured to identify or remediate software program errors or vulnerabilities or update, replace, restore, gather, assemble, reproduce, recollect or enhance a "data asset" or "computer systems" to a level beyond that which existed prior to the alteration, corruption, destruction, deletion or damage of such "data asset";
 - ii. costs or expenses to research or develop any "data asset", including but not limited to trade secrets or other proprietary information;
 - iii. the monetary value of profits, royalties, or lost market share related to a "data asset", including but not limited to trade secrets or

other proprietary information or any other amount pertaining to the value of the “data asset”;

- iv. loss arising out of any liability to any third party for whatever reason; or
- v. legal costs or legal expenses of any type.

15. “Denial of service attack” means a cyber-attack where the perpetrator seeks to make a machine or network resource unavailable to its intended users.

16. “Digital currency” means a type of digital currency that:

- a. requires cryptographic techniques to regulate the generation of units of currency and verify the transfer thereof;
- b. is both stored and transferred electronically; and
- c. operates independently of a central bank or other central authority.

17. “Employee” means:

- a. A natural person:
 - i. while in the regular service of the “insured organization” in the ordinary course of its business; and
 - ii. whom the “insured organization” has the right to direct and control while performing labor or service for the “insured organization”; and
 - iii. who is compensated directly by the “insured organization” through salary, wages or commissions;
 - iv. a natural person who is directed and controlled by the “insured organization” while performing labor or service for the “insured organization” Benefit Plan, as defined in Employee Retirement Income Security Act of 1974 and any amendments thereto (“ERISA”), which is or becomes solely sponsored by the “insured organization”; or
 - v. required to be bonded by Title 1 of ERISA.

18. “Extended income loss” means the “income loss” during the “extended interruption period”.

19. “Extended interruption period” means the period of time that:

- a. begins on the date and time that the “period of restoration” ends; and
- b. terminates on the date and time the insured restores, or would have restored if the insured had exercised due diligence and dispatch, the net profit before income taxes that would have been earned by the insured directly through its business operations had the actual and necessary interruption or suspension of “computer systems” not occurred;

Provided that in no event shall the “extended interruption period” mean more than or exceed thirty (30) days.

20. “Extortion payment” means cash, “digital currency”, marketable goods or services demanded to prevent or terminate an “extortion threat”.

21. “Extortion threat” means a threat to breach “computer security” in order to:

- a. alter, destroy, damage, delete or corrupt any “data asset”;
- b. prevent access to “computer systems” or a “data asset”, including a “denial of service attack”;
- c. encrypting a “data asset” and withholding the decryption key for such “data asset”;
- d. perpetrate a theft or misuse of a “data asset” on “computer systems” through external access;
- e. introduce “malicious code” into “computer systems” or to third party computers and systems from “computer systems”; or
- f. interrupt or suspend “computer systems”;

Unless an “extortion payment” is received from or on behalf of the insured.

22. “Extra expense” means reasonable and necessary expenses that are incurred by the insured during the “period of restoration” to minimize, reduce or avoid an “income loss”, provided that such expenses:

- a. are over and above those the insured would have incurred had no interruption or suspension of the “computer systems” occurred; and
- b. do not exceed the amount by which the “income loss” in excess of the retention and covered under this insurance is thereby reduced.

Provided that “extra expense” shall not mean, and there shall be no coverage under **SECTION I – INSURING AGREEMENTS, 8. First Party Network Business Interruption**, for expenses incurred by the insured to update, upgrade, enhance or replace “computer systems” to a level beyond that which existed prior to the actual and necessary interruption or suspension of “computer systems” or the costs and expenses incurred by the insured to restore, reproduce, or regain access to any “data asset” that was altered, corrupted, destroyed, deleted, damaged or rendered inaccessible as a result of the failure of “computer security” to prevent a “security breach”.

23. “Forensic expenses” means reasonable and necessary expenses incurred by the insured to investigate the source or cause of the failure of “computer security” to prevent a “security breach”.

24. “Income loss” means:

- a. the net profit before income taxes that the insured is prevented from earning through its business operations or the net loss before income taxes that the insured is unable to avoid through its business operations as a direct result of the actual and necessary interruption or suspension of “computer systems”; and

b. fixed operating expenses incurred by the insured (including payroll), but only to the extent that such operating expenses must necessarily continue during the “period of restoration” (or “extended interruption period”, if applicable) and such expenses would have been incurred by the insured had such interruption or suspension not occurred.

“Income loss” shall be reduced to the extent the insured is able, with reasonable dispatch and due diligence, to reduce or limit such interruption or suspension of “computer systems” or conduct its business operations by other means. In determining “income loss”, due consideration shall be given to the prior experience of the insured’s business operations before the beginning of the “period of restoration” and to the probable business operations the “insured organization” could have performed had no actual and necessary interruption or suspension occurred as result of a failure of “computer security” to prevent a “security breach”. “Income loss” will be calculated on an hourly basis based on the insured’s net profit (or loss) and fixed operating expenses as set forth above.

25. “Insured organization” means the “named insured” and any “subsidiaries” of the “named insured”.

26. “Legal services” means fees charged by an attorney:

- a. to determine the applicability of and actions necessary for the “insured organization” to comply with “breach notice laws” due to an actual or reasonably suspected theft, loss or “unauthorized disclosure” of “personally identifiable information”;
- b. to provide necessary legal advice to the “insured organization” in responding to actual or suspected theft, loss or “unauthorized disclosure” of “personally identifiable information”;
- c. to advise the “insured organization” regarding the notification of relevant governmental entities of an actual or reasonably suspected theft, loss or “unauthorized disclosure” of “personally identifiable information”; and
- d. to advise the “insured organization” in responding to credit card system operating regulation requirements for any actual or suspected compromise of credit card data that is required to be reported to the “insured organization’s” merchant bank under the terms of a “merchant services agreement”; however, “legal services” do not include fees incurred in any actual or threatened legal proceeding, arbitration or mediation, or any advice in responding to credit card system operating regulation in connection with an assessment of “PCI fines, expenses, and costs”.

“Legal services” will be provided in accordance with the terms and conditions set forth in this Endorsement and will be provided by an attorney

selected by us in consultation with the “insured organization”.

27. “Loss” means:

- a. “business interruption loss”;
- b. “damages”;
- c. “claims expenses”;
- d. “cyber extortion loss”;
- e. “data protection loss”;
- f. “penalties”;
- g. “PCI fines, expenses and costs”;
- h. privacy breach response services.

28. “Malicious code” means any virus, Trojan horse, worm or any other similar software program, code or script intentionally designed to insert itself into computer memory or onto a computer disk and spread itself from one computer to another.

29. “Management control” means:

- a. owning, directly or indirectly, more than fifty percent (50%) of the outstanding securities, representing the present right to vote for the election of an entity’s directors, members of the board of managers, management committee members or persons serving in a functionally equivalent role for such an entity operating or organization outside of the United States; or
- b. having the right, pursuant to a written contract or bylaws, charter, operating agreement or similar documents of an entity to elect, appoint or designate a majority of:
 - i. the Board of Directors of a corporation;
 - ii. the Management Committee of a joint venture or partnership;
 - iii. the Management Board of a limited liability company; or
 - iv. persons serving in a functionally equivalent role for such an entity operating or organized outside of the United States.

30. “Manager” means manager of a limited liability company.

31. “Media material” means any information in electronic form, including words, sounds, numbers, images, or graphics and shall include advertising, video, streaming content, web-casting, online forums, bulletin boards and chat room content, but does not mean computer software or the actual goods, products or services described, illustrated or displayed in such “media material”.

32. “Merchant services agreement” means any agreement between an insured and a financial institution, credit/debit company, credit/debit card processor or independent service operator enabling an insured to accept credit card, debit card, prepaid card, or other payment cards for payments or donations.

33. "Named insured" means the individual, partnership, entity or corporation designated as such in the declarations of the Policy.

34. "Notification services" means:

- a. notification by first class mail or e-mail to United States, Canadian or Mexican residents; and
- b. notification by first class mail or e-mail to individuals residing outside the United States, Canada or Mexico, but only to the extent reasonably practicable.

"Notification services" will be provided by a service provider selected by us in consultation with the "insured organization".

35. "Notified individual" means an individual person to whom notice is given or attempted to be given under paragraph d. of **SECTION I – INSURING AGREEMENTS, 2. Privacy Breach Response Services** pursuant to a "breach notice law".

36. "PCI fines, expenses and costs" means the direct monetary fines, penalties, reimbursements, fraud recoveries or assessments owed by the "insured organization" under the terms of a "merchant services agreement", but only where such fines, penalties, reimbursements, fraud recoveries or assessments result both from the "insured organization's" actual or alleged noncompliance with published Payment Card Industry (PCI) Data Security Standards and from a data breach caused by an incident, or reasonably suspected incident, described in paragraphs a. and b. of **SECTION I – INSURING AGREEMENTS, 1. Information Security and Privacy Liability**; provided, that the term "PCI fines, expenses and costs" shall not include or mean any charge backs, interchangeable fees, discount fees or prospective service fees.

37. "Penalties" means:

- a. any civil fine or punitive sum of money payable to a governmental entity that was imposed in a "regulatory proceeding" by any other federal, state, local or foreign governmental entity, in such entity's regulatory or official capacity; the insurability of "penalties" shall be in accordance with the law in the applicable venue that most favors coverage for such "penalties"; and
- b. amounts which the insured is legally obligated to deposit in a fund as equitable relief for the payment of consumer claims due to an adverse judgment or settlement of a "regulatory proceeding"; but shall not include payments to charitable organizations or disposition of such funds other than for payment of consumer claims for losses caused by an event covered pursuant to paragraphs a., b., or c. of **SECTION I – INSURING AGREEMENTS, 1. Information Security and Privacy Liability**;
- c. "Penalties" do not mean:

- i. costs to remediate or improve "computer systems";
- ii. costs to establish, implement, maintain, improve or remediate security or privacy practices, procedures, programs or policies;
- iii. audit, assessment, compliance or reporting costs; or
- iv. costs to protect the confidentiality, integrity and/or security of "personally identifiable information" from theft, loss or disclosure.

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

- a. begins on the specific date and time that the actual and necessary interruption or suspension of "computer systems" first occurred; and
- b. ends on the specific date and time that the actual and necessary interruption or suspension of "computer systems" ends, or would have ended had the insured acted with due diligence and dispatch;

Provided that in no event shall the "period of restoration" mean more than or exceed thirty (30) days; and provided, that restoration of "computer systems" will not end the "period of restoration" if such systems are actually and necessarily interrupted or suspended again within one hour of such restoration due to the same cause as the original interruption or suspension.

39. "Personally identifiable information" means:

- a. information concerning the individual that constitutes nonpublic personal information as defined in the Gramm-Leach Bliley Act of 1999, as amended, and regulations issued pursuant to this Act;
- b. medical or health care information concerning the individual, including protected health information as defined in the Health Insurance Portability and Accountability Act of 1996, as amended, and regulations issued pursuant to this Act;
- c. information concerning the individual that is defined as private personal information under statutes enacted to protect such information in foreign countries, for "claims" subject to the law of such jurisdiction;
- d. information concerning the individual that is defined as private personal information under a "breach notice law";
- e. education records as defined by the Family Educational Rights and Privacy Act which are directly related to an individual's attendance as a student; or
- f. the individual's drivers' license or state identification number, social security number, unpublished telephone number, and credit, debit, or other financial account numbers in combination

with associated security codes, access codes, passwords or pins; if such information allows an individual to be uniquely and reliably identified or contacted or allows access to the individual's financial account or medical record information.

"Personally identifiable information" does not include publicly available information that is lawfully made available to the general public from government records.

- 40. "Policy period" means the period of time between the inception date and the effective date of termination, expiration or cancellation of this coverage and specifically excludes any optional extension period or any prior policy period or renewal period.
- 41. "Privacy law" means a federal, state or foreign statute or regulation requiring the "insured organization" to protect the confidentiality and/or security of "personally identifiable information".
- 42. "Privacy policy" means the "insured organization's" public declaration of its policy for collection, use, disclosure, sharing, dissemination and correction or supplementation of, and access to "personally identifiable information".
- 43. "Property" means tangible property other than "money" or "securities" that has intrinsic value.
- 44. "Public relations and crisis management expenses" shall mean the following costs, approved in advance by us, which are directly related to mitigating harm to the "insured organization's" reputation or potential "loss" covered by this Endorsement resulting from an incident described in paragraphs a. and b. of **SECTION I – INSURING AGREEMENTS, 1. Information Security and Privacy Liability** or from a "public relations event":
 - a. costs incurred by a public relations or crisis management consultant;
 - b. costs for media purchasing or for printing or mailing materials intended to inform the general public about the incident,
 - c. for incidents or events in which notifications services are not otherwise provided pursuant to **SECTION I – INSURING AGREEMENTS, 1. Information Security and Privacy Liability** and **2. Privacy Breach Response Services**, costs to provide notifications and notices via e-mail or first class mail to affected individuals where such notifications are not required by law (voluntary notifications), including non-affected customers or patients of the "insured organization";
 - d. costs to provide government mandated public notices related to breach events (including such notifications required under the Health Insurance Portability and Accountability Act of 1996 or the Health Information Technology for Economic and Clinical Health Act);

e. costs to provide services to restore healthcare records of "notified individuals" residing in the United States whose "personally identifiable information" was compromised as a result of theft, loss or "unauthorized disclosure"; and

f. other costs approved in advance by us.

"Public relations and crisis management expenses" must be incurred no later than twelve (12) months following the reporting of such "claim" or breach event to us and, with respect to paragraphs a. and b. above, within ninety (90) days following the first publication of such "claim" or incident. If voluntary notifications are provided, e-mail notification will be provided in lieu of first class mail to the extent practicable.

- 45. "Public relations event" means the publication or imminent publication in a newspaper (or other general circulation print publication) or on radio, television or a publically accessible website of a covered "claim" or incident under this Endorsement.

46. "Regulatory proceeding" means a request for information, civil investigative demand or civil proceeding commenced by service of a complaint or similar proceeding brought by or on behalf of any federal, state, local or foreign governmental entity in such entity's regulatory or official capacity in connection with such proceeding.

47. "Related party" means the "insured organization" and any past, present or future employees, directors, officers, "managers", partners or natural person independent contractors of the "insured organization".

48. "Security breach" means:

- a. "unauthorized access or use" of "computer systems", including "unauthorized access or use" resulting from the theft of a password from a "computer system" or from any insured;
- b. A "denial of service attack" against "computer systems" or "computer systems" that are not owned, operated or controlled by an insured; or
- c. infection of "computer systems" by "malicious code" or transmission of "malicious code" from "computer systems".

A series of continuing "security breaches", related or repeated "security breaches", or multiple "security breaches" resulting from a continuing failure of "computer security" shall be considered a single "security breach" and be deemed to have occurred at the time of the first such "security breach".

49. "Subsidiary" means any corporation, limited liability company, joint venture or partnership while the "named insured" has "management control" over such entity, if the "named insured":

- a. had "management control" over such entity on the inception date of this Endorsement or such entity was an insured under a Policy issued by us of which this Endorsement is a renewal;

- b.** acquires "management control" after the inception date of this Endorsement provided the revenues of the entity do not exceed fifteen percent (15%) of the "named insured's" annual revenues for the four quarterly periods directly preceding inception of the Endorsement; or
 - c.** provided that this coverage only provides coverage for acts, errors, omissions, incidents or events that take place while the "named insured" has "management control" over such entity.
- 50.** "Third party information" means any trade secret, data, design, interpretation, forecast, formula, method, practice, credit or debit card magnetic strip information, process, record, report or other item of information of a third party not insured under this Endorsement which is not available to the general public and is provided to the insured subject to a mutually executed written confidentiality agreement or which the "insured organization" is legally required to maintain in confidence; however, "third party information" shall not include "personally identifiable information".
- 51.** "Unauthorized access or use" means the gaining of access to or use of "computer systems" by an unauthorized person or persons or the use of "computer systems" in an unauthorized manner.
- 52.** "Unauthorized disclosure" means the disclosure of (including disclosure resulting from phishing) or access to information in a manner that is not authorized by the "insured organization" and is without knowledge of, consent, or acquiescence of any member of the "control group".
- 53.** "Vendor" means any entity or natural person that provides goods or services to the insured pursuant to a written agreement.
- 54.** "Waiting period" means the period of time beginning when the "period of restoration" begins and expiring after the elapse of the number of hours set forth in the Schedule. A "waiting period" shall apply to each "period of restoration".

CYBER BREACH RESPONSE SUPPLEMENTAL DECLARATIONS

THIS ENDORSEMENT'S LIABILITY INSURING AGREEMENTS PROVIDE COVERAGE ON A CLAIMS MADE AND REPORTED BASIS AND APPLY ONLY TO CLAIMS FIRST MADE AGAINST THE INSURED DURING THE ENDORSEMENT PERIOD OR THE OPTIONAL EXTENSION PERIOD (IF APPLICABLE) AND REPORTED TO US IN ACCORDANCE WITH THE TERMS OF THIS ENDORSEMENT. AMOUNTS INCURRED AS CLAIMS EXPENSES UNDER THIS ENDORSEMENT WILL REDUCE AND MAY EXHAUST THE LIMIT OF LIABILITY AND ARE SUBJECT TO RETENTIONS. CERTAIN COVERAGES REQUIRE OUR PRIOR CONSENT OR APPROVAL. PLEASE READ THIS ENDORSEMENT CAREFULLY.

Named Insured: TRAIL CREEK PLACE HOMEOWNERS

Named Insured Address: PO BOX 1234 ,
Ketchum, Idaho, 83340

Endorsement Number: 000

Endorsement Period: From: 08/15/2025 To: 08/15/2026
At 12:01 a.m. Local Time at the Named Insured Address

	Aggregate Limit	Retention
Endorsement Aggregate Limit of Liability:	\$50,000	
Breach Response Aggregate Limit of Coverage		
In addition to the Endorsement Aggregate Limit of Liability		
Breach Response:	\$25,000	each incident \$2,500
First Party Loss		
Business Interruption Loss:	\$10,000	each incident \$2,500
Cyber Extortion Loss:	\$10,000	each incident \$2,500
Data Recovery Costs:	\$10,000	each incident \$2,500
Reputational Loss:	\$10,000	each incident \$2,500
eCrime		
Fraudulent Instruction:	\$5,000	each loss \$0
Funds Transfer Fraud:	\$5,000	each loss \$0
Telephone Fraud:	\$5,000	each loss \$0
Criminal Reward:	\$5,000	\$0
Liability		
Data & Network Liability:	\$50,000	each Claim \$2,500
Regulatory Defense & Penalties:	\$10,000	each Claim \$2,500
Payment Card Liabilities & Costs:	\$5,000	each Claim \$2,500
Media Liability:	\$50,000	each Claim \$2,500

CYBER BREACH RESPONSE ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This Endorsement modifies insurance provided under the following:

COMMERCIAL ADVANTAGE POLICY
COMMERCIAL GENERAL LIABILITY COVERAGE PART

THIS ENDORSEMENT'S LIABILITY INSURING AGREEMENTS PROVIDE COVERAGE ON A CLAIMS MADE AND REPORTED BASIS AND APPLY ONLY TO CLAIMS FIRST MADE AGAINST THE INSURED DURING THE ENDORSEMENT PERIOD OR THE OPTIONAL EXTENSION PERIOD (IF APPLICABLE) AND REPORTED TO US IN ACCORDANCE WITH THE TERMS OF THIS ENDORSEMENT. AMOUNTS INCURRED AS CLAIMS EXPENSES UNDER THIS ENDORSEMENT WILL REDUCE AND MAY EXHAUST THE LIMIT OF LIABILITY AND ARE SUBJECT TO RETENTIONS. CERTAIN COVERAGES REQUIRE OUR PRIOR CONSENT OR APPROVAL. PLEASE READ THIS ENDORSEMENT CAREFULLY.

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This Cyber Breach Response Endorsement is added to the Policy and the terms and conditions of this Endorsement govern the scope of coverage and your and our duties. This Endorsement amends the Policy to provide breach response coverage. Various provisions in this Endorsement restrict coverage. Read the entire Endorsement carefully to determine your rights and duties and what is and is not covered. The terms, conditions, exclusions, and limits of liability set forth in this Endorsement apply only to the coverage provided by this Endorsement.

The words **we**, **us**, and **our** refer to the company providing this coverage. The term **Policy** refers to the policy to which this Endorsement is attached. Words and phrases that appear in **bold** have special meaning. Refer to **DEFINITIONS**. To the extent any words or phrases used in this Endorsement are defined elsewhere in the Policy, such definitions provided elsewhere do not apply to give meaning to the words or phrases used in this Endorsement.

The terms and conditions of the Cancellation provision of the Policy, and any amendment to such terms, are incorporated herein and shall apply to coverage as is afforded by this Endorsement, unless specifically stated otherwise in an endorsement(s) attached hereto.

We agree with the **Named Insured**, in consideration of the payment of the premium and reliance upon the statements contained in the information and materials provided to us in connection with the underwriting and issuance of this Endorsement and subject to all the provisions, terms and conditions of this Endorsement:

SECTION I – INSURING AGREEMENTS

1. Breach Response

To provide **Breach Response Services** to the **Insured Organization** because of an actual or reasonably suspected **Data Breach** or **Security Breach** that the **Insured** first discovers during the **Endorsement Period**.

2. First Party Loss

To indemnify the **Insured Organization** for:

a. *Business Interruption Loss*

Business Interruption Loss that the **Insured Organization** sustains as a result of a **Security Breach** that the **Insured** first discovers during the **Endorsement Period**.

b. *Cyber Extortion Loss*

Cyber Extortion Loss that the **Insured Organization** incurs as a result of an **Extortion Threat** first made against the **Insured Organization** during the **Endorsement Period**.

c. *Data Recovery Costs*

Data Recovery Costs that the **Insured Organization** incurs as a direct result of a **Security Breach** that the **Insured** first discovers during the **Endorsement Period**.

d. *Reputational Loss*

Reputational Loss that the **Insured Organization** incurs during the **Notification Period** as a result of

- an actual or reasonably suspected **Data Breach** or **Security Breach** that the **Insured Organization** first discovers during the **Endorsement Period**, and

- for which individuals have been notified pursuant to part 4. of the **Breach Response Services** definition.

3. Liability

a. *Data & Network Liability*

To pay **Damages** and **Claims Expenses**, which the **Insured** is legally obligated to pay because of any **Claim** first made against any **Insured** during the **Endorsement Period** for:

i. a **Data Breach**;

ii. a **Security Breach**;

iii. the **Insured Organization's** failure to timely disclose a **Data Breach** or **Security Breach**;

iv. failure by the **Insured** to comply with that part of a **Privacy Policy** that specifically:

- prohibits or restricts the **Insured Organization's** disclosure, sharing or selling of **Personally Identifiable Information**;

- requires the **Insured Organization** to provide an individual access to **Personally Identifiable Information** or to correct incomplete or inaccurate **Personally Identifiable Information** after a request is made; or

- mandates procedures and requirements to prevent the loss of **Personally Identifiable Information**;

provided the **Insured Organization** has in force, at the time of such failure, a **Privacy Policy** that addresses those subsections above that are relevant to such **Claim**.

b. *Regulatory Defense & Penalties*

To pay **Penalties** and **Claims Expenses**, which the **Insured** is legally obligated to pay because of a **Regulatory Proceeding** first made against any **Insured** during the **Endorsement Period** for a **Data Breach** or a **Security Breach**.

c. *Payment Card Liabilities & Costs*

To indemnify the **Insured Organization** for **PCI Fines, Expenses and Costs** which it is legally obligated to pay because of a **Claim** first made against any **Insured** during the **Endorsement Period**.

d. *Media Liability*

To pay **Damages** and **Claims Expenses**, which the **Insured** is legally obligated to pay because of any **Claim** first made against any **Insured** during the **Endorsement Period** for **Media Liability**.

4. eCrime

To indemnify the **Insured Organization** for any direct financial loss sustained resulting from:

1. **Fraudulent Instruction**;

2. **Funds Transfer Fraud**; or

3. **Telephone Fraud;**

that the **Insured** first discovers during the **Endorsement Period** or to indemnify the **Insured Organization** for **Criminal Reward Funds**.

SECTION II – DEFINITIONS

1. **Additional Insured** means any person or entity that the **Insured Organization** has agreed in writing to add as an **Additional Insured** under the Policy or Endorsement prior to the commission of any act for which such person or entity would be provided coverage under this Endorsement, but only to the extent the **Insured Organization** would have been liable and coverage would have been afforded under the terms and conditions of this Endorsement had such **Claim** been made against the **Insured Organization**.

2. **Breach Notice Law** means any statute or regulation that requires notice to persons whose personal information was accessed or reasonably may have been accessed by an unauthorized person. **Breach Notice Law** also includes any statute or regulation requiring notice of a **Data Breach** to be provided to governmental or regulatory authorities.

3. **Breach Response Services** means the following fees and costs in response to an actual or reasonably suspected **Data Breach or Security Breach**:

- a. for an attorney to provide necessary legal advice to the **Insured Organization** to evaluate its obligations pursuant to **Breach Notice Laws** or a **Merchant Services Agreement** and in connection with providing the **Breach Response Services** described below;
- b. for a computer security expert to determine the existence, cause, and scope of an actual or reasonably suspected **Data Breach**, and if such **Data Breach** is actively in progress on the **Insured Organization's Computer Systems**, to assist in containing it;
- c. for a PCI Forensic Investigator to investigate the existence and extent of an actual or reasonably suspected Data Breach involving payment card data and for a Qualified Security Assessor to certify and assist in attesting to the Insured Organization's PCI compliance, as required by a Merchant Services Agreement;
- d. to notify those individuals whose Personally Identifiable Information was potentially impacted by a Data Breach;
- e. to provide a call center to respond to inquiries about a Data Breach;
- f. to provide a credit monitoring, identity monitoring or other solution approved by us to individuals whose Personally Identifiable Information was potentially impacted by a Data Breach; and
- g. public relations and crisis management costs directly related to mitigating harm to the Insured Organization which are approved in advance by us in our discretion.

Breach Response Services will be provided by providers chosen by us, from our panel, in consultation with the **Insured**, will be subject to the terms and conditions of this Endorsement, and will not include any internal salary or overhead expenses of the **Insured Organization**.

4. **Business Interruption Loss** means:

- a. **Income Loss**;
- b. **Forensic Expenses**; and
- c. **Extra Expense**;

actually sustained during the **Period of Restoration** as a result of the actual interruption of the **Insured Organization's** business operations caused by a **Security Breach**. Coverage for **Business Interruption Loss** will apply only after the **Waiting Period** has elapsed.

Business Interruption Loss will not include:

- i. loss arising out of any liability to any third party;
- ii. legal costs or legal expenses;
- iii. loss incurred as a result of unfavorable business conditions;
- iv. loss of market or any other consequential loss; or
- v. **Data Recovery Costs**.

5. **Claim** means:

- a. a written demand received by any **Insured** for money or services;
- b. with respect to coverage provided under the **Regulatory Defense & Penalties** insuring agreement only, institution of a **Regulatory Proceeding** against any **Insured**; and

- c. with respect to coverage provided under part 1. of the Data & Network Liability insuring agreement only, a demand received by any **Insured** to fulfill the **Insured Organization's** contractual obligation to provide notice of a **Data Breach** pursuant to a **Breach Notice Law**;

Multiple **Claims** arising from the same or a series of related, repeated, or continuing acts, errors, omissions, or events will be considered a single **Claim** for the purposes of this Endorsement. All such **Claims** will be deemed to have been made at the time of the first such **Claim**.

6. Claims Expenses means:

- a. all reasonable and necessary legal costs and expenses resulting from the investigation, defense, and appeal of a **Claim**, if incurred by us, or by the **Insured** with our prior written consent.; and
- b. the premium cost for appeal bonds for covered judgments or bonds to release property used to secure a legal obligation, if required in any **Claim** against an **Insured**; provided we will have no obligation to appeal or to obtain bonds.

Claims Expenses will not include any salary, overhead, or other charges by the **Insured** for any time spent in cooperating in the defense and investigation of any **Claim** or circumstance that might lead to a **Claim** notified under this Endorsement, or costs to comply with any regulatory orders, settlements, or judgments.

7. Computer Systems means computers, any software residing on such computers and any associated devices or equipment:

- a. operated by and either owned by or leased to the **Insured Organization**; or
- b. with respect to coverage under the Breach Response and Liability insuring agreements, operated by a third party pursuant to written contract with the **Insured Organization** and used for the purpose of providing hosted computer application services to the **Insured Organization** or for processing, maintaining, hosting, or storing the **Insured Organization's** electronic data.

8. Control Group means any principal, partner, corporate officer, director, general counsel (or most senior legal counsel) or risk manager of the **Insured Organization** and any individual in a substantially similar position.

9. Criminal Reward Funds means any amount offered and paid by the **Insured Organization** with our prior written consent for information that leads to the arrest and conviction of any individual(s) committing or trying to commit any illegal act related to any coverage under this Endorsement; but will not include any amount based upon information provided by the **Insured**, the **Insured's** auditors or any individual hired or retained to investigate the illegal acts. All **Criminal Reward Funds** offered pursuant to this Endorsement must expire no later than 6 months following the end of the **Endorsement Period**.

10. Cyber Extortion Loss means:

- a. any **Extortion Payment** that has been made by or on behalf of the **Insured Organization** with our prior written consent to prevent or terminate an **Extortion Threat**; and
- b. reasonable and necessary expenses incurred by the **Insured Organization** with our prior written consent to prevent or respond to an **Extortion Threat**.

11. Damages means a monetary judgment, award, or settlement, including any award of prejudgment or post-judgment interest; but **Damages** will not include:

- a. future profits, restitution, disgorgement of unjust enrichment or profits by an **Insured**, or the costs of complying with orders granting injunctive or equitable relief;
- b. return or offset of fees, charges or commissions charged by or owed to an **Insured** for goods or services already provided or contracted to be provided;
- c. taxes or loss of tax benefits;
- d. fines, sanctions, or penalties;
- e. **punitive** or exemplary damages or any damages which are a multiple of compensatory damages, unless insurable by law in any applicable venue that most favors coverage for such **punitive**, exemplary, or multiple damages;
- f. discounts, coupons, prizes, awards, or other incentives offered to the **Insured's** customers or clients;
- g. liquidated damages, but only to the extent that such damages exceed the amount for which the **Insured** would have been liable in the absence of such liquidated damages agreement;
- h. fines, costs, or other amounts an **Insured** is responsible to pay under a **Merchant Services Agreement**; or
- i. any amounts for which the **Insured** is not liable, or for which there is no legal recourse against the **Insured**.

12. **Data** means any software or electronic data that exists in **Computer Systems** and that is subject to regular back-up procedures.
13. **Data Breach** means the theft, loss, or **Unauthorized Disclosure of Personally Identifiable Information or Third Party Information** that is in the care, custody, or control of the **Insured Organization** or a third party for whose theft, loss or **Unauthorized Disclosure of Personally Identifiable Information or Third Party Information** the **Insured Organization** is liable.
14. **Data Recovery Costs** means the reasonable and necessary costs incurred by the **Insured Organization** to regain access to, replace, or restore **Data**, or if **Data** cannot reasonably be accessed, replaced, or restored, then the reasonable and necessary costs incurred by the **Insured Organization** to reach this determination.

Data Recovery Costs will not include:

- i. the monetary value of profits, royalties, or lost market share related to **Data**, including but not limited to trade secrets or other proprietary information or any other amount pertaining to the value of **Data**;
- ii. legal costs or legal expenses;
- iii. loss arising out of any liability to any third party;
- iv. **Cyber Extortion Loss**, or
- v. any of the **Insured Organization's** internal salary or overhead expenses.

15. **Digital Currency** means a type of digital currency that:
 - a. requires cryptographic techniques to regulate the generation of units of currency and verify the transfer thereof;
 - b. is both stored and transferred electronically; and
 - c. operates independently of a central bank or other central authority.
16. **Endorsement Period** means the period of time between the inception date listed in the Supplemental Declarations and the effective date of termination, expiration or cancellation of this Endorsement and specifically excludes any Optional Extension Period or any prior **Endorsement Period** or renewal period.
17. **Extortion Payment** means **Money**, **Digital Currency**, marketable goods, or services demanded to prevent or terminate an **Extortion Threat**.

Extortion Threat means a threat to:

- i. alter, destroy, damage, delete or corrupt **Data**;
- ii. perpetrate the **Unauthorized Access or Use of Computer Systems**;
- iii. prevent access to **Computer Systems** or **Data**;
- iv. steal, misuse or publicly disclose **Data**, **Personally Identifiable Information**, or **Third Party Information**;
- v. introduce malicious code into **Computer Systems** or to third party computer systems from **Computer Systems**; or
- vi. interrupt or suspend **Computer Systems**;

unless an **Extortion Payment** is received from or on behalf of the **Insured Organization**.

18. **Extra Expense** means reasonable and necessary expenses incurred by the **Insured Organization** during the **Period of Restoration** to minimize, reduce, or avoid **Income Loss**, over and above those expenses the **Insured Organization** would have incurred had no **Security Breach** occurred.
19. **Financial Institution** means a bank, credit union, saving and loan association, trust company or other licensed financial service, securities broker-dealer, mutual fund, or liquid assets fund or similar investment company where the **Insured Organization** maintains a bank account.
20. **Forensic Expenses** means reasonable and necessary expenses incurred by the **Insured Organization** to investigate the source or cause of a **Business Interruption Loss**.
21. **Fraudulent Instruction** means the transfer, payment or delivery of **Money** or **Securities** by an **Insured** as a result of fraudulent written, electronic, telegraphic, cable, teletype or telephone instructions provided by a third party, that is intended to mislead an **Insured** through the misrepresentation of a material fact which is relied upon in good faith by such **Insured**.

Fraudulent Instruction will not include loss arising out of:

- i. fraudulent instructions received by the **Insured** which are not first authenticated via a method other than the original means of request to verify the authenticity or validity of the request;

- ii. any actual or alleged use of credit, debit, charge, access, convenience, customer identification or other cards;
- iii. any transfer involving a third party who is not a natural person **Insured**, but had authorized access to the **Insured's** authentication mechanism;
- iv. the processing of, or the failure to process, credit, check, debit, personal identification number debit, electronic benefit transfers or mobile payments for merchant accounts;
- v. accounting or arithmetical errors or omissions, or the failure, malfunction, inadequacy or illegitimacy of any product or service;
- vi. any liability to any third party, or any indirect or consequential loss of any kind;
- vii. any legal costs or legal expenses; or
- viii. proving or establishing the existence of **Fraudulent Instruction**.

22. Funds Transfer Fraud means the loss of **Money** or **Securities** contained in a **Transfer Account** at a **Financial Institution** resulting from fraudulent written, electronic, telegraphic, cable, teletype, or telephone instructions by a third party issued to a **Financial Institution** directing such institution to transfer, pay or deliver **Money** or **Securities** from any account maintained by the **Insured Organization** at such institution, without the **Insured Organization's** knowledge or consent.

Funds Transfer Fraud will not include any loss arising out of:

- i. the type or kind covered by the **Insured Organization's** financial institution bond or commercial crime policy;
- ii. any actual or alleged:
 - 1. fraudulent act or omission,
 - 2. dishonest act or omission, meaning any willful perversion of truth in order to deceive, cheat, or defraud, or
 - 3. criminal act or omission, meaning any charge, guilty plea, or conviction, by, or involving, any natural person **Insured**;
- iii. any indirect or consequential loss of any kind;
- iv. **punitive**, exemplary, or multiplied damages of any kind or any fines, penalties, or loss of any tax benefit;
- v. any liability to any third party, except for direct compensatory damages arising directly from **Funds Transfer Fraud**;
- vi. any legal costs or legal expenses; or proving or establishing the existence of **Funds Transfer Fraud**;
- vii. the theft, disappearance, destruction of, unauthorized access to, or unauthorized use of confidential information, including a PIN or security code;
- viii. any forged, altered, or fraudulent negotiable instruments, securities, documents, or instructions; or
- ix. any actual or alleged use of credit, debit, charge, access, convenience or other cards or the information contained on such cards.

23. Income Loss means an amount equal to:

- a. net profit or loss before interest and tax that the **Insured Organization** would have earned or incurred; and
- b. continuing normal operating expenses incurred by the **Insured Organization** (including payroll), but only to the extent that such operating expenses must necessarily continue during the **Period of Restoration**.

24. Individual Contractor means any natural person who performs labor or service for the **Insured Organization** pursuant to a written contract or agreement with the **Insured Organization**. The status of an individual as an **Individual Contractor** will be determined as of the date of an alleged act, error, or omission by any such **Individual Contractor**.

25. Insured means:

- a. the **Insured Organization**;
- b. any director or officer of the **Insured Organization**, but only with respect to the performance of his or her duties as such on behalf of the **Insured Organization**;
- c. an employee (including a part time, temporary, leased, or seasonal employee or volunteer) or **Individual Contractor** of the **Insured Organization**, but only for work done while acting within the scope of his or her employment and related to the conduct of the **Insured Organization's** business;

- d. a principal if the **Named Insured** is a sole proprietorship, or a partner if the **Named Insured** is a partnership, but only with respect to the performance of his or her duties as such on behalf of the **Insured Organization**;
- e. any person who previously qualified as an **Insured** under parts 2. - 4., but only with respect to the performance of his or her duties as such on behalf of the **Insured Organization**;
- f. the estate, heirs, executors, administrators, assigns and legal representatives of any **Insured** in the event of such **Insured's** death, incapacity, insolvency, or bankruptcy, but only to the extent that such **Insured** would otherwise be provided coverage under this Endorsement;
- g. the lawful spouse or party to a civil union, including any natural person qualifying as a domestic partner of any **Insured**, but solely by reason of any act, error, or omission of an **Insured** other than such spouse or domestic partner; and
- h. an **Additional Insured**, but only as respects **Claims** against such person or entity for acts, errors or omissions of the **Insured Organization**.

26. Insured Organization means the **Named Insured** and any **Subsidiaries**.

27. Loss means **Breach Response Services, Business Interruption Loss, Claims Expenses, Criminal Reward Funds, Cyber Extortion Loss, Damages, Data Recovery Costs, PCI Fines, Expenses and Costs, Penalties, Reputational Loss**, loss covered under the eCrime insuring agreement and any other amounts covered under this Endorsement.

- a. **Multiple Losses** arising from the same or a series of related, repeated, or continuing acts, errors, omissions, or events will be considered a single **Loss** for the purposes of this Endorsement.
- b. With respect to the Breach Response and First Party Loss insuring agreements, all acts, errors, omissions, or events (or series of related, repeated, or continuing acts, errors, omissions, or events) giving rise to a **Loss** or multiple **Losses** in connection with such insuring agreements will be deemed to have been discovered at the time the first such act, error, omission, or event is discovered.

28. Media Liability means one or more of the following acts committed by, or on behalf of, the **Insured Organization** in the course of creating, displaying, broadcasting, disseminating, or releasing **Media Material** to the public:

- a. defamation, libel, slander, product disparagement, trade libel, infliction of emotional distress, outrage, outrageous conduct, or other tort related to disparagement or harm to the reputation or character of any person or organization;
- b. a violation of the rights of privacy of an individual, including false light, intrusion upon seclusion and public disclosure of private facts;
- c. invasion or interference with an individual's right of publicity, including commercial appropriation of name, persona, voice or likeness;
- d. plagiarism, piracy, or misappropriation of ideas under implied contract;
- e. infringement of copyright;
- f. infringement of domain name, trademark, trade name, trade dress, logo, title, metatag, or slogan, service mark or service name;
- g. improper deep-linking or framing;
- h. false arrest, detention or imprisonment;
- i. invasion of or interference with any right to private occupancy, including trespass, wrongful entry or eviction; or
- j. unfair competition, if alleged in conjunction with any of the acts listed in parts e. or f. above.

29. Media Material means any information, including words, sounds, numbers, images, or graphics, but will not include computer software or the actual goods, products or services described, illustrated, or displayed in such **Media Material**.

30. Merchant Services Agreement means any agreement between an **Insured** and a financial institution, credit/debit card company, credit/debit card processor or independent service operator enabling an **Insured** to accept credit card, debit card, prepaid card or other payment cards for payments or donations.

31. Money means a medium of exchange in current use authorized or adopted by a domestic or foreign government as a part of its currency.

32. Named Insured means the Named Insured listed in the Supplemental Declarations.

33. Notification Period means the 30-day period that begins on the specific date on which notified individuals first receive notification of the incident for which notification services are provided.

34. PCI Fines, Expenses and Costs means the monetary amount owed by the **Insured Organization** under the terms of a **Merchant Services Agreement** as a direct result of a suspected **Data Breach**. With our prior consent, **PCI Fines, Expenses and Costs** includes reasonable and necessary legal costs and expenses incurred by the **Insured Organization** to appeal or negotiate an assessment of such monetary amount. **PCI Fines, Expenses and Costs** will not include any charge backs, interchange fees, discount fees or other fees unrelated to a **Data Breach**.

35. Penalties means:

- a. any monetary civil fine or penalty payable to a governmental entity that was imposed in a **Regulatory Proceeding**; and
- b. amounts which the **Insured** is legally obligated to deposit in a fund as equitable relief for the payment of consumer claims due to an adverse judgment or settlement of a **Regulatory Proceeding** (including such amounts required to be paid into a Consumer Redress Fund);

but will not include:

- i. costs to remediate or improve **Computer Systems**;
- ii. costs to establish, implement, maintain, improve, or remediate security or privacy practices, procedures, programs, or policies;
- iii. audit, assessment, compliance or reporting costs; or
- iv. costs to protect the confidentiality, integrity and/or security of **Personally Identifiable Information** or other information.

The insurability of **Penalties** will be in accordance with the law in the applicable venue that most favors coverage for such **Penalties**.

36. Period of Restoration means the 180-day period of time that begins upon the actual and necessary interruption of the **Insured Organization's** business operations.

37. Personally Identifiable Information means:

- a. any information concerning an individual that is defined as personal information under any **Breach Notice Law**; and
- b. an individual's drivers license or state identification number, social security number, unpublished telephone number, and credit, debit, or other financial account numbers in combination with associated security codes, access codes, passwords, or PINs; if such information allows an individual to be uniquely and reliably identified or contacted or allows access to the individual's financial account or medical record information.

but will not include information that is lawfully made available to the general public.

38. Privacy Policy means the **Insured Organization's** public declaration of its policy for collection, use, disclosure, sharing, dissemination and correction or supplementation of, and access to **Personally Identifiable Information**.

39. Punitive Damages means any damages imposed to punish a wrongdoer and to deter others from similar conduct.

40. Regulatory Proceeding means a request for information, civil investigative demand, or civil proceeding brought by or on behalf of any federal, state, local or foreign governmental entity in such entity's regulatory or official capacity.

41. Reputational Income Loss means the net profit resulting directly from the **Insured Organization's** business operations, before income taxes, that the **Insured Organization** is prevented from earning as a direct result of damage to the **Insured Organization's** reputation caused by an actual or reasonably suspected **Data Breach** or **Security Breach**. In determining **Reputational Income Loss**, due consideration shall be given to the prior experience of the **Insured Organization's** business operations before the beginning of the **Notification Period** and to the reasonable and probable business operations the **Insured Organization** could have performed had the actual or reasonably suspected **Data Breach** or **Security Breach** not occurred.

Reputational Income Loss does not include any internal salary, costs, or overhead expenses of the **Insured Organization**.

42. Reputational Loss means the **Reputational Income Loss** during the **Notification Period**; provided that Reputational Loss shall not mean and no coverage shall be available under this endorsement for any of the following: loss arising out of any liability to any third party for whatever reason; legal costs or legal expenses of any type; loss incurred as a result of unfavorable business conditions, loss of market or any other consequential loss;

or costs or expenses the **Insured Organization** incurs to identify, investigate, respond to or remediate an actual or reasonably suspected **Data Breach** or **Security Breach**.

43. Securities means negotiable and non-negotiable instruments or contracts representing either **Money** or tangible property that has intrinsic value.

44. Security Breach means a failure of computer security to prevent:

- a. **Unauthorized Access or Use of Computer Systems**, including **Unauthorized Access or Use** resulting from the theft of a password from a **Computer System** or from any **Insured**;
- b. a denial of service attack affecting **Computer Systems**;
- c. with respect to coverage under the Liability insuring agreements, a denial of service attack affecting computer systems that are not owned, operated, or controlled by an **Insured**; or
- d. infection of **Computer Systems** by malicious code or transmission of malicious code from **Computer Systems**.

45. Subsidiary means any entity:

- a. which, on or prior to the inception date of this Endorsement, the **Named Insured** owns, directly or indirectly, more than 50% of the outstanding voting securities ("Management Control"); and
- b. which the **Named Insured** acquires Management Control after the inception date of this Endorsement; provided that:
 - i. the revenues of such entity do not exceed 15% of the **Named Insured's** annual revenues; or
 - ii. if the revenues of such entity exceed 15% of the **Named Insured's** annual revenues, then coverage under this Endorsement will be afforded for a period of 60 days, but only for any **Claim** that arises out of any act, error, omission, incident, or event first occurring after the entity becomes so owned. Coverage beyond such 60 day period will only be available if the **Named Insured** gives us written notice of the acquisition, obtains our written consent to extend coverage to the entity beyond such 60 day period and agrees to pay any additional premium required by us.

This Endorsement provides coverage only for acts, errors, omissions, incidents, or events that occur while the **Named Insured** has Management Control over an entity.

46. Telephone Fraud means the act of a third party gaining access to and using the **Insured Organization's** telephone system in an unauthorized manner.

47. Third Party Information means any trade secret, data, design, interpretation, forecast, formula, method, practice, credit or debit card magnetic strip information, process, record, report, or other item of information of a third party not insured under this Endorsement which is not available to the general public.

48. Transfer Account means an account maintained by the **Insured Organization** at a **Financial Institution** from which the **Insured Organization** can initiate the transfer, payment or delivery of **Money** or **Securities**.

49. Unauthorized Access or Use means the gaining of access to or use of **Computer Systems** by an unauthorized person(s) or the use of **Computer Systems** in an unauthorized manner.

50. Unauthorized Disclosure means the disclosure of (including disclosure resulting from phishing) or access to information in a manner that is not authorized by the **Insured Organization** and is without knowledge of, consent or acquiescence of any member of the **Control Group**.

51. Waiting Period means the period of time that begins upon the actual interruption of the **Insured Organization's** business operations caused by a **Security Breach** and ends after the elapse of twelve (12) hours.

SECTION III – EXCLUSIONS

The coverage under this Endorsement will not apply to any **Loss** arising out of:

1. Bodily Injury or Property Damage

- a. Physical injury, sickness, disease, or death of any person, including any mental anguish or emotional distress resulting from such physical injury, sickness, disease, or death; or
- b. Physical injury to or destruction of any tangible property, including the loss of use thereof; but electronic data will not be considered tangible property;

2. Trade Practices and Antitrust

Any actual or alleged false, deceptive, or unfair trade practices, antitrust violation, restraint of trade, unfair competition (except as provided in the Media Liability insuring agreement), or false or deceptive or misleading

advertising or violation of the Sherman Antitrust Act, the Clayton Act, or the Robinson-Patman Act; but this exclusion will not apply to:

- a. The Breach Response insuring agreement; or
- b. Coverage for a **Data Breach** or **Security Breach**, provided no member of the **Control Group** participated or colluded in such **Data Breach** or **Security Breach**;

3. Gathering or Distribution of Information

- a. The unlawful collection or retention of **Personally Identifiable Information** or other personal information by or on behalf of the **Insured Organization**; but this exclusion will not apply to **Claims Expenses** incurred in defending the **Insured** against allegations of unlawful collection of **Personally Identifiable Information**; or
- b. The distribution of unsolicited email, text messages, direct mail, facsimiles or other communications, wire tapping, audio or video recording, or telemarketing, if such distribution, wire tapping, recording or telemarketing is done by or on behalf of the **Insured Organization**; but this exclusion will not apply to **Claims Expenses** incurred in defending the **Insured** against allegations of unlawful audio or video recording;

4. Prior Known Acts & Prior Noticed Claims

- a. Any act, error, omission, incident, or event committed or occurring prior to the inception date of this Endorsement if any member of the **Control Group** on or before the inception date of this Endorsement knew or could have reasonably foreseen that such act, error or omission, incident or event might be expected to be the basis of a **Claim or Loss**;
- b. Any **Claim, Loss**, incident, or circumstance for which notice has been provided under any prior policy or endorsement of which this Endorsement is a renewal or replacement;

5. Racketeering, Benefit Plans, Employment Liability & Discrimination

- a. Any actual or alleged violation of the Organized Crime Control Act of 1970 (commonly known as Racketeer Influenced and Corrupt Organizations Act or RICO), as amended;
- b. Any actual or alleged acts, errors or omissions related to any of the **Insured Organization's** pension, healthcare, Welfare, profit sharing, mutual or investment plans, funds, or trusts;
- c. Any employer-employee relations, policies, practices, acts, or omissions, or any actual or alleged refusal to employ any person, or misconduct with respect to employees; or
- d. Any actual or alleged discrimination;

but this exclusion will not apply to coverage under the Breach Response insuring agreement or parts 1., 2. or 3. of the Data & Network Liability insuring agreement that results from a **Data Breach**; provided no member of the **Control Group** participated or colluded in such **Data Breach**;

6. Sale or Ownership of Securities & Violation of Securities Laws

- a. The ownership, sale, or purchase of, or the offer to sell or purchase stock or other securities; or
- b. An actual or alleged violation of a securities law or regulation;

7. Criminal, Intentional, or Fraudulent Acts

- a. Any criminal act or omission, meaning any charge, guilty plea, or conviction,
- b. Any dishonest act or omission, meaning any willful perversion of truth in order to deceive, cheat, or defraud,
- c. Any fraudulent act or omission, or
- d. Any malicious act or omission, or
- e. Any intentional or knowing violation of the law,

if committed by an Insured, or by others if the Insured colluded or participated in any such conduct or activity; but this exclusion will not apply to:

- a. **Claims Expenses** incurred in defending any **Claim** alleging the foregoing until there is a final non-appealable adjudication establishing such conduct; or
- b. With respect to a natural person Insured, if such Insured did not personally commit, participate in, or know about any act, error, omission, incident, or event giving rise to such **Claim or Loss**.

For purposes of this exclusion, only acts, errors, omissions, or knowledge of a member of the **Control Group** will be imputed to the **Insured Organization**;

2. Patent, Software Copyright, Misappropriation of Information

- a. Infringement, misuse or abuse of patent or patent rights;

- b. Infringement of copyright arising from or related to software code or software products other than infringement resulting from a theft or **Unauthorized Access or Use** of software code by a person who is not a past, present, or future employee, director, officer, partner, or independent contractor of the **Insured Organization**; or
- c. Use or misappropriation of any ideas, trade secrets or **Third Party Information**
 - i. By, or on behalf of, the **Insured Organization**, or
 - ii. By any other person or entity if such use or misappropriation is done with the knowledge, consent, or acquiescence of a member of the **Control Group**;

3. **Governmental Actions**

A **Claim** brought by or on behalf of any state, federal, local, or foreign governmental entity, in such entity's regulatory or official capacity; but this exclusion will not apply to the Regulatory Defense & Penalties insuring agreement;

4. **Other Insureds & Related Enterprises**

A **Claim** made by or on behalf of:

- a. Any Insured; but this exclusion will not apply to a **Claim** made by an **Additional Insured** or an individual that is not a member of the **Control Group** under the Data & Network Liability insuring agreement; or
- b. Any business enterprise in which any Insured has greater than 15% ownership interest or made by any parent company or other entity which owns more than 15% of the **Named Insured**;

5. **Trading Losses, Loss of Money & Discounts**

- a. Any trading losses, trading liabilities or change in value of accounts;
- b. Any loss, transfer or theft of monies, securities or tangible property of the Insured or others in the care, custody, or control of the Insured Organization;
- c. The monetary value of any transactions or electronic fund transfers by or on behalf of the Insured which is lost, diminished, or damaged during transfer from, into or between accounts; or
- d. The value of coupons, price discounts, prizes, awards, or any other valuable consideration given in excess of the total contracted or expected amount;

but this exclusion will not apply to coverage under the eCrime insuring agreement;

6. **Media-Related Exposures**

With respect to the Media Liability insuring agreement:

- a. Any contractual liability or obligation; but this exclusion will not apply to a **Claim** for misappropriation of ideas under implied contract;
- b. The actual or alleged obligation to make licensing fee or royalty payments;
- c. Any costs or expenses incurred or to be incurred by the **Insured** or others for the reprinting, reposting, recall, removal or disposal of any **Media Material** or any other information, content, or media, including any media or products containing such **Media Material**, information, content, or media;
- d. Any **Claim** brought by or on behalf of any intellectual property licensing bodies or organizations;
- e. The actual or alleged inaccurate, inadequate, or incomplete description of the price of goods, products or services, cost guarantees, cost representations, contract price estimates, or the failure of any goods or services to conform with any represented quality or performance;
- f. Any actual or alleged gambling, contest, lottery, promotional game, or other game of chance; or
- g. Any Claim made by or on behalf of any independent contractor, joint venturer, or venture partner arising out of or resulting from disputes over ownership of rights in **Media Material** or services provided by such independent contractor, joint venturer, or venture partner;

7. **First Party Loss**

With respect to the First Party Loss insuring agreements:

- a. Seizure, nationalization, confiscation, or destruction of property or data by order of any governmental or public authority;
- b. Costs or expenses incurred by the **Insured** to identify or remediate software program errors or vulnerabilities or update, replace, restore, assemble, reproduce, recollect, or enhance data or **Computer Systems** to a level beyond that which existed prior to a **Security Breach** or **Extortion Threat**;
- c. Failure or malfunction of satellites or of power, utility, mechanical or telecommunications (including internet) infrastructure or services that are not under the **Insured Organization's** direct operational control; or

- d. Fire, flood, earthquake, volcanic eruption, explosion, lightning, wind, hail, tidal wave, landslide, act of God or other physical event;

8. War and Civil War

War, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority; provided, that this exclusion will not apply to **Cyber Terrorism**. For purposes of this exclusion, **Cyber Terrorism** means the premeditated use of disruptive activities, or threat to use disruptive activities, against a **Computer System** or network with the intention to cause harm, further social, ideological, religious, political, or similar objectives, or to intimidate any person(s) in furtherance of such objectives;

9. Radioactive Contamination

Ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;

10. Sanction Limitation

Payment of a **Claim** or provision of a benefit that would expose us to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, law or regulations of the European Union, United Kingdom, or United States of America.

SECTION IV – LIMIT OF LIABILITY AND COVERAGE

1. The Endorsement Aggregate Limit of Liability listed in the Supplemental Declarations (the “**Endorsement Aggregate Limit of Liability**”) is our combined total limit of liability for all **Loss** payable under this Endorsement, other than **Breach Response Services**.
2. The limit of liability payable under each insuring agreement will be an amount equal to the **Endorsement Aggregate Limit of Liability** unless another amount is listed in the Supplemental Declarations. Such amount is the aggregate amount payable under this Endorsement pursuant to such insuring agreement and is part of, and not in addition to, the **Endorsement Aggregate Limit of Liability**.
3. The **Breach Response Aggregate Limit of Coverage** listed in the Supplemental Declarations (the “**Breach Response Aggregate Limit of Coverage**”) is our combined total limit of coverage for all legal, forensic, public relations and crisis management, notification, call center and credit or identity monitoring services payable under this Endorsement. Coverage under the **Breach Response Aggregate Limit of Coverage** is in addition to the **Endorsement Aggregate Limit of Liability**.
4. We will not be obligated to pay any **Damages, Penalties, PCI Fines, Expenses and Costs** or **Claims Expenses**, or to defend any **Claim**, after the **Endorsement Aggregate Limit of Liability** has been exhausted, or after deposit of the **Endorsement Aggregate Limit of Liability** in a court of competent jurisdiction.

SECTION V – RETENTIONS

1. The Retention listed in the Supplemental Declarations applies separately to each incident, event or related incidents or events giving rise to a **Claim** or **Loss**. The Retention will be satisfied by monetary payments by the **Named Insured** of covered **Loss** under each insuring agreement. If any **Loss** arising out of an incident or **Claim** is subject to more than one Retention, the Retention for each applicable insuring agreement will apply to such **Loss**, provided that the sum of such Retention amounts will not exceed the largest applicable Retention amount.
2. Coverage for **Business Interruption Loss** will apply after the **Waiting Period** has elapsed and we will then indemnify the **Named Insured** for all **Business Interruption Loss** sustained during the **Period of Restoration** in excess of the Retention.
3. Satisfaction of the applicable Retention is a condition precedent to the payment of any **Loss** under this Endorsement, and we will be liable only for the amounts in excess of such Retention.

SECTION VI – OPTIONAL EXTENSION PERIOD

1. Upon non-renewal or cancellation of this Endorsement for any reason except the non-payment of premium, the **Named Insured** will have the right to purchase, for additional premium, an Optional Extension Period of twelve (12) months. Coverage provided by such Optional Extension Period will only apply to **Claims** first made against any

Insured during the Optional Extension Period and reported to us during the Optional Extension Period, and arising out of any act, error or omission committed before the end of the **Endorsement Period**. In order for the **Named Insured** to invoke the Optional Extension Period option, the payment of the additional premium for the Optional Extension Period must be paid to us within 60 days of the termination of this Endorsement.

2. The purchase of the Optional Extension Period will in no way increase the **Endorsement Aggregate Limit of Liability** or any sublimit of liability. At the commencement of the Optional Extension Period the entire premium will be deemed earned, and in the event the **Named Insured** terminates the Optional Extension Period for any reason prior to its natural expiration, we will not be liable to return any premium paid for the Optional Extension Period. Once the Optional Extension Period has gone into effect, it cannot be cancelled by us.

SECTION VII – GENERAL CONDITIONS

1. **Notice of Claim or Loss**
 - a. The **Insured** must notify us of any **Claim** as soon as practicable, but in no event later than:
 - i. 60 days after the end of the **Endorsement Period**; or
 - ii. The end of the Optional Extension Period (if applicable).
 - b. With respect to **Breach Response Services**, the **Insured** must notify us of any actual or reasonably suspected **Data Breach** or **Security Breach** as soon as practicable after discovery by the **Insured**, but in no event later than 60 days after the end of the **Endorsement Period**. Notice of an actual or reasonably suspected **Data Breach** or **Security Breach** in conformance with this paragraph will also constitute notice of a circumstance that could reasonably be the basis for a **Claim**.
 - c. With respect to **Cyber Extortion Loss**, the **Named Insured** must notify us as soon as practicable after discovery of an **Extortion Threat** but no later than 60 days after the end of the **Endorsement Period**. The **Named Insured** must obtain our consent prior to incurring **Cyber Extortion Loss**.
 - d. With respect to **Data Recovery Costs**, **Business Interruption Loss** and **Reputational Loss**, the **Named Insured** must notify us as soon as practicable after discovery of the circumstance, incident or event giving rise to such loss. The **Named Insured** will provide us a proof of **Data Recovery Costs**, **Business Interruption Loss**, and **Reputational Loss**. All loss described in this paragraph must be reported, and all proofs of loss must be provided, to us no later than 6 months after the end of the **Endorsement Period**.
 - e. The **Named Insured** must notify us of any loss covered under the eCrime insuring agreement as soon as practicable, but in no event later than 60 days after the end of the **Endorsement Period**.
 - f. Any **Claim** arising out of a **Loss** that is covered under the Breach Response, First Party Loss or eCrime insuring agreements and that is reported to us in conformance with the foregoing will be considered to have been made during the **Endorsement Period**.
2. **Notice of Circumstance**
 - a. With respect to any circumstance that could reasonably be the basis for a **Claim** (other than a **Data Breach** or **Security Breach**) noticed under the Breach Response insuring agreement the **Insured** may give written notice of such circumstance to us as soon as practicable during the **Endorsement Period**. Such notice must include:
 - i. the specific details of the act, error, omission, or event that could reasonably be the basis for a **Claim**;
 - ii. the injury or damage which may result or has resulted from the circumstance; and
 - iii. the facts by which the **Insured** first became aware of the act, error, omission, or event.
 - b. Any subsequent **Claim** made against the **Insured** arising out of any circumstance reported to us in conformance with the foregoing will be considered to have been made at the time written notice complying with the above requirements was first given to Us during the **Endorsement Period**.
3. **Defense of Claims**
 - a. Except with respect to coverage under the Payment Card Liabilities & Costs insuring agreement, we have the right and duty to defend any covered **Claim** or **Regulatory Proceeding**. Defense counsel will be mutually agreed by the **Named Insured** and us but, in the absence of such agreement, our decision will be final.
 - b. With respect to the Payment Card Liabilities & Costs insuring agreement, coverage will be provided on an indemnity basis and legal counsel will be mutually agreed by the **Named Insured** and us and will be selected from one of the firms on our panel.
4. **Settlement of Claims**

- a. If the **Insured** refuses to consent to any settlement recommended by us and acceptable to the claimant, our liability for such **Claim** will not exceed:
 - i. The amount for which the **Claim** could have been settled, less the remaining Retention, plus the **Claims Expenses** incurred up to the time of such refusal; plus
 - ii. Sixty percent (60%) of any **Claims Expenses** incurred after the date such settlement or compromise was recommended to the **Insured** plus sixty percent (60%) of any **Damages, Penalties and PCI Fines, Expenses and Costs** above the amount for which the **Claim** could have been settled; and we will have the right to withdraw from the further defense of such **Claim**.
- b. The **Insured** may settle any **Claim** where the **Damages, Penalties, PCI Fines, Expenses and Costs** and **Claims Expenses** do not exceed the Retention, provided that the entire **Claim** is resolved and the **Insured** obtains a full release on behalf of all **Insureds** from all claimants.

5. Assistance and Cooperation

- a. We will have the right to make any investigation we deem necessary, and the **Insured** will cooperate with us in all investigations, including investigations regarding coverage under this Endorsement and the information and materials provided to us in connection with the underwriting and issuance of this Endorsement. The **Insured** will execute or cause to be executed all papers and render all assistance as is requested by us. The **Insured** agrees not to take any action which in any way increases our exposure under this Endorsement. Expenses incurred by the **Insured** in assisting and cooperating with us do not constitute **Claims Expenses** under the Endorsement.
- b. The **Insured** will not admit liability, make any payment, assume any obligations, incur any expense, enter into any settlement, stipulate to any judgment or award or dispose of any **Claim** without our written consent, except as specifically provided in the Settlement of Claims clause above. Compliance with a **Breach Notice Law** will not be considered an admission of liability.

6. Subrogation

- a. If any payment is made under this Endorsement and there is available to us any of the **Insured's** rights of recovery against any other party, then we will maintain all such rights of recovery. The **Insured** will do whatever is reasonably necessary to secure such rights and will not do anything after an incident or event giving rise to a **Claim or Loss** to prejudice such rights. If the **Insured** has waived its right to subrogate against a third party through written agreement made before an incident or event giving rise to a **Claim or Loss** has occurred, then we waive our rights to subrogation against such third party. Any recoveries will be applied first to subrogation expenses, second to **Loss** paid by us, and lastly to the Retention. Any additional amounts recovered will be paid to the **Named Insured**.

7. Other Insurance

- a. The insurance under this Endorsement will apply as primary over any other valid and collectible insurance available to any **Insured**.

8. Action Against Us

- a. No action will lie against us or our representatives unless and until, as a condition precedent thereto, the **Insured** has fully complied with all provisions, terms and conditions of this Endorsement and the amount of the **Insured's** obligation to pay has been finally determined either by judgment or award against the **Insured** after trial, regulatory proceeding, arbitration or by written agreement of the **Insured**, the claimant, and us.
- b. No person or organization will have the right under this Endorsement to join us as a party to an action or other proceeding against the **Insured** to determine the **Insured's** liability, nor will we be impleaded by the **Insured** or the **Insured's** legal representative.
- c. The **Insured's** bankruptcy or insolvency of the **Insured's** estate will not relieve us of our obligations hereunder.

9. Entire Agreement

- a. By acceptance of the Endorsement, all **Insureds** agree that this Endorsement embodies all agreements between us and the **Insured** relating to this Endorsement. Notice to any agent, or knowledge possessed by any agent or by any other person, will not affect a waiver or a change in any part of this Endorsement or stop us from asserting any right under the terms of this Endorsement; nor will the terms of this Endorsement be waived or changed, except by endorsement issued to form a part of this Endorsement signed by us.

10. Assignment

- a. The interest hereunder of any **Insured** is not assignable. If the **Insured** dies or is adjudged incompetent, such insurance will cover the **Insured's** legal representative as if such representative were the **Insured**, in accordance with the terms and conditions of this Endorsement.

11. Singular Form of a Word

- a. Whenever the singular form of a word is used herein, the same will include the plural when required by context.

12. Headings

- a. The titles of paragraphs, clauses, provisions, or endorsements of or to this Endorsement are intended solely for convenience and reference, and are not deemed in any way to limit or expand the provisions to which they relate and are not part of the Endorsement.

13. Representation by the Insured

- a. All **Insureds** agree that the statements contained in the information and materials provided to us in connection with the underwriting and issuance of this Endorsement are true, accurate and are not misleading, and that we issued this Endorsement, and assume the risks hereunder, in reliance upon the truth thereof.

14. Named Insured as Agent

- a. The **Named Insured** will be considered the agent of all **Insureds** and will act on behalf of all **Insureds** with respect to the giving of or receipt of all notices pertaining to this Endorsement, and the acceptance of any endorsements to this Endorsement. The **Named Insured** is responsible for the payment of all premiums and Retentions and for receiving any return premiums.

15. Territory

- a. This Insurance applies to **Claims** made, acts committed, or **Loss** occurring anywhere in the world.

16. Antistacking

- a. In the event any incident, event or related incidents or events, giving rise to a **Claim**, **Loss**, or an obligation to provide **Breach Response Services** triggers coverage under this Endorsement and any other endorsement issued by us, our liability under this Endorsement and such other endorsements combined shall not exceed the amount of the largest **Endorsement Aggregate Limit of Liability** or applicable sublimits of liability.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SILICA OR SILICA-RELATED DUST EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

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

2. Exclusions

This insurance does not apply to:

Silica Or Silica-Related Dust

- a.** "Bodily injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, or ingestion of, "silica" or "silica-related dust".
- b.** "Property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
- c.** Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.

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

2. Exclusions

This insurance does not apply to:

Silica Or Silica-Related Dust

- a.** "Personal and advertising injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
- b.** Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.

C. The following definitions are added to the Definitions Section:

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LEAD EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

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

2. Exclusions

This insurance does not apply to:

Lead

- a.** "Bodily injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected absorption, inhalation of, or ingestion of any form of lead.
- b.** "Property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, any form of lead.
- c.** Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, any form of lead by any insured or by any other person or entity.

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

2. Exclusions

This insurance does not apply to:

Lead

- a.** "Personal and advertising injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any form of lead.
- b.** Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, lead, by any insured or by any other person or entity.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EQUIPMENT BREAKDOWN ENHANCEMENT ENDORSEMENT

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
EXTRA EXPENSE COVERAGE FORM
CAUSES OF LOSS – BASIC FORM
CAUSES OF LOSS – BROAD FORM
CAUSES OF LOSS – SPECIAL FORM

Read the entire endorsement carefully to determine rights, duties and what is and is not covered.

A. Coverage

Additional Coverages

The following Additional Coverages are added as a part of and not in addition to the limit per loss:

1. Pollutant Clean Up and Removal

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

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

2. Expediting Expenses

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

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

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

3. Refrigerant Contamination

We will pay the loss from contamination by refrigerant used in refrigerating, cooling or humidity control equipment at the described premises as a result of an "equipment breakdown".

The most we will pay for Refrigerant Contamination is \$250,000 unless another limit is provided by the Deductible and Limits Exceptions Schedule to which this endorsement can be attached. In that case, the limit provided by the Deductible and Limits Exceptions Schedule will apply.

4. Spoilage

We will pay for loss of "perishable goods" due to spoilage resulting from lack of power, light, heat, steam or refrigeration caused by an "equipment breakdown".

However, we will not pay for any loss, damage, cost or expense directly caused by, contributed to by, resulting from or arising out of the following causes of loss:

Fire, lightning, combustion explosion, windstorm or hail, weight of snow, ice or sleet, freezing, falling

objects, smoke, aircraft or vehicles, riot or civil commotion, vandalism, sinkhole collapse, volcanic action, leakage from fire extinguishing equipment, water, water damage, earth movement or flood.

The most we will pay for Spoilage is \$250,000 unless another limit is provided by the Deductible and Limits Exceptions Schedule to which this endorsement can be attached. In that case, the limit provided by the Deductible and Limits Exceptions Schedule will apply.

5. CFC Refrigerants

We will pay for the additional cost to repair or replace Covered Property because of the use or presence of a refrigerant containing CFC (chlorofluorocarbon) substances resulting from an "equipment breakdown".

Additional Costs mean those in excess of what would have been required to repair or replace covered property, had no CFC refrigerant been involved. We also pay for additional loss as described under the Spoilage or Loss of Income Coverages provided by this endorsement, caused by the presence of a refrigerant containing CFC substances.

We will pay no more than the least of the following:

- (1) The cost to repair the damaged property and replace any lost CFC refrigerant;
- (2) The cost to repair the damaged property, retrofit the system to accept a non-CFC refrigerant, and charge the system with a non-CFC refrigerant; or
- (3) The cost to replace the system with one using a non-CFC refrigerant.

6. Computer Equipment

We will pay for loss or damage to your computer equipment caused by an "equipment breakdown".

7. Service Interruption

Any insurance provided for Business Income, Extra Expense, Spoilage or Data Restoration is extended to apply to your loss, damage or expense caused by an "equipment breakdown" to equipment that is owned by a utility, landlord or other supplier with whom you have a contract to supply you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, "cloud computing", wide area networks or data transmission. The equipment must meet the definition of "equipment breakdown" except that it is not Covered Property.

8. Data Restoration

We will pay for your reasonable and necessary cost to research, replace and restore the lost information on electronic media and records as a result of an "equipment breakdown".

The most we will pay for Data Restoration is \$100,000.

9. Unauthorized Instruction

We will pay for loss or damage to your "computer equipment" caused by an "unauthorized instruction" which results in an "equipment breakdown".

10. Risk Improvement

If Covered Property suffers direct physical loss or damage due to an "equipment breakdown", we will pay for the insured to improve the "power quality" of the electrical system or equipment at the loss location where the "equipment breakdown" occurred.

We will pay the reasonable extra cost to improve "power quality" for the following electrical systems and/or equipment improvements:

- (1) Installation of surge protection devices (SPD's) which are installed at the loss location's line disconnect, load disconnect, or on specific pieces of equipment and that are certified by Underwriter Laboratories (UL) or has an equivalent certification.
However SPD's do not include any SPD's which are cord-connected surge strips, direct plug-in SPD's or receptacle SPD's;
- (2) An upgrade and/or replacement of; electrical panels, switchgear and/or circuit breakers; or
- (3) Electrical wire and wiring improvements which include installation of; flexible conduit, junction boxes and/or ground wiring.

We will not pay more than 10%, to a maximum limit of \$10,000, of the loss amount paid. An

invoice for implementation of this Additional Coverage must be sent to us within 180 days after the payment of the loss is received.

11. Off-Premises Coverage

We will pay for loss or damage to Covered Property resulting from a covered "equipment breakdown" while temporarily at a premises or location that is not a described premises.

The most we will pay for Off-Premises Coverage is \$25,000.

F. Additional Conditions

The following Additional Conditions are added:

1. Suspension

Whenever Covered Property is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss to that Covered Property for the perils covered by this endorsement. Coverage can be suspended and possibly reinstated by delivering or mailing a written notice of suspension / coverage reinstatement to:

- a. Your last known address; or
- b. The address where the property is located.

2. Jurisdictional Inspections

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

3. Environmental, Safety and Efficiency Improvements

If Covered Property requires replacement due to an "equipment breakdown", we will pay your additional cost to replace with equipment that is better for the environment, safer, or more energy efficient than the equipment being replaced.

However, we will not pay more than 150% of what the cost would have been to repair or replace with like kind and quality. This Condition does not apply to any property to which Actual Cash Value applies.

4. Green Environmental and Efficiency Improvements

If Covered Property requires repair or replacement due to an "equipment breakdown", we will pay;

- a. The lesser of the reasonable and necessary additional cost incurred by you to repair or replace physically damaged Covered Property with equipment of like kind and quality which qualifies as "green". Like kind and quality includes similar size and capacity.
- b. The additional reasonable and necessary fees incurred by you for an accredited professional certified by a "green authority" to participate in the repair or replacement of physically damaged Covered Property as "green".
- c. The additional reasonable and necessary cost incurred by you for certification or recertification of the repaired or replaced Covered Property as "green".
- d. The additional reasonable and necessary cost incurred by you for "green" in the removal, disposal or recycling of damaged Covered Property.
- e. The business interruption (if covered within the Policy to which this **Equipment Breakdown Enhancement Endorsement** is attached) loss during the additional time required for repair or replacement of Covered Property, consistent with "green", in the coverages above.

We will not pay more than 150%, to a maximum limit of \$100,000, of what the cost would have been to repair or replace with equipment of like kind and quality inclusive of fees, costs, and any business interruption loss incurred as stated above.

Green Environmental and Efficiency Improvements does not cover any of the following:

- a. Covered Property does not include stock, raw materials, finished goods, "production machinery", merchandise, electronic data processing equipment not used in the functional support of the real property, process water, molds and dies, property in the open, property of others for which you are legally liable, or personal property of others.
- b. Any loss adjusted on any valuation basis other than a repair or replacement basis as per the Valuation section of this policy.

- c. Any loss covered under any other section of this policy.
- d. Any cost incurred due to any law or ordinance with which you were legally obligated to comply prior to the time of the “equipment breakdown”.

H. Definitions

The following **Definitions** are added:

1. “Cloud computing” means on-demand network access to a shared pool of computing resources via networks, servers, storage, applications and services provided by an organization with whom you have a contract with using the following service models: Software as a Service (SaaS), Platform as a Service (PaaS) and Infrastructure as a Service (IaaS) on the following deployment models: public cloud, community cloud, hybrid cloud and private cloud.
2. “Computer equipment” means Covered Property that is electronic computer or other data processing equipment, including peripherals used in conjunction with such equipment, and electronic media and records.
3. “Electronic equipment” means devices which operate using many small electrical parts such as, but not limited to, microchips, transistors or circuits.
4. “Electronic equipment deficiency” means the quality or condition inside of “electronic equipment” which renders this equipment unexpectedly inoperable and which is operable again once a piece of “electronic equipment” has been replaced.

However, “electronic equipment deficiency” will not include replacement of “electronic equipment” for any condition that could have been resolved without replacement of the “electronic equipment” including but not limited to “computer equipment” maintenance or the reinstallation or incompatibility of software.

5. “Equipment breakdown” as used herein means:

- a. Physical loss or damage both originating within:

- (1) Boilers, fired or unfired pressure vessels, vacuum vessels, and pressure piping, all normally subject to vacuum or internal pressure other than static pressure of contents, excluding:
 - (a) waste disposal piping;
 - (b) any piping forming part of a fire protective system;
 - (c) furnaces; and
 - (d) any water piping other than:
 - (i) boiler feed water piping between the feed pump and the boiler;
 - (ii) boiler condensate return piping; or
 - (iii) water piping forming part of a refrigerating or air conditioning system used for cooling, humidifying or space heating purposes.
- (2) All mechanical, electrical, “electronic equipment” or fiber optic equipment; and

- b. Caused by, resulting from, or consisting of:

- (1) Mechanical breakdown;
- (2) Electrical or electronic breakdown and “electronic equipment deficiency”; or
- (3) Rupture, bursting, bulging, implosion, or steam explosion.

However, “equipment breakdown” will not mean:

- a. Physical loss or damage caused by or resulting from any of the following; however if loss or damage not otherwise excluded results, then we will pay for such resulting damage:
 - (1) Wear and Tear;
 - (2) Rust or other corrosion, decay, deterioration, hidden or latent defect, mold or any other quality in property that causes it to damage or destroy itself;
 - (3) Smog;
 - (4) Settling, cracking, shrinking or expansion;
 - (5) Nesting or infestation, or discharge or release of waste products or secretions, by birds, rodents or other animals;

- (6) Any accident, loss, damage, cost, claim, or expense, whether preventative, remedial, or otherwise, directly or indirectly arising out of or relating to the recognition, interpretation, calculation, comparison, differentiation, sequencing, or processing of data by any computer system including any hardware, programs or software;
- (7) Scratching and marring.
- b. Loss, damage, cost or expense directly caused by, contributed to by, resulting from or arising out of the following causes of loss:
 - Fire, lightning, combustion explosion, windstorm or hail, weight of snow, ice or sleet, freezing, falling objects, smoke, aircraft or vehicles, riot or civil commotion, vandalism, sinkhole collapse, volcanic action, leakage from fire extinguishing equipment, water, water damage, earth movement or flood.
- 6. "Green" means products, materials, methods and processes certified by a "green authority" that conserve natural resources, reduce energy or water consumption, avoid toxic or other polluting emissions or otherwise minimize environmental impact.
- 7. "Green authority" means an authority on "green" buildings, products, materials, methods or processes certified and accepted by Leadership in Energy and Environmental Design (LEED®), "green" Building Initiative Green Globes®, Energy Star Rating System or any other recognized "green" rating system.
- 8. "Perishable goods" means stock preserved and maintained under controlled conditions and susceptible to loss or damage if the controlled conditions change.
- 9. "Power quality" means the conditions that allow electrical systems or equipment to operate as intended by limiting voltage fluctuations and other power influences that would adversely affect the operational performance and/or reduce the reliability, or the life-span of the electrical system.
- 10. "Production machinery" means any machine which processes, forms, shapes, or transports raw materials, materials in process, waste materials or finished products.
- 11. "Unauthorized instruction" means a virus, harmful code or similar instruction introduced into or enacted on a computer system or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation.

CAUSES OF LOSS – BASIC FORM

A. Covered Causes of Loss

The following Covered Causes of Loss is added: "Equipment Breakdown"

B. Exclusions

1. The following Exclusions do not apply:

B.2.d. and B.2.e.

2. The following Exclusion is deleted and replaced with the following:

B.2.a. Magnetic or electromagnetic energy that 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, magnetic or electromagnetic energy includes but is not limited to:

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

However, if damage results causing an "equipment breakdown", we will pay for the loss or damage caused by that "equipment breakdown". But if fire results, we will pay for the loss or damage caused by that fire.

CAUSES OF LOSS – BROAD FORM

A. Covered Causes of Loss

The following Covered Causes of Loss is added:

"Equipment Breakdown"

B. Exclusions

1. The following **Exclusions** do not apply:

B.2.d. and B.2.e.

2. The following **Exclusion** is deleted and replaced with the following:

B.2.a. Magnetic or electromagnetic energy that 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, magnetic or electromagnetic energy includes but is not limited to:

(a) Electrical charge produced or conducted by a magnetic or electromagnetic field;

(b) Pulse of electromagnetic energy; or

(c) Electromagnetic waves or microwaves.

However, if damage results causing an "equipment breakdown", we will pay for the loss or damage caused by that "equipment breakdown". But if fire results, we will pay for the loss or damage caused by that fire.

CAUSES OF LOSS - SPECIAL FORM

A. Covered Causes of Loss

Covered Causes of Loss also means "equipment breakdown".

B. Exclusions

1. The following **Exclusions** do not apply:

B.2.d. (6) and B.2.e

2. The following **Exclusion** is deleted and replaced with the following:

B.2.a. Magnetic or electromagnetic energy that 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, magnetic or electromagnetic energy includes but is not limited to:

(a) Electrical charge produced or conducted by a magnetic or electromagnetic field;

(b) Pulse of electromagnetic energy; or

(c) Electromagnetic waves or microwaves.

However, if damage results causing an "equipment breakdown", we will pay for the loss or damage caused by that "equipment breakdown". But if fire results, we will pay for the loss or damage caused by that fire.

C. Limitations

The following **Limitations** do not apply:

C.1.a. and C.1.b.

G. Definitions

The following is added to the "Specified Causes of Loss" definition:

"Specified Causes of Loss" also means "equipment breakdown".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CYBER INCIDENT EXCLUSION

This endorsement modifies insurance provided under the following:

**COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY**

**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.

A cyber incident will not be considered to be vandalism.

B. Exceptions And Limitations

1. Fire Or Explosion

If a cyber incident as described in Paragraphs **A.1.** through **A.3.** of this exclusion results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

2. Additional Coverage

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

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

3. The exclusion in Paragraph **A.** does not apply to loss or damage to electronic data which is integrated in and operates or controls a building's elevator, lighting, heating, ventilation, air conditioning or security system.

C. Vandalism

The following is added to Vandalism, if Vandalism coverage is not otherwise excluded under the Standard Property Policy or the Cause 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.**

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 quotation marks 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, **A.1.**, and limited in **A.2.** Property Not Covered, if a Limit Of Insurance is shown in the Declarations for that type of property.

- a. **Building**, meaning the building or structure described in the Declarations, including:
 - (1) Completed additions;
 - (2) 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;
 - (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 distance 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; or
- 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 "stock" or 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 by or leased to the landlord of the building where your described premises are located, unless you have a contractual responsibility to insure such property and it is insured under this policy;
- (c) Remove any property that is Property Not Covered, including property addressed under the Outdoor Property Coverage Extension;

- (d) Remove property of others of a type that would not be Covered Property under this 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.

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) 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; or
- (b) Any costs associated with the enforcement of or compliance with an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "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 repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

- (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction, 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 as follows:

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 damage under this Extension is \$250,000 at each building.

(2) Your Business Personal Property

- (a)** If this policy covers Your Business Personal Property, you may extend that insurance to apply to:
 - (i)** Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions; or
 - (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)** 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c)** You report values to us.

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

b. Personal 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 "stock" or 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 of all loss or damage to business personal property is \$10,000 (unless a higher limit is indicated in the Declarations for such Extension) regardless of the number of storage units. 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.

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:

$$\begin{array}{r} \$ 60,100 \\ - \quad 250 \\ \hline \$ 59,850 \end{array}$$

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 necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
- (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.
Also, permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
- (7) 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 1:	\$ 75,000
Building at Location 2:	\$ 100,000
Personal Property at Location 2:	<u>\$ 75,000</u>
	\$ 250,000
The Coinsurance percentage for it is:	90%
The Limit of Insurance for Buildings and Personal Property at Locations 1 and 2 is:	\$ 180,000
The Deductible is:	\$ 1,000
The amount of loss is:	
Building at Location 2:	\$ 30,000
Personal Property at Location 2:	<u>\$ 20,000</u>
	\$ 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)** 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
- (2)** 30 days before the effective date of cancellation if we cancel for any other reason.
- g.** If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

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 the policy year (or last policy change) is: 146
 The amount of increase is: \$100,000 x .08 x 146 ÷ 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 repair or replacement is 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 3.b.(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 by-products produced or released by fungi.
2. "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.
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 2 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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ORDINANCE OR LAW COVERAGE

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
STANDARD PROPERTY POLICY

SCHEDULE

Building Number/ Premises Number	Coverage A	Coverage B Limit Of Insurance	Coverage C Limit Of Insurance	Coverages B And C Combined Limit Of Insurance	*
1 / 1	<input checked="" type="checkbox"/>	\$	\$	\$ 500,000	*
2 / 1	<input checked="" type="checkbox"/>	\$	\$	\$ 500,000	*
/	<input type="checkbox"/>	\$	\$	\$	*
Post-Loss Ordinance Or Law Option: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>					
*Do not enter a Combined Limit of Insurance if individual Limits of Insurance are selected for Coverages B and C, or if one of these Coverages is not applicable.					
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.					

A. 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 above Schedule and then only with respect to the building identified for that Coverage(s) in the Schedule.

B. 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:

1. 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 **B.2.** applies instead of this Paragraph **B.1.**

2. The requirements of the ordinance or law are in force at the time of loss; or the ordinance or 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.

3. 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.

4. Coverage under this endorsement 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 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.

5. If coverage applies under this endorsement based on the terms of Paragraph **B.4.b.**, 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 damage bears to the total direct physical damage.

(Paragraph **F** 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.

6. We will not pay under this endorsement for:
 - a. Enforcement of or compliance with any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
 - b. The costs associated with the enforcement of or compliance with any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

7. 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.

C. Coverage

1. Coverage A – Coverage For Loss To The Undamaged Portion Of The Building

With respect to the building that has sustained covered direct physical damage, we will pay under Coverage **A** for the loss in value of the undamaged portion of the building as a consequence of 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.

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.

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

3. Coverage C – Increased Cost Of Construction Coverage

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

- (1) Repair or reconstruct damaged portions of that building; and/or
- (2) Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

when the increased cost is a consequence of a requirement to comply with the minimum standards of the ordinance or law.

However:

- (1) 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.

(2) 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.

b. When a building is damaged or destroyed and Coverage **C** applies to that building in accordance with Paragraph **C.3.a.** above, coverage for the increased cost of construction also applies to repair or reconstruction of the following, subject to the same conditions stated in Paragraph **C.3.a.:**

- (1) The cost of excavations, grading, backfilling and filling;
- (2) Foundation of the building;
- (3) Pileings; and
- (4) Underground pipes, flues and drains.

The items listed in **b.(1)** through **b.(4)** above are deleted from Property Not Covered, but only with respect to the coverage described in this provision, **3.b.**

D. Loss Payment

1. All following loss payment provisions, **D.2.** through **D.5.**, are subject to the apportionment procedures set forth in Paragraph **B.5.** of this endorsement.

2. 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 lesser of:

- (1) 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

(2) 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.)

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 lesser of:

- (1) The actual cash value of such building at the time of loss; or
- (2) 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.)

3. Unless Paragraph **D.5.** 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:

- a. The amount you actually spend to demolish and clear the site of the described premises; or
 - b. The applicable Limit Of Insurance shown for Coverage **B** in the Schedule.

4. Unless Paragraph **D.5.** applies, loss payment under Coverage **C** – Increased Cost Of Construction Coverage will be determined as follows:

- We will not pay under Coverage **C**:
 - Until the building is actually repaired or replaced, at the same or another premises; and
 - Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
- 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:
 - The increased cost of construction at the same premises; or
 - The applicable Limit Of Insurance shown for Coverage **C** in the Schedule.
- If the ordinance or law requires relocation to another premises, the most we will pay under Coverage **C** is the lesser of:
 - The increased cost of construction at the new premises; or
 - The applicable Limit Of Insurance shown for Coverage **C** in the Schedule.

5. If a Combined Limit Of Insurance is shown for Coverages **B** and **C** in the Schedule, Paragraphs **D.3.** and **D.4.** 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:

- For Demolition Cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.
- With respect to the Increased Cost of Construction:
 - We will not pay for the increased cost of construction:
 - Until the building is actually repaired or replaced, at the same or another premises; and

(b) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

- 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.
- 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.

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

F. Example of proportionate loss payment for Ordinance Or Law Coverage Losses (procedure as set forth in Paragraph **B.5.**).

Assume:

- Wind is a Covered Cause of Loss; Flood is an excluded Cause of Loss
- The building has a value of \$200,000
- Total direct physical damage to building: \$100,000
- The ordinance or law in this jurisdiction is enforced when building damage equals or exceeds 50% of the building's value
- Portion of direct physical damage that is covered (caused by wind): \$30,000
- Portion of direct physical damage that is not covered (caused by flood): \$70,000
- 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.

G. 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.

CAUSES OF LOSS – SPECIAL FORM

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

A. Covered Causes Of Loss

When Special is shown in the Declarations, Covered Causes of Loss means 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:

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

b. Earth Movement

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

(4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

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

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

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

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

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

Volcanic Action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss 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 result in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion does not apply:

- (1) When "fungus", wet or dry rot or bacteria result 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 **B.1.a.** through **B.1.h.** 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 **2.d.(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 your 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, 3.a. through 3.c. But if an excluded cause of loss that is listed in 3.a. through 3.c. results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

a. Weather conditions. 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, renovation, remodeling, grading, compaction;
- (3) Materials used in repair, construction, renovation or remodeling; or
- (4) Maintenance;

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

4. 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", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or

(b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage 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 **B.1.a.**, Ordinance Or Law, does not apply to insurance under this Coverage Form.

(2) We will not pay for any loss caused by:

- (a) Your cancelling the lease;
- (b) The suspension, lapse or cancellation of any license; or
- (c) Any other consequential loss.

c. Legal Liability Coverage Form

(1) The following exclusions do not apply to insurance under this Coverage Form:

- (a) Paragraph **B.1.a.** Ordinance Or Law;
- (b) Paragraph **B.1.c.** Governmental Action;
- (c) Paragraph **B.1.d.** Nuclear Hazard;
- (d) Paragraph **B.1.e.** Utility Services; and
- (e) Paragraph **B.1.f.** 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, processing, packaging, installation, maintenance or repair. This exclusion applies to any effect that compromises the form, substance or quality of the product. But if such error or omission results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

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 **d.**, 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 semiprecious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
- c.** \$2,500 for patterns, dies, molds and forms.
- d.** \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

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

This limitation, **C.3.**, 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 **D.1.** through **D.7.**

1. For the purpose of this Additional Coverage, Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.

2. We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this 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 **2.a.** or **2.b.**;
 - (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 **2.a.** through **2.d.**, 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 **2.a.** through **2.d.**;
- 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 **D.1.** through **D.7.**

E. Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria

1. The coverage described in **E.2.** and **E.6.** only applies when the "fungus", wet or dry rot or bacteria are the result of one or more of the following causes that occur 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 "specified 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 **E.2.** 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 "specified 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 continue to be present or active, or recur, 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 cause 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 **F.2.** (Water Damage, Other Liquids, Powder Or Molten Material Damage) of this Causes Of Loss form or under the Additional Coverage, Collapse.

6. The following, **6.a.** or **6.b.**, 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 roadbed.
- (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 Damage, Other Liquids, Powder Or Molten Material Damage

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material 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 **F.3.** does not increase the Limit of Insurance.

G. Definitions

- 1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
- 2. "Specified causes of loss" means the following: fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire-extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; 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.

PROPERTY ENHANCEMENT ENDORSEMENT

COMMERCIAL PROPERTY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CAUSES OF LOSS – SPECIAL FORM
COMMERCIAL PROPERTY CONDITIONS

When this endorsement is attached to the policy, insurance under the Building and Personal Property Coverage Form and the Causes of Loss – Special Form is enhanced to provide the coverages described in this endorsement. This coverage is subject to the provisions applicable to the Building and Personal Property Coverage Form, Causes of Loss – Special Form, and the Commercial Property Conditions.

SCHEDULE

Coverage Enhancements	Limits of Insurance Each Location
Coverage	
Premises Boundary	1,000 feet
Coverage Extensions	
Newly Acquired or Constructed Property	
Buildings	\$500,000. at Each Building
Business Personal Property	\$250,000. at Each Building
Personal Property of Others	\$ 10,000. at Replacement Cost
Employee Tools and Personal Effects	\$ 500. per person, max. limit \$2,500.
Valuable Papers and Records (Other than Electronic Data)	\$ 25,000.
Property Off-Premises (Including Laptops and Other Electronic Equipment)	\$ 25,000.
Outdoor Property (Named Perils)	\$ 1,000. per tree/shrub, max. limit \$25,000.
Non-Owned Detached Trailers	\$ 10,000.
Accounts Receivable	\$ 50,000.
Fine Arts	\$ 25,000.
Spoilage	\$ 10,000.
Property in Transit (Including Laptops and Other Electronic Equipment)	\$ 25,000.
Additional Coverages	
Debris Removal	\$ 25,000.
Pollutant Clean-up and Removal	\$ 15,000.
Electronic Data	\$ 25,000.
Interruption of Computer Operations	\$ 15,000.
Arson Reward	\$ 5,000.
Water Back-Up and Sump Overflow	\$ 25,000.
Brands and Labels	\$ 25,000.
Employee Theft	\$ 10,000.
Extra Expense	\$ 25,000.
Business Income From Dependent Properties	\$ 10,000.
Claims Expenses	\$ 10,000.
Inventory or Appraisal Cost	\$ 5,000.
Laptop Computers – Worldwide Coverage	\$ 5,000.
Money and Securities	
Inside	\$ 10,000.
Outside	\$ 5,000.
Off Premises Power Failure – Direct Damage	\$ 10,000.
Ordinance or Law Coverage	
Coverage A	Included within Building Limit.
Coverages B and C Combined	25% of Bldg. Limit, \$150,000. maximum
Outdoor Signs	\$ 10,000.
Recharging of Fire Extinguishers	\$ 5,000.
Surge Protection	\$ 10,000.
Unauthorized Business Card Use	\$ 5,000.
Forgery or Alteration	\$ 10,000.
Salespersons Samples	\$ 2,500.

The following applies to coverages under this endorsement only:

Coverage

The phrase 'within 100 feet of the described premises' used in Paragraphs **a.(5)(b)**, **b.** and **c.(2)** under **A.1. Covered Property** of the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM** and Paragraph **2.c.(1)** under **C. Limitations** of the **CAUSES OF LOSS – SPECIAL FORM** is replaced by the phrase 'within 1,000 feet of the described premises'.

Coverage Extensions

Paragraph **A.5. Coverage Extensions** of the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM** is deleted in its entirety and replaced by the following:

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 1,000 feet of the described premises.

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

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 damage under this Extension is \$500,000 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, at any location you acquire other than at fairs, trade shows or exhibitions;
- (ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or
- (iii) Business personal property that you newly acquire, located at the described premises.

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

- (b) This Extension does not apply to:

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

(3) Period Of Coverage

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

- (a) This policy expires;
- (b) 90 days expire after you acquire or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

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

b. Personal Property Of Others

- (1) This insurance is extended to cover personal property of others (not your officers, members, managers,

employees or partners) in your care, custody or control.

(2) The most we will pay for personal property of others in any one loss occurrence is \$10,000 at each premises described in the Declarations. 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) Extension Of Replacement Cost To Personal Property Of Others

(a) Replacement Cost coverage is extended to apply to personal property of others.

(b) Paragraphs 3.b.(1) and 4. under **G. Optional Coverages** of the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM** are deleted and all other provisions of the Replacement Cost Optional Coverage apply to replacement cost on personal property of others.

(c) 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.

c. Employee Tools And Personal Effects

(1) You may extend the insurance that applies to Your Business Personal Property to apply to:
Personal effects owned by you, your officers, your partners or members, your managers or your employees. This includes tools owned by your employees that are used in your business while on the premises described in the Declarations.

(2) The most we will pay for loss or damage for employee tools and personal effects in any one loss occurrence is \$500 per person, subject to a maximum of \$2,500 at each premises described in the Declarations. Our payment for loss of or damage to employee tools and personal effects will only be for the account of the owner of the property.

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

(1) You may extend the insurance that applies to Your Business Personal Property to apply to direct physical loss or damage to valuable papers and records that you own, or that are in your care, custody or control, caused by or resulting from a Covered Cause of Loss. This Extension includes the cost to research 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) Coverage under this Extension is limited to the "specified causes of loss" as defined in the **CAUSES OF LOSS – SPECIAL FORM**, and Collapse as set forth in that form.

(3) This Extension does not apply to:
(a) Property held as samples or for delivery after sale;
(b) Property in storage away from the premises shown in the Declarations.

(4) Section **B. Exclusions** in the **CAUSES OF LOSS – SPECIAL FORM** does not apply to this Extension, except for:
(a) Paragraph **B.1.c.** Governmental Action;
(b) Paragraph **B.1.d.** Nuclear Hazard;
(c) Paragraph **B.1.f.** War And Military Action;
(d) Paragraph **B.2.f.**;
(e) Paragraph **B.2.g.**; and
(f) Paragraph **B.3.**

(5) The most we will pay under this Extension for loss or damage to valuable papers and records in any one occurrence at each described premises is \$25,000.

For valuable papers and records not at a described premises, the most we will pay is \$5,000 in any one occurrence.

Such amounts are 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.

e. Property Off-Premises (Including Laptops And Other Electronic Equipment)

(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 \$25,000 in any one occurrence.

f. Outdoor Property (Named Perils)

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

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Vandalism;
- (5) Vehicle Damage;
- (6) Riot or Civil Commotion; or
- (7) Aircraft.

The most we will pay for loss or damage under this Extension is \$25,000, but not more than \$1,000 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.

g. 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 \$10,000, 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.

h. Accounts Receivable

- (1) You may extend the insurance that applies to Your Business Personal Property to accounts receivable. We will pay:
 - (a) All amounts due from your customers that you are unable to collect;
 - (b) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
 - (c) Collection expenses in excess of your normal collection expenses that are made necessary by "loss"; and
 - (d) Other reasonable expenses that you incur to re-establish your records of accounts receivable; that result from direct physical loss or damage by any Covered Cause of Loss to your records of accounts receivable.
- (2) The most we will pay under this Extension for loss or damage in any one occurrence at each described

"premises" is \$50,000.

(3) Section B. Exclusions in the **CAUSES OF LOSS – SPECIAL FORM** does not apply to this Extension, except for:

- (a) Paragraph **B.1.c.** Governmental Action;
- (b) Paragraph **B.1.d.** Nuclear Hazard;
- (c) Paragraph **B.1.f.** War And Military Action;
- (d) Paragraph **B.2.f.**;
- (e) Paragraph **B.2.g.**; and
- (f) Paragraph **B.3.**

(4) The following additional exclusion applies to this Extension:

We will not pay for:

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

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

- (b) Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions.
- (c) Any loss or damage that requires any audit of records or any inventory computation to prove its factual existence.

i. **Fine Arts**

- (1) You may extend the insurance that applies to Your Business Personal Property to cover "fine arts" owned by you and located on the premises described in the Declarations
- (2) In addition to the exclusions in **CAUSES OF LOSS – SPECIAL FORM** we will not pay for loss or damage caused by or resulting from repairing, restoration, or retouching processes.
- (3) In the event of loss or damage, we will pay the actual cash value of the item. The actual cash value will be the price you paid for the item, or the value as determined by an appraisal of the item not more than 360 days prior to the date of loss or damage. In no event will the actual cash value exceed the amount necessary to repair or replace the item with substantially like property.

(4) The most we will pay for "fine arts" at any premises described in the Declarations is \$25,000.

j. **Spoilage**

You may extend the insurance that applies to Your Business Personal Property to cover spoilage.

(1) **Covered Property**

Covered Property means "perishable stock" at the described premises owned by you or by others that is in your care, custody or control.

(2) **Property Not Covered**

The following is added to Paragraph **A.2. Property Not Covered** of the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**:

r. **Property located:**

- (1) On buildings;
- (2) In the open; or
- (3) In vehicles.

(3) **Covered Causes of Loss**

Covered Causes of Loss means the following:

- (a) Contamination by the refrigerant.
- (b) Power Outage, meaning change in temperature or humidity resulting from complete or partial interruption of electrical power, either on or off the described premises, due to conditions beyond your control.

(4) **Coverage Extensions**

Paragraph **A.5. Coverage Extensions** of the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM** does not apply.

(5) **Exclusions**

- (a) Only the following exclusions contained in Paragraph **B.1.** of the **CAUSES OF LOSS – SPECIAL FORM** apply to Spoilage Coverage:
 - (i) **B.1.b.** Earth Movement;

- (ii) **B.1.c.** Governmental Action;
- (iii) **B.1.d.** Nuclear Hazard;
- (iv) **B.1.f.** War and Military Action; and
- (v) **B.1.g.** Water

- (b) The following exclusions are added:

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

- (i) The disconnection of any refrigerating, cooling or humidity control system from the source of power;
- (ii) The deactivation of electrical power caused by the manipulation of any switch or other device used to control the flow of electrical power or current;
- (iii) The inability of an electrical utility company or other power source to provide sufficient power due to:
 - a) Lack of fuel; or
 - b) Governmental order;
- (iv) The inability of a power source at the described premises to provide sufficient power due to lack of generating capacity to meet demand; and
- (v) Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit.

(6) Limit of Liability

The most we will pay for spoilage under this Extension is \$10,000 in any one loss at the designated premises described in the Declarations.

k. Property In Transit (Including Laptops And Other Electronic Equipment)

F.1. under **Additional Coverage Extensions** of the **CAUSES OF LOSS – SPECIAL FORM** is deleted and replaced with the following:

1. Property In Transit (Including Laptops And Other Electronic Equipment)

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 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.
- b. Loss or damage must be caused by or result from one 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. It does not mean your vehicle's contact with the road bed.
 - (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.
- c. The most we will pay for loss or damage under this Extension is \$25,000.

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

Additional Coverages

The following are Additional Coverages. The Additional Condition, Coinsurance, does not apply to these coverages.

A. Debris Removal

A.4.a. of the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM** is deleted and replaced as follows:

a. Debris Removal

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

- (a) The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.
- (b) Subject to (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

(4) We will pay up to an additional \$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) apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$25,000.

(5) Examples

Example #1

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

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

Example #2

Limit of Insurance	\$ 90,000
Amount of Deductible	\$ 500
Amount of Loss	\$ 80,000
Amount of Loss Payable	\$ 79,500
	(\$80,000 – \$500)
Debris Removal Expense	\$ 35,500
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 (\$35,500) exceeds 25% of the loss payable plus the deductible (\$35,500 is 44.375% of \$80,000), and because the sum of the loss payable and debris removal expense (\$79,500 + \$35,500 = \$115,000) 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.

B. Pollutant Clean-up And Removal

A.4.d. of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM is deleted and replaced as follows:

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 \$15,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.

C. Electronic Data

A.4.f. of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM is deleted and replaced as follows:

f. Electronic Data

- (1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered, Electronic Data.
- (2) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore electronic data, which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.
- (3) In addition to the "specified causes of loss" as defined in the **CAUSES OF LOSS – SPECIAL FORM**, and Collapse as set forth in that form, the following are covered causes of loss:
 - (a) 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.
 - (b) Changes in your electrical power supply, including interruption, power surge, blackout or brownout, if the cause of such event originates 100 feet or less from any premises described in the Declarations;
 - (c) Dishonest acts committed by your employees acting alone or in collusion with other persons, except you or your partners, directors or trustees, but theft by employees is not covered;
 - (d) Dampness or dryness of atmosphere or changes in or extremes of temperature;
 - (e) Floods, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not; and
 - (f) Earth movement, such as an earthquake, landslide or earth sinking, rising or shifting.
- (4) The most we will pay under this **Additional Coverage – Electronic Data** is \$25,000 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.

D. Interruption Of Computer Operations

We will pay your necessary "Extra Expense" to continue normal operations caused by an interruption in computer operations due to destruction or corruption of your electronic data due to a Covered Cause of Loss.

We will also pay for your actual "Business Income" if you must close all or part of your business due to destruction or corruption of your electronic data due to a Covered Cause of Loss.

The most we will pay under this coverage is \$15,000 for any one occurrence.

Under this **Additional Coverage – Interruption Of Computer Operations**, electronic data has the meaning set forth in Paragraph 2. **Additional Limitation – Interruption of Computer Operations** included in **Additional Coverage - Extra Expense** of this form.

E. Arson Reward

We will reimburse you for an arson reward that you give to someone who discloses information that leads to the conviction of a person or persons for arson at the premises described in the Declarations.

The most we will pay under this coverage is \$5,000 each occurrence.

F. Water Back-Up And Sump Overflow

1. We will pay for direct physical loss or damage to Covered Property caused by or resulting from:
 - a. Water which backs up through or overflows from a sewer or drain; or

- b. Water which overflows from a sump, even if the overflow results from mechanical breakdown of a sump pump or its related equipment.

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

2. The coverage described in Paragraph **1.** above does not apply to loss or damage resulting from an insured's failure to:
 - a. Keep a sump pump or its related equipment in proper working condition; or
 - b. Perform the routine maintenance or repair necessary to keep a sewer or drain free from obstructions.
3. The most we will pay under this coverage is \$25,000 each occurrence.
4. With respect to the coverage provided in this **Additional Coverage – Water Back-Up And Sump Overflow**, Paragraph **3.** of the **Water Exclusion** included in this Policy does not apply.

G. Brands And Labels

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

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

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

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

H. Employee Theft

1. We will pay for direct loss of or damage to Your Business Personal Property and your "money" and "securities" resulting from "theft" committed by any of your "employees" acting alone or in collusion with other persons (except you or your partners, members or managers) with the manifest intent to:
 - a. Cause you to sustain loss or damage; and also
 - b. Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
 - (1) Any "employee"; or
 - (2) Any other person or organization.
2. We will not pay for loss or damage:
 - a. Resulting from any dishonest or criminal act that you or any of your partners, members, officers, "managers," directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose commit, whether acting alone or in collusion with other persons; or
 - b. The only proof of which as to its existence or amount is one or both of the following:
 - (1) An inventory computation; or
 - (2) A profit and loss computation.
3. The most we will pay under this Additional Coverage for loss or damage in any one occurrence is \$10,000.
4. All loss or damage:
 - a. Caused by one or more "employees"; and
 - b. Involving a single act or series of related acts;
is considered one occurrence.
5. 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.
6. This Additional Coverage does not apply to loss caused by an "employee" after discovery by:
 - a. You; or
 - b. Any of your partners, officers or directors, or members or "managers" not in collusion with the "employee"; of any "theft" or any other dishonest act committed by that "employee" before or after being hired by you.
7. **Extended Period To Discover Loss**
 - a. We will pay for loss that you sustained prior to the effective date of termination or cancellation of this policy, which is discovered by you no later than one year from the date of that termination or cancellation.

- b. However, this extended period to discover loss terminates immediately upon the effective date of any other insurance obtained by you replacing in whole or in part the insurance afforded by this policy, whether or not such other insurance provides coverage for loss sustained prior to its effective date.
- 8. If you discover a loss or damage during the policy period that you (or any predecessor in interest) sustained during the 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 Additional Coverage, provided:
 - a. This Additional Coverage became effective at the time of cancellation or termination of the prior insurance; and
 - b. The loss or damage would have been covered by this Additional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.
- 9. The insurance under Paragraph 8. above is provided within, and not in addition to, the Limit of Insurance applying to this Additional Coverage and is limited to the lesser of the amount recoverable under:
 - a. This Additional Coverage as of its effective date; or
 - b. The prior insurance, had it remained in effect.
- 10. None of the exclusions in Section **B. Exclusions** of the **CAUSES OF LOSS – SPECIAL FORM** apply to Employee Theft Coverage provided under this endorsement except:
 - a. **B.1.c. Governmental Action;**
 - b. **B.1.d. Nuclear Hazard;** and
 - c. **B.1.f. War And Military Action.**
- 11. We will not pay for loss as specified below:
 - a. **Acts Committed by You or Your Partners**
Loss resulting from any dishonest or criminal act committed by your or any of your partners whether acting alone or in collusion with other persons.
 - b. **Indirect Loss**
Loss that is an indirect result of any act or occurrence covered by this insurance including, but not limited to, loss resulting from:
 - (1) Your inability to realize income that you would have realized had there been no loss of, or loss from damage to "money" and "securities."
 - (2) Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under this Additional Coverage.
 - (3) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this Additional Coverage.
 - c. **Legal Expenses**
Expenses related to any legal action.

12. Ownership Of Property; Interests Covered

The property covered under this Additional Coverage is limited to property:

- a. That you own or lease;
- b. That you hold for others; or
- c. For which you are legally liable, except for property inside the premises of a "client" of yours.

However, this coverage is for your benefit only. It provides no rights or benefits to any other person or organization. Any claim for loss that is covered under this coverage must be presented by you.

13. Valuation – Settlement

Subject to the Limit of Insurance, we will pay for:

- a. Loss of "money" but only up to and including its face value. We may, at our option, pay for loss of "money" issued by any country other than the United States of America:
 - (1) At face value in the "money" issued by that country; or
 - (2) 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 that loss was discovered. We may, at our option:
 - (1) Pay the value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those "securities";
 - (2) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities."

However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:

- (a) Value of the "securities" at the close of business on the day the loss was discovered; or
- (b) Limit of Insurance.

I. Extra Expense

1. Coverage

- a. We will pay the actual and necessary "Extra Expense" you sustain due to direct physical cause of loss of or damage to property at the premises described in the Declarations, including personal property in the open (or in a vehicle) within 1,000 feet, caused by or resulting from any Covered Cause of Loss.
- b. We will pay for the actual and necessary "Extra Expense" you incur caused by action of civil authority that prohibits access to the premises described in the Declarations due to direct physical loss of or damage to property, other than at the premises described in the Declarations, caused by or resulting from any Covered Cause of Loss. This coverage will apply for a period of up to two consecutive weeks from the date of that action.
- c. We will also pay "Extra Expense" to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable under this form.

2. Additional Limitation – Interruption of Computer Operations

Coverage for "Extra Expense" does not apply when action is taken to avoid or minimize a "suspension" of "operations" caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the **Additional Coverage – Interruption Of Computer Operations**.

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.

3. Limit

The most we will pay for loss under this coverage in any one occurrence is \$25,000.

J. Business Income From Dependent Properties

- 1. We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the coverage period. The "suspension" must be caused by direct physical loss of or damage at the premises of a dependent property caused by or resulting from a Covered Cause of Loss.

However, this Additional Coverage does not apply when the only loss to dependent property is loss or damage to electronic data, including destruction or corruption of electronic data. If the dependent property sustains loss or damage to electronic data and other property, coverage under this Additional Coverage will not continue once the other property is repaired, rebuilt or replaced. Electronic data has the meaning set forth in Paragraph 2.

Additional Limitation – Interruption of Computer Operations included in **Additional Coverage – Extra Expense** of this form.

The most we will pay under this Additional Coverage is \$10,000 in any one occurrence.

- 2. We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume "operations," in whole or in part, by using any other available:
 - a. Source of materials; or
 - b. Outlet for your products.
- 3. If you do not resume "operations," or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.
- 4. Business Income, as it pertains to this **Additional Coverage – Business Income From Dependent Properties**, means:
 - a. Net income (net profit or loss before income taxes) that would have been earned or incurred if no physical loss or damage had occurred, but not including any net income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss; and
 - b. Continuing normal operating expenses incurred, including ordinary payroll.
- 5. Dependent property means property operated by others whom you depend on to:

- a. Deliver materials or services to you, or to others for your account. But services does not mean water, communication or power supply services;
- b. Accept your products or services;
- c. Manufacture your products for delivery to your customers under contract for sale; or
- d. Attract customers to your business.

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

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

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

K. Claims Expenses

In the event of covered loss or physical damage we will pay up to \$10,000 in any one occurrence as an additional Limit of Insurance to cover reasonable expenses incurred by you at our specific request to assist us in:

1. The investigation of a claim or suit; or
2. The determination of the amount of loss, such as taking inventory, or auditing business records.

L. Inventory Or Appraisal Cost

We will pay up to \$5,000 each occurrence for the cost of any inventory or appraisal required as a result of direct physical loss or damage to covered property caused by or resulting from a Covered Cause of Loss.

M. Laptop Computers – Worldwide Coverage

We will pay up to \$5,000 in any one occurrence for direct physical loss or damage to your laptop, palmtop and similar portable computer equipment, cell phones, personal digital assistants (PDAs) and accessories anywhere in the world, including while in transit.

Limitation: We will not pay for direct physical loss or damage caused by, resulting from, arising out of the theft of this property which is in transit as checked baggage.

N. Money And Securities

1. We will pay for loss of "money" and "securities" used in your business caused by "theft," disappearance or destruction. The most we will pay for loss in any one "occurrence" under this coverage is:
 - a. \$10,000 for "money" and "securities" while inside the "premises" or a "banking premises."
 - b. \$5,000 for "money" and "securities" while in the care and custody of a "messenger."

2. Additional Exclusions Applicable to Money And Securities

We will not pay for loss as specified below:

- a. Loss resulting from accounting or arithmetical errors or omissions;
- b. Loss resulting from the giving or surrendering of property in any exchange or purchase.
- c. Loss 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.
- d. Loss resulting from any dishonest or criminal act committed by any of your "employees," directors, trustees or authorized representatives:
 - (1) Acting alone or in collusion with other persons; or
 - (2) While performing services for you or otherwise.
- e. Loss of property after it has been transferred or surrendered to a person or place outside the "premises" or "banking premises."
 - (1) On the basis of unauthorized instructions; or
 - (2) As a result of a threat to do:
 - (a) Bodily harm to any person; or

- (b) Damage to any property.
- (3) But, this exclusion does not apply to loss of "money" and "securities" while outside the "premises" or "banking premises" in the care and custody of a "messenger" if you:
 - (a) Had no knowledge of any threat at the time the conveyance began; or
 - (b) Had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.
- f. Loss resulting from your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

3. Additional Conditions

- a. The reference to "money" and "securities" in Subparagraph **A.2.a. Property Not Covered** of the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM** does not apply to the coverage provided by this form.
- b. You must keep records of all "money" and "securities" so we can verify the amount of loss or damage.

O. Off Premises Power Failure – Direct Damage

1. With respect to coverage provided in this **Additional Coverage – Off Premises Power Failure – Direct Damage**, Exclusion **B.1.e.** of the **CAUSES OF LOSS – SPECIAL FORM** is deleted in its entirety and replaced as follows:

e. Utility Services

The failure of utility service (other than Power Supply Service) supplied to the described premises, however caused, if the failure occurs away from the described premises. Failure includes lack of sufficient capacity and reduction in supply.

But if the failure of utility service 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 to the Business Income coverage or to Extra Expense coverage. Instead, the Special Exclusion in Paragraph **B.4.a.(1)** applies to these coverages.

2. The following Additional Coverage is added:

Off Premises Power Failure – Direct Damage

- a. We will pay for loss of or damage to Covered Property caused by an interruption in Power Supply Service to the described premises. The interruption in Power Supply Service must result from direct physical loss or damage by a Covered Cause of Loss to property that is located off the described premises.
- b. Coverage under this Additional Coverage does not apply to loss or damage to electronic data, including destruction or corruption of electronic data. The term electronic data has the meaning set forth in Paragraph **A.2.n.** of the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**.
- c. Power Supply Service means the following types of property supplying electricity, steam or gas to the described premises:
 - (1) Utility generating plants;
 - (2) Switching stations;
 - (3) Substations;
 - (4) Transformers; and
 - (5) Transmission lines, including overhead transmission lines.
- d. The most we will pay for any one occurrence is \$10,000.

P. Ordinance Or Law Coverage

Exclusion **B.1.a. Ordinance Or Law** of the **CAUSES OF LOSS – SPECIAL FORM** is deleted and the following coverage applies:

1. Ordinance or Law Coverage applies only if the following is satisfied.

a. The ordinance or law:

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

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

- b. (1) The building sustains direct physical damage that is covered under this policy and such damage results in enforcement of 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 the building damage in its entirety results in enforcement of the ordinance or law.
- (3) But if the building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this additional coverage even if the building has also sustained covered direct physical damage.
- c. In the situation described in 1.b.(2) above, we will not pay the full amount of loss otherwise payable under the terms of **Coverage A** and/or **Coverage B and C Combined** of this additional coverage. Instead, we will pay a proportion of such loss; meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

However, if the covered direct physical damage, alone, would have resulted in enforcement of the ordinance or law, then we will pay the full amount of loss otherwise payable under the terms of **Coverages A and/or B and C Combined** of this endorsement.

2. Under this coverage, we will not pay for loss due to any ordinance or law that:
 - a. You were required to comply with before the loss, even if the building was undamaged; and
 - b. You failed to comply with.
3. Under this coverage, we will not pay for:
 - a. Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus," wet or dry rot or bacteria; or
 - b. The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants," "fungus," wet or dry rot or bacteria.

4. **Coverage A: Coverage for Loss to the Undamaged Portion of the Building**

- a. If a Covered Cause of Loss occurs to covered building property at the premises described in the Declarations, we will pay for the loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building.
- b. **Coverage A** is included within the Limit of Insurance applicable to the covered building property at the premises described in the Declarations. **Coverage A** does not increase the Limit of Insurance.
- c. Loss will be determined as follows:
 - (1) If the Replacement Cost Coverage Option applies and the property is repaired or replaced, on the same premises or another premises, we will not pay more than the lesser of:
 - (a) The amount you actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or
 - (b) The Limit of Insurance shown in the Declarations as applicable to the covered building property.
 - (2) If the Replacement Cost Coverage Option applies and the property is **not** repaired or replaced, or if the Replacement Cost Coverage Option does **not** apply, we will not pay more than the lesser of:
 - (a) The actual cash value of the building at the time of loss; or
 - (b) The Limit of Insurance shown in the Declarations as applicable to the covered building property.

5. **Coverages B: Demolition Cost and C: Increased Cost of Construction (Combined)**

If a Covered Cause of Loss occurs to covered building property, we will pay up to 25 percent (25%) of the Limit of Insurance applicable to building property at the premises described in the Declarations, subject to a maximum limit of \$150,000, for the total of all covered losses (combined) for Demolition Cost and Increased Cost of Construction. Subject to these limits of coverage, the following conditions will apply:

- a. **Demolition Cost**
 - (1) With respect to the building that has sustained covered direct physical damage, we will pay the cost to demolish and clear the site of undamaged parts of the same building, as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged property.
 - (2) The Coinsurance Additional Condition does not apply to Demolition Cost.
 - (3) We will not pay more than the amount you actually spend to demolish and clear the site of the premises described in the Declarations.

b. Increased Cost of Construction

(1) 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 property; and/or

(b) Reconstruct or remodel undamaged portions of that building property, whether or not demolition is required;

when the increased cost is a consequence of enforcement of 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 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.

(2) When covered building property is damaged or destroyed by a Covered Cause of Loss and Increased Cost of Construction applies to that property in accordance with b.(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 b.(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 5.b.

(3) Loss Payment will be determined as follows:

(a) We will not pay:

(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 you elect to rebuild at another premises, the most we will pay is the increased cost of construction at the same premises.

Q. Outdoor Signs

1. We will pay for direct physical loss of or damage to all Outdoor Signs at the premises described in the Declarations:

a. owned by you; or

b. owned by others but in your care, custody or control.

2. None of the exclusions in Section **B. Exclusions** of the **CAUSES OF LOSS – SPECIAL FORM** apply to Outdoor Signs provided under this coverage except:

a. **B.1.c. Governmental Action;**

b. **B.1.d. Nuclear Hazard; and**

c. **B.1.f. War and Military Action.**

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

a. wear and tear;

b. hidden or latent defect;

c. rust;

d. corrosion; or

e. mechanical breakdown.

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

R. Recharging Of Fire Extinguishers

We will pay for expenses you incur for the recharging of Fire Extinguishers made necessary by the fighting of a fire at the premises described in the Declarations or adjacent to such property.

The most we will pay for any one occurrence is \$5,000.

S. Surge Protection

Exclusion **B.2.a.** of the **CAUSES OF LOSS – SPECIAL FORM** is deleted in its entirety and replaced by the following:

- a. Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires.

But if loss or damage results from electrical surge, we will pay for loss or damage subject to a maximum limit of \$10,000, applying to each location designated in the Declarations.

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

T. Unauthorized Business Card Use

We will pay for the loss of "money" resulting from theft, forgery or unauthorized use of credit, debit or charge cards issued in the business name to you, your partners or officers, including:

1. Fund transfer cards;
2. Charge plates; and
3. Telephone cards.

The most we will pay under this Additional Coverage during each 12 month period of this policy (including any extension of less than one year), is \$5,000.

We will not pay for loss resulting from the use of any credit, debit or charge card if not customarily used in your business.

U. Forgery Or Alteration

1. We will pay for loss resulting directly from "forgery" or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are:

- (a) Made or drawn by or drawn upon you; or
 - (b) Made or drawn by one acting as your agent; or that are purported to have been so made or drawn.

For the purposes of this Insuring Agreement, a substitute check as defined in the Check Clearing for the 21st Century Act shall be treated the same as the original it replaced.

2. If you are sued for refusing to pay any instrument covered in Paragraph 1. above, on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense.
3. The most we will pay for any loss in any one "occurrence" including legal expenses is \$10,000.

V. Salespersons Samples

1. We will pay for loss of or damage to Covered Property from a Covered Cause of Loss to samples (including their containers) of your stock in trade that are:

- (a) Owned by you; or
 - (b) The property of others for which you are legally liable; but

2. Only while such property is:
 - (a) In the custody of your salespersons or authorized sales representatives;
 - (b) In your custody, if you are an individual, while you are acting as a salesperson; or
 - (c) In due course of transit to or from your premises and your salespersons or authorized sales representatives.

3. Additional Exclusion Applicable to Salespersons Samples

We will not pay for loss as specified below:

Theft from an unattended vehicle unless at the time of theft, its windows, doors and compartments were closed and locked and there are visible signs that the theft was the result of forced entry.

4. The most we will pay under this coverage is \$2,500 in any one occurrence.

Additional Conditions

A. Insurance Under Two Or More Coverages

The following is added to Paragraph **C. Insurance under Two or More Coverages** of the **COMMERCIAL**

PROPERTY CONDITIONS:

If a Coverage Form is attached to this policy that provides a limit for any coverage provided by this endorsement, the limit shown in the **SCHEDULE** and the coverage provided by this endorsement are deleted and replaced by the limit and coverage provided by the Coverage Form.

B. Limits Of Insurance

The following is added to Paragraph **C. Limits of Insurance** of the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**:

Regardless of the number of buildings at a location covered by this endorsement, the most we will pay under this Coverage Enhancement endorsement in any one occurrence is the applicable Limits of Insurance shown in the **SCHEDULE** on page 1 of this endorsement.

C. Deductibles

The Deductible described in section **D.** of the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM** applies to each of the Coverage Enhancements except as shown below:

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds \$500. We will then pay the amount of loss or damage in excess of \$500 up to the applicable Limit of Insurance for the following enhancements:

1. Personal Property of Others
2. Employee Tools and Personal Effects
3. Valuable Papers and Records (Other than Electronic Data)
4. Property Off-Premises (Including Laptops and Other Electronic Equipment)
5. Outdoor Property (Named Perils)
6. Accounts Receivable
7. Property in Transit (Including Laptops and Other Electronic Equipment)
8. Fine Arts
9. Electronic Data
10. Water Back-Up and Sump Overflow
11. Employee Theft
12. Laptop Computers – Worldwide Coverage
13. Money and Securities
14. Forgery or Alteration

No deductible provisions apply to the following enhancements:

1. Arson Reward
2. Claims Expenses
3. Inventory or Appraisal Cost
4. Recharging of Fire Extinguishers

D. Additional Definitions

The following **Additional Definitions** apply to this endorsement only:

1. **"Banking Premises"** means the interior of that portion of any building occupied by a banking institution or similar safe depository.
2. **"Business Income"** means the:
 - a. Net income (Net Profit or Loss before income taxes) that would have been earned had no loss occurred; and
 - b. Continuing normal operating expenses incurred, including payroll.
3. **"Client"** as used in **Employee Theft** Coverage means any entity for whom you perform services under a written agreement.
4. **"Employee"** as used in **Employee Theft** and **Money And Securities** Coverages means:
 - a. **"Employee"** means:
 - (1) Any natural person:
 - (a) While in your service or for 30 days after termination of service;
 - (b) Who you compensate directly by salary, wages or commissions; and
 - (c) Who you have the right to direct and control while performing services for you;
 - (2) Any natural person who is furnished temporarily to you:
 - (a) To substitute for a permanent **"employee"** as defined in Paragraph (1) above, who is on leave; or

- (b) To meet seasonal or short-term work load conditions; while that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the "premises";
- (3) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in Paragraph (2) above;
- (4) Any natural person who is your director or trustee while that person is handling "money" or "securities."
- (5) Any natural person who is a former "employee," director, partner, member (an owner of a limited liability company represented by its membership interest, who also may serve as a manager), manager (a person serving in a directorial capacity for a limited liability company), representative or trustee retained as a consultant while performing services for you; or
- (6) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of "money" or "securities" outside the "premises."

b. "Employee" does not mean:

- (1) Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
- (2) Any manager (a person serving in a directorial capacity for a limited liability company), director or trustee except while performing acts coming within the scope of the usual duties of an "employee."

5. "Extra Expense" means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property. Coverage pertains to expenses (other than the expense to repair or replace property) which are incurred to

- a. Avoid or minimize the "suspension" of business and to continue "operations" at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.
- b. Minimize the "suspension" of business if you cannot continue "operations."

6. "Fine Arts" means paintings, etchings, pictures, tapestries, art glass windows, valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass, bric-a-brac, and similar property of rarity, historical value or artistic merit.

7. "Forgery" means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.

8. "Loss" as used in the **Accounts Receivable** Extension means accidental loss or damage.

9. "Manager" as used in **Employee Theft** Coverage means a person serving in a directorial capacity for a limited liability company.

10. "Media" as used in "**Computer**" Definition means electronic data processing, recording or storage media such as software, films, tapes, discs, drums, cartridges or cells.

11. "Messenger" means you, any of your partners or any employee while having care and custody of the property outside the "premises."

12. "Money" means:

- a. Currency, coins and bank notes whether or not in current use; and
- b. Travelers checks, register checks and money orders held for sale to the public.

13. "Occurrence" as used in the **Forgery Or Alteration** Coverage means all loss caused by any person or in which that person is involved, whether the loss involves one or more instruments.

14. "Occurrence" as used in the **Money And Securities** Coverage means an act or series of related acts involving one or more persons; or an act or event, or a series of related acts or events not involving any person.

15. "Operations" as used in the **Extra Expense** and **Business Income From Dependent Properties** Coverages and "Extra Expense" Definition means your business activities occurring at the address shown in the Declaration that you occupy for your business.

16. "Period of Restoration" as used in the "**Extra Expense**" Definition means the period of time that:

- a. Begins with the date of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and
- b. Ends on the earlier of:
 - (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or

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

"Period of Restoration" does not include any increased period required due to the enforcement of any ordinance of law that:

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

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

17. **"Perishable Stock"** means personal property:

- a. Maintained under controlled conditions for its preservation; and
- b. Susceptible to loss or damage if the controlled conditions change.

18. **"Pollutants"** as used in the **Business Income From Dependent Properties** Coverage and the **"Period of Restoration"** Definition 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.

19. **"Premises"** as used in the **Money And Securities** Coverage and **"Employee"** and **"Messenger"** Definitions means the interior of that portion of any building you occupy in conducting your business.

20. **"Premises"** as used in the **Accounts Receivable** Extension means that interior of the building at the address shown in the Declarations that you occupy for your business.

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

- a. Tokens, tickets, revenue and other stamps whether or not in current use; and
- b. Evidences of debt issued in connection with credit or charge cards, which are not of your own issue but does not include **"money."**

22. **"Suspension"** means the slowdown or cessation of your business activities.

23. **"Theft"** as used in the **Employee Theft** and **Money And Securities** Coverages means the unlawful taking of **"money"** or **"securities"** to the deprivation of the insured.

All Other Conditions of this Policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

GENERAL LIABILITY - ENHANCEMENT ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. Expected Or Intended Injury – Amendment To Exclusion

Section I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions, a. Expected Or Intended Injury, is deleted and replaced by the following:

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” or “property damage” resulting from the use of reasonable force to protect persons or property.

B. Non-Owned Watercraft

Section I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions, Paragraph g. (2) is deleted and replaced with the following:

(2) A watercraft you do not own that is:

(a) Less than 51 feet long; and

(b) Not being used to carry persons or property for a charge;

C. Supplementary Payments – Increased Limits

Section I – COVERAGES, SUPPLEMENTARY PAYMENTS – COVERAGES A AND B, items 1.b. and 1.d., are deleted and replaced by the following:

b. Up to \$2,500 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.

d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or “suit”, including actual loss of earnings up to \$500 a day because of time off from work.

D. Section II - WHO IS AN INSURED is amended to include as an additional insured the following:

1. Additional Insured – Broad Form Vendors

Any vendor of yours, but only with respect to “bodily injury” or “property damage” arising out of “your products” which are distributed or sold in the regular course of the vendor’s business, subject to the following additional exclusions:

a. The insurance afforded the vendor does not apply to:

(1) “Bodily injury” or “property damage” for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;

(2) Any express warranty unauthorized by you;

(3) Any physical or chemical change in the product made intentionally by the vendor;

(4) Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;

- (5) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;
- (6) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;
- (7) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or
- (8) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:
 - (a) The exceptions contained in Sub-paragraphs (4) or (6); or
 - (b) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.
- b. This insurance does not apply to any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

2. Additional Insured – Lessor Of Leased Equipment

Any person or organization from whom you lease equipment when you and such person or organization have agreed in writing in a contract or agreement that such person or organization is to be added as an additional insured on your policy. Such person or organization is an insured only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person(s) or organization(s).

However:

- a. A person's or organization's status as an additional insured under this endorsement ends when their contract or agreement with you for such leased equipment ends.
- b. With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after the equipment lease expires.

3. Additional Insured – Managers Or Lessors Of Premises

The person or organization from whom you lease a premises when you and such person or organization have agreed in writing in a contract or agreement that such person or organization is to be added as an additional insured on your policy. Such person or organization is an insured only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you and subject to the following additional exclusions:

This insurance does not apply to:

- a. Any "occurrence" which takes place after you cease to be a tenant in that premises.
- b. Structural alterations, new construction or demolition operations performed by or on behalf of the person or organization.

E. Newly Acquired Or Formed Organization

SECTION II – WHO IS AN INSURED, Paragraph 3.a. is deleted and replaced with 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;

F. General Aggregate Limit – Per Location

- 1. For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under **SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, and for all medical expenses caused by accidents under **SECTION I – COVERAGES, COVERAGE C MEDICAL PAYMENTS**, which can be attributed only to operations at a single designated "location" listed in the General Liability Declarations:
 - a. A separate Location General Aggregate Limit applies to each designated "location", and that limit is equal to the amount of the General Aggregate Limit shown in the Declarations.

- b. The Location General Aggregate Limit is the most we will pay for the sum of all damages under **COVERAGE A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard", and for medical expenses under **COVERAGE C** regardless of the number of:
 - (i) Insureds;
 - (ii) Claims made or "suits" brought; or
 - (iii) Persons or organizations making claims or bringing "suits".
- c. Any payments made under **COVERAGE A** for damages or under **COVERAGE C** for medical expenses shall reduce the Location General Aggregate Limit for that designated "location". Such payments shall not reduce the General Aggregate Limit shown in the Declarations nor shall they reduce any other Location General Aggregate Limit for any other designated "location" listed in the General Liability Declarations.
- d. The limits shown in the Declarations for Each Occurrence, Damage To Premises Rented To You and Medical Expenses continue to apply. However, instead of being subject to the General Aggregate Limit shown in the Declarations, such limits will be subject to the applicable Location General Aggregate Limit.

2. For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under **SECTION I – COVERAGE A**, and for all medical expenses caused by accidents under **SECTION I – COVERAGE C**, which cannot be attributed only to operations at a single designated "location" listed in the General Liability Declarations:

- a. Any payments made under **COVERAGE A** for damages or under **COVERAGE C** for medical expenses shall reduce the amount available under the General Aggregate Limit or the Products-Completed Operations Aggregate Limit, whichever is applicable; and
- b. Such payments shall not reduce any Location General Aggregate Limit.

3. When coverage for liability arising out of the "products-completed operations hazard" is provided, any payments for damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard" will reduce the Products-completed Operations Aggregate Limit, and not reduce the General Aggregate Limit nor the Location General Aggregate Limit.

4. **SECTION V – DEFINITIONS**, is amended by the addition of the following:
 "Location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.

5. This Coverage Extension does not apply if **CG 25 04 DESIGNATED LOCATION(S) GENERAL AGGREGATE LIMIT** is attached to this policy.

6. The provisions of **SECTION III – LIMITS OF INSURANCE** not otherwise modified by this Coverage Extension shall continue to apply as stipulated.

G. Property Damage Legal Liability

SECTION III – LIMITS OF INSURANCE, Paragraph 6. is deleted in its entirety and replaced with the following:

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, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.

Subject to all the terms of **SECTION III – LIMITS OF INSURANCE**, the Damage To Rented Premises Rented To You Limit is the greater of:

- a. \$300,000; or
- b. The amount shown in the Declarations for Damage To Premises Rented To You Limit.

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

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS, Paragraph 2.a. is deleted and replaced with the following:

- a. (1) You must see to it that we are notified of an "occurrence" or an offense which may result in a claim as soon as practicable after it becomes known to:
 - (a) You, if you are an individual;
 - (b) Your partner or member, if you are a partnership or joint venture;

- (c) Your member, if you are a limited liability company;
- (d) Your executive officer or insurance manager if you are an organization other than a partnership, joint venture or limited liability company.

Knowledge of an "occurrence" or offense by persons other than those listed above does not imply that those listed above also have such knowledge of the "occurrence".

- (2) To the extent possible, notice should include the following:

- (a) How, when and where the "occurrence" or offense took place;
- (b) The names and addresses of any injured persons and witnesses; and
- (c) The nature and location of any injury or damage arising out of the "occurrence" or offense.

I. Unintentional Failure To Disclose All Hazards

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS, Paragraph 6., Representations is amended by the addition of the following:

If you should unintentionally fail to disclose any hazards existing at the inception date of this policy, to which this endorsement is attached, we will not deny coverage under this Coverage Form because of such failure. However, this provision does not affect our right to collect additional premium or exercise our right of cancellation or non-renewal.

J. Blanket Waiver Of Transfer Of Rights Of Recovery Against Others To Us

Section IV – COMMERCIAL GENERAL LIABILITY CONDITIONS, Paragraph 8. Transfer Of Rights Of Recovery Against Others To Us is amended by the addition of the following:

We waive any right of recovery we may have against any person or organization to whom you by written contract or written agreement have waived your own right of recovery for loss caused by that person or organization because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a written contract or written agreement with that person or organization and included in the "products-completed operations hazard".

This provision does not apply unless the written contract or written agreement has been executed prior to the "occurrence" or offense giving rise to the "bodily injury" or "property damage".

K. The following is added to Section IV – COMMERCIAL GENERAL LIABILITY CONDITIONS:

Liberalization Clause

If we offer a revision to this endorsement that would provide more coverage without additional premium charge, we will automatically provide the additional coverage to all endorsement holders as of the day the revision is effective in your state.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FUNGUS, WET ROT, DRY ROT AND BACTERIA – EXCLUSION

This endorsement modifies insurance provided under the following:

CAUSES OF LOSS – BASIC FORM

CAUSES OF LOSS – BROAD FORM

CAUSES OF LOSS – SPECIAL FORM

A. If attached to this policy, CAUSES OF LOSS – BASIC FORM is modified as follows:

- Under **B. Exclusions, 1.h.** is replaced as follows:

h. “Fungus”, Wet Rot, Dry Rot And Bacteria

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

This exclusion does not apply when “fungus”, wet or dry rot or bacteria results from fire or lightning.

- C. Additional Coverage – Limited Coverage For “Fungus”, Wet Rot, Dry Rot And Bacteria** is deleted.

B. If attached to this policy, CAUSES OF LOSS – BROAD FORM is modified as follows:

- Under **B. Exclusions, 1.h.** is replaced as follows:

h. “Fungus”, Wet Rot, Dry Rot And Bacteria

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

This exclusion does not apply when “fungus”, wet or dry rot or bacteria results from fire or lightning.

- D. Additional Coverage – Limited Coverage For “Fungus”, Wet Rot, Dry Rot And Bacteria** is deleted.

C. If attached to this policy, CAUSES OF LOSS – SPECIAL FORM is modified as follows:

- Under **B. Exclusions, 1.h.** is replaced as follows:

h. “Fungus”, Wet Rot, Dry Rot And Bacteria

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

This exclusion does not apply when “fungus”, wet or dry rot or bacteria results from fire or lightning.

- E. Additional Coverage – Limited Coverage For “Fungus”, Wet Rot, Dry Rot And Bacteria** is deleted.

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - ASBESTOS

This endorsement modifies the insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

This insurance does not apply to "bodily injury," "property damage" or "personal and advertising injury" arising out of the actual or alleged presence or actual, alleged or threatened dispersal of asbestos, asbestos fibers or products containing asbestos, provided that the injury or damage is caused or contributed to by the hazardous properties of asbestos.

This includes:

- a.** Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with the above; and
- b.** Any obligation to share damages with or repay someone else who must pay damages because of such injury or damage.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

IDAHO CHANGES

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

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 Coverage

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** Provisions in Paragraphs **C.1.** and **C.2.** are 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 **C.3.** 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** Condition in the Motor Carriers Coverage Form are revised by the addition of the following:

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:

1. One provides coverage to a licensed seller or dealer that owns the "loaned vehicle"; and
2. The other provides coverage to the operator of the "loaned vehicle"; and
3. At the time of an "accident" or "loss", the operator's liability and/or physical damage insurance as described in Paragraph **2.** is primary and the licensed seller or dealer's liability and/or physical damage insurance described in Paragraph **1.** 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 CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA
(INCLUDING FOOD CONTAMINATION
BUSINESS INCOME EXCEPTION)**

This endorsement modifies insurance provided under the following:

**COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY**

- A.** The exclusion set forth in Paragraph **B.** 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.
- B.** 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.
- C.** However, the exclusion in Paragraph **B.** does not apply to the following:
 - 1.** 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 Coverage Part or Policy; or
 - 2.** Coverage otherwise provided under an endorsement for Food Contamination Business Income or Food Contamination Extra Expense (if such an endorsement is attached to this Coverage Part or Policy).
- D.** With respect to any loss or damage subject to the exclusion in Paragraph **B.**, such exclusion supersedes any exclusion relating to "pollutants".
- E.** The following provisions in this Coverage Part or Policy are hereby amended to remove reference to bacteria:
 - 1.** Exclusion of "Fungus", Wet Rot, Dry Rot And Bacteria; and
 - 2.** Additional Coverage – Limited Coverage for "Fungus", Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.
- F.** The terms of the exclusion in Paragraph **B.**, 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.





HDI GLOBAL INSURANCE COMPANY

AN ILLINOIS CORPORATION
161 NORTH CLARK STREET, 48th Floor
CHICAGO, IL 60601
312-580-1900

COMMERCIAL INSURANCE POLICY

FOR

TRAIL CREEK PLACE HOMEOWNERS

**Policy # HDI55CL0738135-01
Policy Period 08/15/2025 – 08/15/2026**

Underwriting Team: Hallmark Commercial Insurance Services

Agency Team: SENTRY WEST INSURANCE SERVICES #04333

Loss Notification

To report a claim 24 hours a day, 7 days a week, please contact us as soon as practicable for further assistance:

Normal Business Hours: 800-426-5119 ext. 1780

**After Normal Business Hours: 817-888-5664 for Casualty (Auto and GL)
817-888-1955 for Property**

POLICY JACKET, DECLARATIONS PAGE, FORMS AND ENDORSEMENTS COMPLETE THIS POLICY

In Witness Whereof, we have caused this policy to be executed and attested, and if required by state law, this policy shall not be valid unless countersigned by our authorized representative.



Chief Legal Officer & Corporate Secretary
Michael Gooding



CEO & President
James Clark



A Berkley Company

Domicile Office: 11201 Douglas Avenue, Urbandale, IA 50322

Main Administrative Office: 475 Steamboat Road, Greenwich, CT 06830

Underwriting Office: 1250 Diehl Road, Suite 200, Naperville, IL 60563 Telephone: (866) 893-3922

POLICY CHANGE ENDORSEMENT

Named Insured	Policy Number	Policy Effective Date	Endorsement Effective Date
Trail Creek Place	QDO0009960-00	8/15/2025	8/15/2025

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

It is hereby understood and agreed that the policy is amended as follows:

A. SCHEDULE*

- () 1. The first Named Insured is amended (see form attached)
- () 2. Insured(s) is added to the Named Insured (see form attached)
- () 3. Insured(s) is deleted from the Named Insured (see form attached)
- (X) 4. The Mailing Address is amended (see form attached)**
- () 5. The Physical Address is amended (see form attached)
- () 6. The Limit(s) of insurance is amended (see form attached)
- () 7. The Retention Amount(s) is amended (see form attached)
- () 8. The Number of Residential and/or Commercial Units Governed by the Named Insured Association is amended (see form attached)
- () 9. The Named Insured Association Type is amended (see form attached)
- () 10. The Average Value of the Reported Units Governed by the Named Insured Association is amended (see form attached)
- () 11. The Prior & Pending Litigation Date (Item 8. On Declarations Page) is amended (see form attached)
- () 12. Other changes:

FORMS AND ENDORSEMENTS hereby added:

FORMS AND ENDORSEMENTS hereby amended: **See attached**

FORMS AND ENDORSEMENTS hereby deleted:

Additional Premium (if applicable): (\$45.00)

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements, or limitations of the above-mentioned Policy other than as above stated.



A Berkley Company

Domicile Office: 11201 Douglas Avenue, Urbandale, IA 50322

Main Administrative Office: 475 Steamboat Road, Greenwich, CT 06830

Underwriting Office: 1250 Diehl Road, Suite 200, Naperville, IL 60563 Telephone: (866) 893-3922

AMENDMENT TO DECLARATIONS PAGE

NAME & ADDRESS

Named Insured	Policy Number	Effective Date	Endorsement Effective Date
Trail Creek Place Homeowners Association Inc	QDO0009960-00	8/15/2025	8/15/2025

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

It is understood and agreed that Item 1. of the Declarations is hereby amended to read as follows:

Item 1. **Name of Organization:**

Trail Creek Place Homeowners Association Inc

Mailing Address:

Po Box 5892

C/o Boulder Mountain Property Management

City, State, Zip Code:

KETCHUM, ID 83340

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements, or limitations of the above-mentioned Policy other than as above stated.



A Berkley Company

Domicile Office: 11201 Douglas Avenue, Urbandale, IA 50322

Main Administrative Office: 475 Steamboat Road, Greenwich, CT 06830

Underwriting Office: 1250 Diehl Road, Suite 200, Naperville, IL 60563 Telephone: (866) 893-3922

PREFERRED PLUS DIRECTORS & OFFICERS POLICY DECLARATIONS PAGE

Policy Number: QDO0009960-00

Policy Form Number: BPS DO 76 00 (06 23)

Item 1. **Name of Organization:**

Trail Creek Place Homeowners Association Inc

Mailing Address:

Po Box 1234

C/o Boulder Mountain Property Management

City, State, Zip Code:

KETCHUM, ID 83340

Item 2. **Policy Period:**

From

8/15/2025

To

8/15/2026

(Month, Day, Year)

(Month, Day, Year)

(Both dates at 12:01 a.m. Standard Time at the address of the **Organization** as stated in Item 1.)

Item 3. (a) Limit of Liability for each **Policy Year**: \$1,000,000

(b) **FLSA Defense Sublimit of Liability: \$150,000 — This limit is part of and not in addition to the Limit of Liability provided for in 3(a).**

Item 4. Retentions:

Insuring Agreement A: \$0

Each **Claim**

Insuring Agreement B and/or C: \$2,500

Each **Claim**

Item 5. Premium:

\$900.00

Annual Taxes/Surcharges:

\$0.00

Annual Fees:

\$0.00

Item 6. Endorsements Attached:

See Schedule of Forms and Endorsements

Item 7. Notices: All notices required to be given to the **Insurer** under this policy shall be addressed to:

Berkley Program Specialists,

1250 E Diehl Rd #200,

Naperville, IL 60563

Item 8. Prior & Pending Litigation Date:

8/15/2024

These Declarations along with the completed and signed Application and Preferred Plus Directors & Officers Policy shall constitute the contract between the **Insureds** and the **Insurer**.

THIS IS A CLAIMS MADE POLICY. READ IT CAREFULLY.



A Berkley Company

Domicile Office: 11201 Douglas Avenue, Urbandale, IA 50322

Main Administrative Office: 475 Steamboat Road, Greenwich, CT 06830

Underwriting Office: 1250 Diehl Road, Suite 200, Naperville, IL 60563 Telephone: (866) 893-3922

SCHEDULE OF FORMS AND ENDORSEMENTS

Reporting Claims	Directors & Officers Claim Reporting Instructions
Reporting Cyber Claims	Cyber Claim and Incident Reporting
BPS DO 76 00 (06 23)	Preferred Plus Directors & Officers Policy Declarations Page
BPS DO 76 03 (06 23)	Schedule of Forms and Endorsements
BPS DO 76 01 (06 23)	Preferred Plus Directors & Officers Policy Table of Contents
BPS DO 76 02 (06 23)	Preferred Plus Directors & Officers Policy
BPD DO 76 27 (06 23)	Cap on Losses from Certified Acts of Terrorism
BPS DO 78 00 PN (06 23)	Policyholder Notice - U.S. Treasury Department's OFAC Advisory Notice
BPS DO 78 01 PN (06 23)	Policyholder Disclosure Notice of Terrorism Insurance Coverage
BPS DO 77 00 ID (09 23)	Idaho Amendatory Endorsement
BPS DO 76 22 (06 23)	Commercial Cyber Data Breach Coverage

PREFERRED PLUS

DIRECTORS & OFFICERS POLICY

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**PREFERRED PLUS
DIRECTORS & OFFICERS POLICY**

NOTICE: THIS IS A CLAIMS-MADE POLICY. THIS POLICY COVERS ONLY CLAIMS FIRST MADE AGAINST INSUREDS DURING THE POLICY PERIOD OR THE AUTOMATIC DISCOVERY PERIOD, OR THE PURCHASED DISCOVERY PERIOD, IF APPLICABLE, AND REPORTED IN WRITING TO THE INSURER AS SOON AS PRACTICABLE BUT IN NO EVENT LATER THAN 90 DAYS AFTER THE END OF THE POLICY PERIOD. PLEASE READ THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

In consideration of the payment of the premium and in reliance upon all statements made and information furnished to the company shown in the Declarations (a stock insurance company, hereinafter called the **Insurer**), including the statements made in the **Application** and subject to all terms, conditions and limitations of this Policy, the **Insured** and **Insurer** agree:

Section I. Insuring Agreements

- A.** If during the **Policy Period** or the **Discovery Period** any **Claim** to which this Policy applies is first made against any **Insured Persons** for a **Wrongful Act**, the **Insurer** shall pay on behalf of the **Insured Persons**, **Loss** and **Costs of Defense** resulting from such **Claim**, except for any **Loss** and **Costs of Defense** which the **Organization** or any **Subsidiary** actually pays as indemnification.
- B.** If during the **Policy Period** or the **Discovery Period** any **Claim** to which this Policy applies is first made against any **Insured Persons** for a **Wrongful Act**, the **Insurer** shall pay on behalf of the **Organization** or any **Subsidiary**, **Loss** and **Costs of Defense** resulting from such **Claim**, but only to the extent the **Organization** or any **Subsidiary** is required or permitted by law to indemnify the **Insured Persons**.
- C.** If during the **Policy Period** or the **Discovery Period** any **Claim** to which this Policy applies is first made against the **Organization**, any **Subsidiary**, or the **Property Manager** for a **Wrongful Act**, the **Insurer** shall pay on behalf of the **Organization**, any **Subsidiary**, or the **Property Manager**, **Loss** and **Costs of Defense** resulting from such **Claim**.

The **Insurer** has the right and duty to defend any **Claim** to which this insurance applies, even if the allegations of such **Claim** are groundless, false or fraudulent.

Section II. Discovery Period

- A.** If this Policy is not renewed or is cancelled by the **Insurer**, for any reason other than non-payment of premium, then without the requirement of any additional premium, the **Organization** shall receive an automatic ninety (90) day extension of the coverage granted by this Policy with respect to any **Claim** first made against any **Insured** during this extended coverage, but only with respect to **Wrongful Acts** committed prior to the end of the **Policy Period**. This extended coverage shall be referred to as the **Automatic Discovery Period**. In addition, if prior to the end of the **Automatic Discovery Period**, the **Organization** pays the **Insurer** an additional amount equal to forty (40%), seventy-five (75%), or one hundred (100%) percent of the annual premium of this Policy, the **Organization** shall receive an extension of the coverage granted by this Policy for an additional twelve (12), twenty-four (24), or thirty-six (36) months respectively from the end of the **Automatic Discovery Period** with respect to any **Claim** first made against any **Insured** during this extended coverage, but only with respect to **Wrongful Acts** committed prior to the end of the **Policy Period**. This extended coverage shall be referred to as the **Discovery Period**. The **Organization** shall have no right to purchase this **Discovery Period** at any later date or to elect more than one **Discovery Period**.
- B.** If this Policy is not renewed or is cancelled by the **Organization**, and if no later than sixty (60) days after the end of the **Policy Period** the **Organization** pays the **Insurer** an additional amount equal to forty (40%), seventy-five (75%), or one hundred (100%) percent of the annual premium of this Policy, the **Organization** shall receive a **Discovery Period** for an additional twelve (12), twenty-four (24), or thirty-

six (36) months respectively from the end of the **Policy Period**. The **Organization** shall have no right to purchase this **Discovery Period** at any later date or to elect more than one **Discovery Period**.

C. The fact that this Policy may be extended by virtue of the **Automatic Discovery Period** or **Discovery Period** shall not in any way increase the Limit of Liability stated in Item 3 of the Declarations. For purposes of the Limit of Liability, the **Automatic Discovery Period** and the **Discovery Period** is considered to be part of and not in addition to the last **Policy Year**.

Section III. Definitions

A. "**Application**" shall mean all written materials and information, including all signed applications and any materials attached thereto or incorporated therein, submitted by or on behalf of the **Insureds** to the **Insurer** in connection with the underwriting of this Policy. The **Application** is deemed attached to and incorporated into this Policy.

B. "**Automatic Discovery Period**" shall mean, as discussed in Section II. Discovery Period, Paragraph A., the automatic ninety (90) day extension of the coverage granted by the Policy with respect to any **Claim** first made against any **Insured** during this extended coverage, but only with respect to **Wrongful Acts** committed prior to the end of the **Policy Period**.

C. "**Claim**" shall mean:

- (1) a written demand for monetary relief made against any **Insured**;
- (2) a civil proceeding, including any appeals therefrom made against any **Insured** seeking monetary or non-monetary (including injunctive) relief commenced by service of a complaint or similar pleading;
- (3) a criminal proceeding, including any appeals therefrom made against any **Insured** commenced by the return of an indictment or the filing of notice of charge or similar document; or
- (4) a formal administrative proceeding, including any proceeding before the Equal Employment Opportunity Commission (EEOC) or any similar governmental body, made against any **Insured** commenced by the receipt of charges, formal investigative order, service of summons or similar document.

D. "**Claimant**" shall mean:

- (1) any past, present, and future **Insured Persons** or applicants for employment with the **Organization** or any **Subsidiary**;
- (2) a government entity or agency, including but not limited to the Equal Employment Opportunity Commission (EEOC) or any similar governmental body, when acting on behalf of or for the benefit of any individual in (1) above; or
- (3) all persons who were, now are, or shall be independent contractors, but only to the extent such individuals perform work or services for or on behalf of the **Organization** or any **Subsidiary** and only to the extent such individuals are indemnified by the **Organization** or any **Subsidiary**.

It is further understood and agreed that **Claimant** shall not include any employee of any **Property Manager**.

E. "**Construction Defect(s)**" shall mean any actual or alleged defective, faulty or delayed construction or any other matter constituting a construction defect under applicable law, whether common law or statutory, regardless of whether it results from:

- (1) defective or incorrect architectural plans or other designs;

- (2) defective or improper soil testing;
- (3) defective, inadequate or insufficient protection from subsoil or earth movement or subsidence;
- (4) construction, manufacture or assembly of any tangible property;
- (5) the failure to provide or pay for any construction-related goods or services; or
- (6) the supervision or management of any construction-related activities.

F. "Costs of Defense" shall mean reasonable and necessary legal fees, costs and expenses incurred in the investigation or defense of any **Claim**, including the costs of any appeal or appeal bond, attachment bond or similar bond (but without any obligation on the part of the **Insurer** to apply for or furnish such bonds); provided, however, **Costs of Defense** shall not include: (1) salaries, wages, overhead or benefit expenses associated with any **Insured Persons**, and (2) any amounts incurred in defense of any **Claim** which any other insurer has a duty to defend, regardless of whether or not such other insurer undertakes such duty.

G. "Discovery Period" shall mean, as discussed in Section II. Discovery Period, Paragraph A., an additional twelve (12), twenty-four (24), or thirty-six (36) months respectively from the end of the **Automatic Discovery Period** with respect to any **Claim** first made against any **Insured** during this extended coverage, but only with respect to **Wrongful Acts** committed prior to the end of the **Policy Period**, which extended coverage can be purchased by the **Organization**.

H. "Employment Practices Wrongful Act" shall mean any of the following acts related to employment, but only if alleged by or on behalf of a **Claimant**:

- (1) wrongful dismissal, discharge or termination of employment, whether actual or constructive;
- (2) misrepresentation;
- (3) violation of employment laws;
- (4) sexual or other harassment in the workplace;
- (5) discrimination; whether based upon race, sex, age, national origin, religion, sexual orientation, disability (physical or mental), or based upon any other ground prohibited under applicable state or federal law;
- (6) wrongful failure to employ or promote;
- (7) wrongful discipline;
- (8) wrongful deprivation of career opportunity including a wrongful failure to hire or promote;
- (9) failure to grant tenure;
- (10) negligent employee evaluation;
- (11) retaliation;
- (12) failure to provide adequate workplace or employment policies or procedures;
- (13) defamation (including libel and slander);
- (14) invasion of privacy;
- (15) wrongful demotion;
- (16) negligent reassignment;
- (17) violation of any federal, state or local civil rights laws;
- (18) negligent hiring;
- (19) negligent supervision;
- (20) negligent training;
- (21) negligent retention; or
- (22) acts described in (1) through (21) above arising from the use of the **Organization's** or **Subsidiary's** Internet, e-mail, telecommunication or similar systems, including the failure to provide and enforce adequate policies and procedures relating to such use of the **Organization's** or **Subsidiary's** Internet, e-mail, telecommunication or similar systems.

I. "Financial Insolvency" shall mean the **Organization** becoming a Debtor in Possession, or the appointment of a receiver, conservator, liquidator, trustee, rehabilitator or similar official to control, supervise, manage or liquidate the **Organization**.

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

K. "**Insured**" shall mean:

- (1) the **Organization**;
- (2) any **Subsidiary**;
- (3) in the event of **Financial Insolvency**, the resulting Debtor in Possession (or foreign equivalent status), if any;
- (4) all **Insured Persons**; and
- (5) any **Property Manager**, but only if such **Property Manager** is acting pursuant to the written authority granted by the **Organization** or on behalf of and at the direction of the **Organization** or any **Subsidiary**.

L. "**Insured Persons**" shall mean all persons who were, now are, or shall be directors, trustees, officers, employees, leased employees, temporary or seasonal employees, volunteers or staff members of the **Organization** or any **Subsidiary**, including any executive board members and committee members, whether salaried or not. It shall also mean all persons who were, now are, or shall be directors, trustees, officers, employees, leased employees, temporary or seasonal employees, volunteers or staff members of any **Property Manager**, but only if such persons are acting within the scope of their employment with the **Property Manager** and on behalf of the **Organization** or any **Subsidiary**.

M. "**Loss**" shall mean settlements, judgments, pre-judgment and post-judgment interest, front and back pay, compensatory damages, punitive or exemplary damages, the multiple portion of any multiplied damage award, and subject to the provisions of Section V. and VI., **Costs of Defense** incurred by the **Insured**. **Loss** shall not include:

- (1) criminal or civil fines or penalties imposed by law or taxes;
- (2) the value of perquisites, deferred compensation or any other type of compensation earned in the course of employment or the equivalent value thereof; and
- (3) any amounts which may be deemed uninsurable under the law pursuant to which this Policy shall be construed.

It is understood and agreed that the enforceability of the foregoing coverage shall be governed by such applicable law which most favors coverage for punitive or exemplary damages or the multiple portion of any multiplied damage award.

N. "**Organization**" shall mean the entity named in Item 1 of the Declarations.

O. "**Policy Year**" shall mean the period of one year following the effective date and hour of this Policy or the period of one year following any anniversary date thereof falling within the **Policy Period**; or if the time between the effective date or any anniversary date and the termination of this Policy is less than one year, such lesser period. Any **Discovery Period** or **Automatic Discovery Period** shall be considered part of and not in addition to the last **Policy Year**.

P. "**Policy Period**" shall mean the period from the inception of this Policy to the expiration date stated in Item 2 of the Declarations or its earlier termination, if applicable.

Q. "**Property Manager**" shall mean any entity providing real estate property management services to the **Organization** or any **Subsidiary** pursuant to a written contract.

R. "**Related Wrongful Acts**" shall mean **Wrongful Acts** which are causally connected by reason of any common fact, circumstance, situation, transaction, casualty, event or decision.

S. "**Subsidiary**" shall mean:

- (1) any entity which qualifies as a not-for-profit organization under the Internal Revenue Code, other than a political committee organized pursuant to Section 432 of the Federal Election Campaign Act of 1971 (and amendments thereto), and for which the **Organization** has or controls the right to elect or appoint more than fifty percent (50%) of the Board of Directors or other governing body of such entity as of the inception date of this Policy;
- (2) any similar entity which was created or acquired by the **Organization** after the inception date of this Policy, if the entity's total assets do not exceed thirty-five percent (35%) of the total consolidated assets of the **Organization** as of the inception date of this Policy; or
- (3) any other entity added as a **Subsidiary** by written endorsement to this Policy.

Coverage shall apply to a **Subsidiary** only for **Wrongful Acts** allegedly committed during the time such entity qualified as a **Subsidiary**.

T. "**Wrongful Act**" shall mean:

- (1) any of the following by the **Organization**, and/or any **Subsidiary**, and/or any **Insured Persons** acting in their capacity with the **Organization** or a **Subsidiary**:
 - (a) actual or alleged error, misstatement, misleading statement, act or omission, neglect or breach of duty;
 - (b) **Employment Practices Wrongful Act**;
- (2) any matter claimed against any **Insured Persons** solely by reason of their status with the **Organization** or any **Subsidiary**.

Section IV. Exclusions

This Policy does not apply to any **Claim** made against any **Insured**:

- A. brought about or contributed to by: (1) any **Insured** gaining any profit, advantage or remuneration to which they were not legally entitled; or (2) the deliberate fraudulent or criminal acts of any **Insured**; however, this exclusion shall not apply unless it is finally adjudicated such conduct in fact occurred, nor shall it apply to coverage provided under Insuring Agreement I.B.;
- B. to the extent it is insured in whole or in part by any other valid and collectible policy or policies, (except with respect to any excess beyond the amount or amounts of coverage under such other policy or policies), whether such other policy or policies are stated to be primary, contributory, excess, contingent, or otherwise;
- C. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving:
 - (1) any **Wrongful Act** or **Related Wrongful Act** or any fact, circumstance or situation which has been the subject of any notice or **Claim** given under any other policy of which this Policy is a renewal or replacement;
 - (2) any **Wrongful Act** or any circumstance known by any **Insured Person** prior to the date stated in Item 8 of the Declarations which would indicate the probability of such **Claim** being made, provided, however, this exclusion shall only apply to the **Organization**, its **Subsidiaries** and those **Insured Persons** having such knowledge; or
 - (3) any civil, criminal, administrative or investigative proceeding involving any **Insured** pending

as of or prior to the date stated in Item 8 of the Declarations, or any fact, circumstance or situation underlying or alleged in such proceeding;

- D. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving: (1) bodily injury, sickness, disease or death of any person, assault or battery; (2) damage to or destruction of any tangible property or the loss of use of any tangible property; or (3) humiliation, mental anguish, emotional distress, invasion of privacy, wrongful entry, trespassing, eviction, false arrest, false imprisonment, malicious prosecution, abuse of process, libel or slander; provided, however, that part (3) of this exclusion shall not apply to any **Claim** for an **Employment Practices Wrongful Act**;
- E. for any actual or alleged violation by any **Insured** of the Employee Retirement Income Security Act of 1974, the National Labor Relations Act, the Worker Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act of 1985, the Occupational Safety and Health Act or any rules or regulations promulgated under these acts or any similar provisions of any federal, state, local or foreign law, except a **Claim** alleging retaliation for the exercise of any rights under such laws;
- F. for any **Wrongful Act** of any **Insured Persons** in their respective capacity as a director, officer, trustee, or equivalent position of an entity other than the **Organization** or any **Subsidiary**;
- G. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving actual or alleged seepage, pollution, radiation, emission, contamination or irritant of any kind, including but not limited to smoke, vapor, dust, fibers, mold, spores, **fungi**, germs, soot, fumes, acids, alkalies, asbestos, chemicals or waste of any kind, provided, however, this exclusion shall not apply to coverage provided under Insuring Agreement 1.A.;
- H. by, or for the benefit of, or at the behest of the **Organization** or any **Subsidiary** or any entity which controls, is controlled by, or is under common control with the **Organization** or any **Subsidiary**, or any person or entity which succeeds to the interests of the **Organization** or any **Subsidiary**, provided, however, this exclusion shall not apply to any **Claim** brought by the receiver, conservator, liquidator, trustee, rehabilitator, examiner or similar official of the **Organization**, if any, in the event of **Financial Insolvency**;
- I. other than **Costs of Defense**:
 - (1) for any obligation of the **Organization** or any **Subsidiary**, as a result of a **Claim**, seeking relief or redress in any form other than money damages, including but not limited to any obligations of the **Organization** or any **Subsidiary** to modify any building or property;
 - (2) for any obligation of the **Organization** or any **Subsidiary** to pay compensation earned by any **Insured Person** in the course of employment, but not paid by the **Organization** or any **Subsidiary**, including any unpaid salary, bonus, wages, severance pay, retirement benefits, vacation days or sick days, provided, however, this exclusion shall not apply to front pay and back pay;
 - (3) for any actual or alleged violation by any **Insured** of the Fair Labor Standards Act or any similar state or local law, provided, however, this exclusion shall not apply to the Equal Pay Act. **Costs of Defense** provided pursuant to this section, I.(3), shall be subject to the FLSA Defense Sublimit of Liability stated in Item 3 of the Declarations, if any; or
 - (4) for any actual or alleged liability of any **Insured** under any contract or agreement, express or implied, written or oral; provided, however this exclusion shall not apply to employment related obligations which would have attached absent such contract or agreement;
- J. for any obligations under a worker's compensation, disability benefits, insurance benefits or unemployment compensation law, or any similar law; provided, however this exclusion shall not apply to a **Claim** for an **Employment Practices Wrongful Act** involving retaliation with regard to benefits paid or payable;

- K. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving:
 - (1) actual, alleged or threatened:
 - (a) inhalation of, ingestion of, contact with, or exposure to any **Fungi** or bacteria; or
 - (b) 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 any injury or damage; or
 - (2) any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating, 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;

- L. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving actual or alleged **Construction Defect(s)**;

- M. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged liability of an **Insured**, in whole or in part, in the capacity as a builder or developer, or in the capacity of a sponsor of the **Organization**, or of an **Insured** affiliated with such a builder, developer or sponsor, and which is related to actual or alleged misconduct on the part of such builder, developer or sponsor, including but not limited to actual or alleged conflict of interest, self-dealing, or disputes concerning conversion, construction or development;

With respect to this section of the Policy, no fact pertaining to or conduct by any **Insured Person** shall be imputed to any other **Insured Person**; and only facts pertaining to or conduct by any past, present, or future Executive Director, President, or Chairman of the **Organization** shall be imputed to the **Organization** or any **Subsidiary** to determine if coverage is available.

Section V. Limits of Liability and Retention

- A. The **Insurer** shall be liable to pay one hundred percent (100%) of **Loss** to which this insurance applies in excess of the Retention stated in Item 4 of the Declarations. The **Insurer's** maximum Limit of Liability for the aggregate amount of **Loss** resulting from all **Claims** deemed to have been made in a **Policy Year** shall be shown in Item 3 of the Declarations. The **Insured** shall be solely responsible to pay any and all **Loss** within the Retention. Under no circumstances shall the **Insurer** be required to pay any **Loss** within the Retention.
- B. One Retention shall apply to each and every **Claim**. More than one **Claim** involving the same **Wrongful Act** or **Related Wrongful Acts** of one or more **Insureds** shall be considered a single **Claim**, and only one Retention shall be applicable to such single **Claim**. All such **Claims**, constituting a single **Claim**, shall be deemed to have been made on the earlier of the following dates: (1) the earliest date on which any such **Claim** was first made; or (2) the earliest date on which any such **Wrongful Act** or **Related Wrongful Act** was reported under this Policy or any other policy providing similar coverage.
- C. **Costs of Defense** incurred by the **Insurer** shall be in addition to the Limit of Liability, and such **Costs of Defense** shall not be subject to the Retention amount.
- D. With respect to all **Claims** deemed to have been made in a **Policy Year**, should the Limit of Liability be exhausted by payment of **Loss** resulting from one or more such **Claims**, the **Insurer's** duty to defend shall cease and any and all obligations of the **Insurer** hereunder shall be deemed to be completely fulfilled and extinguished and the **Insurer** shall have no further obligations.

E. For the purpose of applying the Retention, **Loss** applicable to Insuring Agreement I.B. includes that for which indemnification is legally permissible, regardless of whether actual indemnification is granted. The certificate of incorporation, charter or other organizational document of the **Organization**, including by-laws and resolutions, shall be deemed to require indemnification and advancement of **Loss** to the **Insured Persons** to the fullest extent permitted by law.

Section VI. Costs of Defense and Settlements

A. The **Insureds** shall not incur **Costs of Defense**, or admit liability, offer to settle, or agree to any settlement in connection with any **Claim** without the express written consent of the **Insurer**, which consent shall not be unreasonably withheld. The **Insureds** shall provide the **Insurer** with full cooperation and all information and particulars it may reasonably request in order to reach a decision as to such consent. Any **Loss** resulting from any admission of liability, agreement to settle, or **Costs of Defense** incurred prior to the **Insurer's** consent shall not be covered hereunder.

B. The **Insurer** has the right to investigate and settle any **Claim** as it deems expedient. The **Insurer** may, with the written consent of the **Insured**, make any settlement of a **Claim** which the **Insurer** deems reasonable. If the **Insured** withholds its written consent to settlement of a **Claim** recommended in writing by the **Insurer**, the **Insurer's** liability will be limited to:

- (1) the amount of Loss in excess of the retention (if any) which the **Insurer** would have paid to settle the **Claim** had the **Insured** consented to the recommended settlement; and
- (2) the **Costs of Defense** covered by the Policy and incurred as of the date the **Insurer** recommended the settlement in writing to the **Insured**.

Upon failing to provide written consent to a settlement that the **Insurer** recommends in writing, the **Insured** shall, at its sole expense, assume all further responsibility for the **Costs of Defense** incurred after the date the **Insurer** recommended the settlement to the **Insured** in writing, including all additional costs associated with the investigation, defense and/or settlement of the **Claim**.

Section VII. Notice of Claim

A. The **Insureds** shall, as a condition precedent to their rights under this Policy, give the **Insurer** notice in writing of any **Claim** made during the **Policy Period**. Such notice shall be given as soon as practicable after the date a Board Member or an employee of the **Property Manager** has knowledge of the **Claim**, and in no event later than ninety (90) days after the end of the **Policy Period**.

B. If during the **Policy Period** or **Discovery Period**, any **Insured** first becomes aware of a **Wrongful Act** and gives notice to the **Insurer** of: (1) the **Wrongful Act**; (2) the injury or damage which has or may result therefrom; and (3) the circumstances by which the **Insured** first became aware thereof; then any **Claim** arising out of such **Wrongful Act** which is subsequently made against the **Insured** shall be deemed to have been made at the time the **Insurer** received such written notice from the **Insured**.

C. In addition to furnishing the notice as provided in Section VII A or B, the **Insured** shall, as soon as practicable, provide the **Insurer** with copies of reports, investigations, pleadings and other documents in connection therewith, and shall provide all information, assistance and cooperation which the **Insurer** reasonably requests and do nothing to prejudice the **Insurer's** position or its potential or actual rights of recovery.

Section VIII. Coverage Extensions

A. Spousal/Domestic Partner Provision

The coverage provided by this Policy shall also apply to the lawful spouse or "Domestic Partner" of any **Insured Person**, but only for **Claims** arising out of any actual or alleged **Wrongful Acts** of any **Insured Person**. The term "Domestic Partner" shall mean any natural person qualifying as a

domestic partner under the provisions of any applicable federal, state or local law.

B. Worldwide Provision

The coverage provided under this Policy shall apply worldwide. The term **Insured Persons** is deemed to include individuals who serve in equivalent positions in foreign **Subsidiaries**.

C. Estates and Legal Representatives

The coverage provided by this Policy shall also apply to the estates, heirs, legal representatives, or assigns of any **Insured Persons** in the event of their death, incapacity or bankruptcy, but only for **Claims** arising out of any actual or alleged **Wrongful Acts** of any **Insured Persons**.

Section IX. General Conditions

A. Cancellation or Non-Renewal

- (1) This Policy may be cancelled by the **Organization** at any time by written notice to the **Insurer**. In the event the **Organization** cancels this Policy for reasons other than the downgrade of the **Insurer's** rating by A.M. Best, the **Insurer** shall retain the customary short rate portion of the premium. However, if the **Organization** cancels the Policy due to a downgrade of the **Insurer's** rating to below [A-] by A.M. Best, the **Insurer** shall refund any unearned premium on a pro rata basis. Payment of any unearned premium by the **Insurer** shall not be a condition precedent of the effectiveness of cancellation but such payment shall be made as soon as practicable.
- (2) This Policy will only be cancelled by the **Insurer** if the **Organization** does not pay the premium when due.
- (3) If the **Insurer** elects not to renew this Policy, the **Insurer** shall provide the **Organization** with at least sixty (60) days advance notice thereof.

B. Application

It is agreed the particulars and statements contained in the **Application** submitted to the **Insurer** (and any material submitted therewith) are the representations of the **Insured** and are to be considered as incorporated in and constituting part of this Policy. It is also agreed this Policy is issued in reliance upon the truth of such representations. However, coverage shall not be excluded as a result of any untrue statement in the **Application**, except as to the **Organization**, its **Subsidiaries**, and any **Insured Person** making such untrue statement or having knowledge of its falsity.

In no event shall Insuring Agreement I.A. of this Policy be rescinded by the **Insurer**.

C. Order of Payments

In the event of **Loss** arising from a covered **Claim** for which payment is due under the provisions of this Policy, the **Insurer** shall first, pay **Loss** for which coverage is provided under Insuring Agreement I.A. of this Policy; and thereafter with respect to whatever remaining amount of the Limit of Liability is available after such payment, pay such other **Loss** for which coverage is provided under any other applicable Insuring Agreements in Section I of this Policy.

D. Merger or Acquisition

If, during the **Policy Period**, the **Organization** acquires the assets of another entity, by merger or otherwise, and the acquired assets of such other entity exceed thirty-five percent (35%) of the

assets of the **Organization** as of the inception date of the Policy, written notice thereof shall be given to the **Insurer** as soon as practicable, but in no event later than ninety (90) days from the effective date of the transaction, together with such information as the **Insurer** may request. Premium adjustment and coverage revisions shall be effected as may be required by the **Insurer**.

E. Conversion to Run-Off Coverage

If prior to the end of the **Policy Period**, the **Organization** merges into another organization and the **Organization** is not the surviving entity, another organization or person acquires the right to elect or appoint more than fifty percent (50%) of the Board of Directors or other governing body of the **Organization**, or the **Organization** ceases to qualify as a not-for-profit organization under any federal, provincial and territorial legislation and/or the Internal Revenue Code (such events hereinafter referred to as **Transaction**), then:

- (1) the **Organization** must give written notice of such **Transaction** to the **Insurer** within thirty (30) days after the effective date of such **Transaction**, and provide the **Insurer** with such information as the **Insurer** may deem necessary; and
- (2) this Policy, including the **Discovery Period** if elected, shall apply, but only with respect to any **Wrongful Act** committed prior to the effective date of such **Transaction**.

F. Action Against the Insurer

- (1) No action shall be taken against the **Insurer** unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this Policy, and until the **Insured's** obligation to pay shall have been finally determined by an adjudication against the **Insured** or by written agreement of the **Insured**, those filing the claim, and the **Insurer**.
- (2) No person or organization shall have any right under this Policy to join the **Insurer** as a party to any **Claim** against any **Insured** nor shall the **Insurer** be impleaded by any **Insured** or their legal representative in any such **Claim**.

G. Subrogation

In the event of payment under this Policy, the **Insurer** shall be subrogated to all the **Insureds'** rights of recovery. The **Insureds** shall do everything necessary to secure such rights, including the execution of such documents necessary to enable the **Insurer** to effectively bring suit in the name of any **Insured**. In no event, however, shall the **Insurer** exercise its rights to subrogation against an **Insured Person** under this Policy unless, such **Insured Person**:

- (1) has been convicted of a deliberate criminal act, or
- (2) has been determined by a final adjudication adverse to the **Insured Person** to have committed a deliberate fraudulent act, or to have obtained any profit, advantage or remuneration to which such **Insured Person** was not legally entitled.

In the event the **Insurer** shall for any reason pay indemnifiable **Loss** on behalf of an **Insured Person**, the **Insurer** shall have the contractual right hereunder to recover from the **Organization** or any **Subsidiary** the amount of such **Loss** equal to the amount of the Retention not satisfied by the **Organization** or any **Subsidiary** and shall be subrogated to rights of the **Insured Persons** hereunder.

H. Conformity to Law

Any terms of this Policy which are in conflict with the terms of any applicable laws are hereby amended to conform to such laws.

I. Assignment

Assignment of interest under this Policy shall not bind the **Insurer** until its consent is endorsed hereon.

J. Organization Represents Insured

By acceptance of this Policy, the **Organization** shall be designated to act on behalf of the **Insureds** for all purposes including, but not limited to, giving and receiving of all notices and correspondence, the cancellation or non-renewal of this Policy, the payment of premiums, and the receipt of any return premiums that may be due under this Policy.

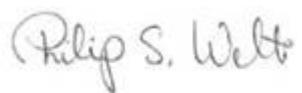
K. Entire Agreement

By acceptance of this Policy, the **Insured** and the **Insurer** agree that this Policy (including the **Application** submitted to the **Insurer** and any materials submitted therewith) and any written endorsements attached hereto constitute the entire agreement between the parties.

In witness whereof the **Insurer** has caused this Policy to be signed by its President and Secretary and countersigned, if required, on the Declarations page by a duly authorized agent of the **Insurer**.



President



Secretary

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

DIRECTORS & OFFICERS INSURANCE POLICY

- 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.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Policy other than as above stated.

**POLICYHOLDER NOTICE U.S. TREASURY DEPARTMENT'S
OFFICE OF FOREIGN ASSETS CONTROL (OFAC) ADVISORY NOTICE**

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

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC.

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of national emergency. OFAC has identified and listed numerous foreign agents, front organizations, terrorists, terrorist organizations and narcotics traffickers as Specially Designated Nationals. This list can be located on the United States Treasury's web site: <http://www.treasury.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments or premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

**POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM INSURANCE COVERAGE**

Coverage for acts of terrorism, as defined in the Terrorism Risk Insurance Act, as amended, (the “Act”), is included in your policy. 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. Under your coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Act. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 80% beginning on January 1, 2020, of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The Act contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers’ liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

The portion of your annual premium that is attributable to coverage for acts of terrorism as defined in the Act is \$0, and does not include any charges for the portion of losses covered by the United States government under the Act.



A Berkley Company

Domicile Office: 11201 Douglas Avenue, Urbandale, IA 50322

Main Administrative Office: 475 Steamboat Road, Greenwich, CT 06830

Underwriting Office: 1250 Diehl Road, Suite 200, Naperville, IL 60563 Telephone: (866) 893-3922

IDAHO AMENDATORY ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

In compliance with the insurance regulations of the state of Idaho, the following Section of the Policy is amended as follows:

1. It is understood and agreed that Paragraph **A. Cancellation or Non-Renewal** under **Section IX. General Conditions** is hereby deleted in its entirety and replaced with the following:

A. Cancellation or Non-Renewal

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. Cancellation will be effective on the later of the date requested by the first Named Insured.
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 five days following the date of postmark; or
- (2) 30 days before the effective date of cancellation if we cancel for any other reason

- b. More than 60 days

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

- (1) Nonpayment of premium;
- (2) Fraud or material misrepresentation made by you or with your knowledge in obtaining the policy, continuing the policy or in presenting a claim under the policy;
- (3) Acts or omissions on your part which increase any hazard insured against;
- (4) Change in the risk which materially increases the risk of loss after the policy has been issued or renewed including, but not limited to, an increase in exposure due to regulation, legislation or court decision;
- (5) Loss of or decrease in reinsurance which provided us with coverage for all or part of the risk insured;

- (6) A determination by the Director of Insurance that continuation of this policy would jeopardize our solvency or place us in violation of the insurance laws of Idaho or any other state; or
- (7) Violation or breach by the insured of any policy terms or conditions other than nonpayment of premium.

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

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

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.

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 percent (10%) which is the result of a comparable increase in premium rates, change in deductible, reduction in limits or reduction in coverage to the first Named Insured, at the last mailing address known to us.
2. Any such notice will be mailed or delivered to the first Named Insured at least 30 days before the expiration or anniversary date of the policy.
3. If notice is not mailed or delivered at least 30 days before the expiration or anniversary date of the policy, the premium, deductible, limits and coverage in effect prior to the changes will remain in effect until the earlier of the following:
 - a. 30 days after notice is given; or

- b. The effective date of replacement coverage obtained by the first Named Insured.
- 4. If the first Named Insured accepts the renewal, the premium increase, if any, and other changes will be effective on and after the first day of the renewal term.
- 5. If the first Named Insured elects not to renew, any earned premium for the resulting extended period of coverage will be calculated pro rata at the lower of the new rates or rates applicable to the expiring policy.
- 6. If notice is mailed, proof of mailing will be sufficient proof of notice.

COMMERCIAL CYBER DATA BREACH COVER

THIS ENDORSEMENT'S AGGREGATE LIMIT OF INSURANCE WILL BE REDUCED AND MAY BE EXHAUSTED BY PAYMENT OF THE COVERAGE PROVIDED BY THIS ENDORSEMENT, INCLUDING WITHOUT LIMITATION, PAYMENTS FOR DAMAGES, CLAIMS, CLAIM EXPENSES, REGULATORY FINES, AND LOSSES.

FOR THE AVOIDANCE OF DOUBT, CLAIM EXPENSES ARE INCLUDED WITHIN, REDUCE, AND MAY EXHAUST THE APPLICABLE LIMITS OF LIABILITY.

THIS ENDORSEMENT PROVIDES INDEPENDENT COVERAGES, TERMS, AND DEFINITIONS.

PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY

Various provisions in this **Endorsement** restrict coverage, and coverage is subject to certain conditions precedent set forth in this Endorsement. Read the entire **Endorsement** carefully to determine what is and what is not covered, and the rights and duties of the **Named Insured** and the **Company**.

Schedule of Insurance

Coverage	Limits of Insurance / Sublimits of Insurance
ENDORSEMENT AGGREGATE COVERAGE LIMIT OF INSURANCE	\$ 250,000
A. LIABILITY COVERAGE LIMIT (Inclusive of the following Insuring Agreements):	\$ 250,000
1. Media	
2. Network Security	
3. Data Compromise	
a. Privacy	
b. Regulatory Coverage	
Regulatory Fines (Sublimit)	\$10,000 each Regulatory Proceeding Claim
B. FIRST PARTY COVERAGE LIMIT (Inclusive of the following Insuring Agreement):	\$50,000
1. Privacy Breach	
C. PER EVENT DEDUCTIBLE	\$1,000
D. ENDORSEMENT PREMIUM	INCLUDED

ENDORSEMENT PERIOD From 8/15/2025 to 8/15/2026

At 12:01 A.M. Standard Time at the address of the **Named Insured** as stated herein.

COMMERCIAL CYBER DATA BREACH COVER

In consideration of the payment of the premium, in reliance on all information provided to the **Company**, and subject to all provisions of this **Endorsement**, the **Named Insured** and **Company** agree as follows:

SECTION I: INSURING AGREEMENTS

This Section lists the coverages that apply if indicated in the Schedule of Insurance and have a Limit of Insurance on the Schedule. If no Limit of Insurance is set forth for an Insuring Agreement in the Schedule, coverage has not been purchased for such Insuring Agreement. For coverage under this **Endorsement**, the applicable **Event** must be first **Discovered** during the **Endorsement Period** and reported to the **Company** in accordance with Section IV.A.

A. LIABILITY COVERAGE

1. MEDIA

The **Company** will pay on the **Insured's** behalf the **Damages** resulting from a **Claim** directly arising from a **Media Wrongful Event**, provided the **Media Wrongful Event** is first **Discovered** during the **Endorsement Period**.

2. NETWORK SECURITY

The **Company** will pay on the **Insured's** behalf the **Damages** resulting from a **Claim** directly arising from a **Network Security Event**, provided the **Network Security Event** is first **Discovered** during the **Endorsement Period**.

3. DATA COMPROMISE

a. PRIVACY

The **Company** will pay on the **Insured's** behalf the **Damages** resulting from a **Claim** directly arising from a **Privacy Breach Event**, provided the **Privacy Breach Event** is first **Discovered** during the **Endorsement Period**.

b. REGULATORY

The **Company** will pay on the **Insured's** behalf the **Regulatory Fines** and **Claim Expenses** resulting from a **Regulatory Proceeding** **Claim** directly arising from a **Privacy Breach Event**, provided the **Privacy Breach Event** is first **Discovered** during the **Endorsement Period**.

B. FIRST PARTY COVERAGE

1. PRIVACY BREACH

The **Company** will pay the **Named Insured** for **Privacy Breach Expenses** directly arising from a **Privacy Breach Event**, provided the **Privacy Breach Event** is first **Discovered** during the **Endorsement Period**.

SECTION II: LIMITS OF INSURANCE AND DEDUCTIBLE

A. LIMITS OF INSURANCE

1. ENDORSEMENT AGGREGATE COVERAGE LIMIT OF INSURANCE

The Endorsement Aggregate Coverage Limit of Insurance for the **Endorsement Period** set forth in the Schedule is the maximum aggregate limit of the **Company's** liability under all Insuring Agreements in this **Endorsement** combined, regardless of the number of **Claims**, the number of **Losses**, the number of claimants, and the number of Insuring Agreements triggered.

The Liability Coverage Limits, including sublimits, and the First Party Coverage Limits, including sublimits, listed in the Schedule are all part of, and not in addition to, the Endorsement Aggregate Coverage Limit of Insurance set forth in the Schedule.

COMMERCIAL CYBER DATA BREACH COVER

2. LIABILITY LIMIT OF INSURANCE

If a Limit of Insurance is set forth in the Schedule under the heading "Liability Coverage Limit" for an Insuring Agreement in Section I.A. of this Endorsement, then such Limit of Insurance is the maximum limit of the **Company's** liability for all **Damages** from all **Claims** and **Related Claims** in the aggregate under that Insuring Agreement, which amount is part of, and not in addition to, the Liability Coverage Limit and the Endorsement Aggregate Coverage Limit of Insurance for the **Endorsement Period** set forth in the Schedule.

3. FIRST PARTY COVERAGE LIMIT OF INSURANCE

If a Limit of Insurance is set forth in the Schedule under the heading "First Party Coverage Limit" for an Insuring Agreement in Section I.B. of this Endorsement, then such Limit of Insurance is the maximum limit of the **Company's** liability for all **Loss** and **Related Losses** in the aggregate under that Insuring Agreement, which amount is part of, and not in addition to, the First Party Coverage Limit and the Endorsement Aggregate Coverage Limit of Insurance for the **Endorsement Period** set forth in the Schedule.

B. DEDUCTIBLE

1. The **Company** shall only be liable for the amount of **Damages** or **Loss** which is in excess of the applicable Deductible set forth in the Schedule. Such Deductible shall solely be the obligation of the **Named Insured**. The **Company** has no obligation to the **Named Insured** or to any other person or entity to pay all or any portion of any Deductible amount for or on behalf of the **Named Insured**.
2. For the purpose of applying the Deductible, the **Named Insured** shall pay one single Deductible amount for **Damages** and **Loss** arising from the same **Event** or **Related Events**, regardless of whether there is more than one **Claim** or **Loss** arising from the same **Event** or **Related Events**.

C. RELATED EVENTS, RELATED CLAIMS, RELATED LOSS

1. Each **Event** and all its **Related Events** shall be treated as a single **Event**.
2. Each **Claim** and all its **Related Claims** shall be treated as a single **Claim**.
3. Each **Loss** and all its **Related Losses** shall be treated as a single **Loss**.

D. ENDORSEMENT PERIODS

In no event will any **Event** or **Related Event**, **Claim** or **Related Claim**, or **Loss** or **Related Loss** constitute an **Event**, **Claim**, or **Loss** (as applicable) in more than one **Endorsement Period**.

SECTION III: DEFENSE AND SETTLEMENT

A. DUTY TO DEFEND

1. Duty to Defend

The **Company** has the right and duty to defend any **Claim** against the **Insured** seeking **Damages** under this **Endorsement**, even if any of the allegations are groundless, false, or fraudulent. The **Company** has no duty to defend any **Claim** or pay any **Damages** for a **Claim**:

- a. Arising from an **Event** not first **Discovered** during the **Endorsement Period**;
- b. Which is not covered by this **Endorsement**; or
- c. Seeking relief not covered by this **Endorsement**.

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2. Termination of Duty to Defend

- a. The **Company's** right and duty to defend ends when the Endorsement Aggregate Coverage Limit of Insurance or applicable Limit of Insurance is exhausted by the **Company's** payments or the **Company** deposits the remaining portion of the Endorsement Aggregate Coverage Limit of Insurance or applicable Limit of Insurance with a court of competent jurisdiction.
- b. The **Company's** right and duty to defend ends when the **Company** makes any of the following determinations: (i) the **Claim** arises from an **Event** not first **Discovered** during the **Endorsement Period**, (ii) the **Claim** is not covered by this **Endorsement**, or (iii) the **Claim** seeks relief that is not covered by this **Endorsement**.

3. Selection of Counsel

The **Company** shall have the right to select and appoint counsel to defend any **Claim**. The **Insured** shall not appoint counsel to defend any **Claim** without **Approval** in advance. Any costs incurred by an **Insured** for work performed by counsel, when that counsel was not **Approved**, shall be borne by the **Insured** and shall not erode the applicable Deductible set forth in the Schedule or be recoverable under this **Endorsement**. The **Company** shall have the right to substitute its chosen counsel for any counsel previously selected by the **Insured** without **Approval** unless otherwise prohibited by applicable law.

B. SETTLEMENT

The **Company** has the right to investigate, direct the defense of, and/or settle any **Claim** as the **Company** deems expedient.

C. COMPANY'S APPROVAL REQUIRED

It is a condition precedent for coverage under this **Endorsement** that the **Insured** shall not admit any liability, make any payment, assume any obligation, incur any expense, enter into or negotiate any settlement, stipulate to any judgment or award, or dispose of any **Claim** without **Approval**.

SECTION IV: REPORTING REQUIREMENTS

A. INSURED'S DUTY TO REPORT

1. NOTICE IS A CONDITION PRECEDENT TO COVERAGE

It is a condition precedent to coverage under this **Endorsement** that if a **Knowledge Group Member** first **Discovers** during the **Endorsement Period** any **Event** (including each **Related Event**, if any), **Claim** (including each **Related Claim**, if any), **Loss** (including each **Related Loss**, if any), or **Circumstances**, an **Insured** must provide written notice to the **Company** of such **Event**, **Claim**, **Loss** or **Circumstances**, such notice to include the information set forth in Section IV. A. 2 below, and to be provided as soon as practicable, but in all cases no later than thirty (30) days after first **Discovered**.

It is a condition precedent to coverage under this **Endorsement** that if the **Company** sends written notice to the **Named Insured** that this **Endorsement** is being cancelled for non-payment of premium, the **Named Insured** must provide written notice to the **Company** of any **Event**, **Claim**, **Loss** or **Circumstances** in accordance with the prior paragraph, but in any event no later than the earlier of: (i) thirty (30) days after such **Event**, **Claim**, **Loss** or **Circumstances** is first **Discovered**, and (ii) prior to the effective date of the cancellation.

Such notices must be sent to the **Company**. Notice to any **Vendor** (including lawyers, experts, and litigation support staff) does not constitute notice to the **Company** of an **Event**, **Claim**, **Loss** or **Circumstances** under this **Endorsement**.

2. INFORMATION TO BE INCLUDED IN NOTICES

In providing the notice under A.1, of this Section IV, each notice must include a written report with the following information:

COMMERCIAL CYBER DATA BREACH COVER

- a. If notice is of an **Event**, then a description of the **Event**, when and how the **Knowledge Group Member** first **Discovered** the **Event**, the **Circumstances** giving rise to the **Event**, and any **Claim** or **Loss** reasonably expected to arise from that **Event**.
- b. If notice is of a **Claim**, or of an **Event** or **Circumstances** reasonably likely to give rise to a **Claim**, then a description of the **Claim**; when and how the **Knowledge Group Member** first **Discovered** the **Claim**; the names of the claimant or potential claimant, the **Impacted Individuals**, the **Impacted Entities**, and any other persons or entities involved; the specific **Third Party Liability Event** or regulatory proceeding which may form the basis of the **Claim**; all pleadings and other documents setting forth the **Claim** or notifying an **Insured** of the **Claim**; the **Circumstances** giving rise to the **Claim**; and the nature and extent of any potential **Damages**.
- c. If notice is of a **Loss**, or of an **Event** or **Circumstances** reasonably likely to give rise to a **Loss**, then a description of the **Loss**, when and how the **Knowledge Group Member** first **Discovered** the **Loss**, the **Circumstances** giving rise to the **Loss**, and the nature and extent of any potential **Loss**.
- d. If the notice is of **Circumstances**, then, in addition to the information in A.2.a., b., and c. above, a description of the **Circumstances**, when and how the **Knowledge Group Member** first **Discovered** the **Circumstances**, the reason the **Knowledge Group Member** believes such **Circumstances** are reasonably likely to result in an **Event**, **Claim** or **Loss**, and the nature and extent of any potential **Damages** or **Loss**.

3. REPORTS OF MALICIOUS CODES AND EXPLOITS

For **Network Security Events** based upon, arising out of, attributable to, caused by or resulting from **Malicious Code** or **Exploit**, the **Named Insured** must provide the **Company** as soon as possible with (a) any identifying characteristics, markers, or other information which may identify the **Malicious Code** or **Exploit** involved in the **Event**, and (b) a written report by a forensic **Vendor** which identifies the **Malicious Code** or **Exploit** involved in the **Event**, such report be provided to the **Company** no later than thirty (30) days after the first **Discovery** of such **Event**.

For all other **Events**, such a report must be provided at the **Company's** request.

B. NO COVERAGE

1. No coverage under this **Endorsement** will be provided for:
 - a. Any **Damages** incurred or paid prior to the time the **Company** is notified of the **Claim** or any **Related Claim** pursuant to Section IV.A.; or
 - b. Any **Loss** incurred or paid prior to the time the **Company** is notified of a **Loss** or any **Related Loss** pursuant to Section IV.A.
2. No coverage under this **Endorsement** will be provided if any **Insured** reports any matter knowing or having reason to know it to be false or fraudulent.

C. DETERMINATION OF FIRST DISCOVERY

1. Each **Claim** and all its **Related Claims**, whenever made, will be deemed a single **Claim** first **Discovered** on the earlier of the following:
 - a. When the **Event** giving rise to the **Claim** was first **Discovered**, or could have been **Discovered** through the exercise of due diligence; and
 - b. When the earliest of the **Related Claims** was first **Discovered**, or could have been **Discovered** through the exercise of due diligence.

This Section IV.C.1. applies regardless of the following:

- a. The number of **Related Claims**;

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- b. The number or identity of **Impacted Individuals**, **Impacted Entities**, or any other persons, entities, or claimants involved;
 - c. Whether the **Related Claims** are asserted in a class action or otherwise; or
 - d. The timing of the **Related Claims**, even if the **Related Claims** were received or **Discovered** in more than one **Endorsement Period**.
- 2. **Loss** and all its **Related Losses**, whenever occurring, will be deemed a single **Loss** first **Discovered** on the earlier of the following:
 - a. When the **Event** giving rise to the **Loss** was first **Discovered**, or could have been **Discovered** through the exercise of due diligence; and
 - b. When the earliest of the **Related Losses** was first **Discovered**, or could have been **Discovered** through the exercise of due diligence.

This Section IV.C.2. applies regardless of the following:

- a. The number of **Related Losses**;
- b. The number or identity of **Impacted Individuals**, **Impacted Entities**, or any other persons or entities involved; or
- c. The timing of the **Related Losses**, even if the **Related Losses** occurred or were **Discovered** in more than one **Endorsement Period**.

- 3. Each **Event** and all its **Related Events**, whenever occurring, will be deemed a single **Event** first **Discovered** on the earliest of the following:
 - a. When the **Event** was first **Discovered**, or could have been **Discovered** through the exercise of due diligence;
 - b. When the earliest of the **Related Events** was first **Discovered**, or could have been **Discovered** through the exercise of due diligence; and
 - c. When the earliest **Circumstances** were first **Discovered**, or could have been **Discovered** through the exercise of due diligence.

This Section IV.C.3. applies regardless of the following:

- a. The number of **Related Events** or **Circumstances**;
- b. The number or identity of **Impacted Individuals**, **Impacted Entities**, or any other persons, entities, or claimants involved; or
- c. The timing of the **Related Events** or **Circumstances**, even if the **Related Events** or **Circumstances** occurred or were **Discovered** in more than one **Endorsement Period**.

For purposes of this Section IV.C., due diligence includes but is not limited to compliance with Section V.

SECTION V: DUE DILIGENCE AND COOPERATION

A. DUE DILIGENCE REQUIREMENTS

- 1. It is a condition precedent to coverage under this **Endorsement** that the **Named Insured** must, at its sole cost and expense, use due diligence to prevent and mitigate against any **Damages** or **Loss**, and to protect and monitor the security of **Protected Information** and its **Computer System**. This includes, but is not limited to:
 - a. Providing and maintaining appropriate physical security for the **Named Insured's** premises and the **Computer System**;

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- b.** Performing and installing all available software updates and patches as soon as practicable but in no event later than thirty (30) days from the time the update or patch becomes available;
- c.** Installing, maintaining, monitoring, and updating firewalls, virus scans and anti-virus software, and ensuring that the foregoing are active and in use for the **Computer System**;
- d.** Providing and running a data backup system at appropriate intervals, including without limitation performing a full backup of the **Computer System** at least once every thirty (30) days;
- e.** Providing and maintaining password protection and encryption for all **IOT Devices, Portable Devices and Peripheral Hardwired Devices**;
- f.** Providing and maintaining encryption for **Protected Information** and financial transactions such as credit card, debit card, and check processing; and
- g.** Providing and maintaining secure disposal procedures for files containing **Protected Information** no longer needed for use.

B. COOPERATION

The **Insured** agrees not to take any action, or fail to take any requested action, that prejudices the **Insured's** rights or the **Company's** rights with respect to a **Claim or Loss**. In the event of a **Claim or a Loss**, the **Insured** must do the following upon the **Company's** request:

- 1.** Fully assist and cooperate with the **Company** in the conduct, defense, investigation, negotiation, and settlement of a **Loss or Claim** or investigation of coverage of a **Loss or Claim**;
- 2.** Submit to an examination under oath; provide the **Company** with written statements; attend meetings and negotiations; produce and make available all information, books, records, documents, and other materials which the **Company** deems relevant; and authorize the **Company** to obtain records and other information;
- 3.** Take additional steps to protect the **Computer System** and **Protected Information** from further loss or damage and keep a record of the expenses necessary to do so;
- 4.** Attend hearings, depositions, proceedings, trials, and appeals;
- 5.** Assist the **Company** in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses, and pursuing or enforcing any right of contribution or indemnity against a person or entity who may be liable to the **Insured**;
- 6.** Accept the **Company's** assignment of counsel unless otherwise prohibited by applicable law; and
- 7.** Provide reports of forensic **Vendors** that identify the **Malicious Code or Exploit** involved in the **Event** as soon as possible; provided that this provision supplements, and does not replace, the reporting requirements set forth in Section IV.A.

SECTION VI: EXCLUSIONS

- A.** The **Company** shall not be liable to pay, indemnify or reimburse for any **Claim, Damages or Losses** based upon, arising out of, attributable to, caused by or resulting from, whether actual or alleged:
 - 1.** Any of the following:
 - a.** Intentional creation or distribution of **Malicious Code or Exploit** by any **Insured**;
 - b.** Unauthorized tampering with any **Computer System** by any **Insured**; or
 - c.** Any dishonest, fraudulent, criminal, malicious, or willful act, error, or omission by any **Insured**.
 - 2.** Any **Mass Event**.
 - 3.** Any of the following:
 - a.** Failure, interruption of service, or defect by third parties;
 - b.** Misconfiguration of information technology systems, including but not limited to domain name system configuration changes and domain name hijacking, by third parties;

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- c. Unauthorized access or unauthorized use of a third party's computer system;
- d. Malicious insider activity of or by third parties; or
- e. Distribution of **Malicious Code** or **Exploit** by third parties,

in each case that impact the **Computer System** and cause **Claims, Losses or Damages**. For the purposes of this exclusion third parties shall refer to (i) any cloud service provider; (ii) any other entity providing to an **Insured**, or servicing for an **Insured**, any hardware or software over the internet; or (iii) any other entity providing software as a service, infrastructure as a service, managed security as a service, platform as a service, or any form of cloud data storage as a service to an **Insured**.

4. Any mechanical or service failure, interruption of service, or defect of:
 - a. Telephone, communications or data transmission lines, equipment or infrastructure;
 - b. Internet system, internet service provider or cloud service provider, device or computer system (other than a **Computer System**, or an internet system owned or leased by and operated under the control of the **Named Insured**); or
 - c. Electricity (including but not limited to power interruption, surge, brownout or blackout), gas, water or other utilities or their equipment or infrastructure (including, but not limited to power lines).
5. Shortcomings, errors or mistakes in any set of instructions (oral, written or electronic), scripts, program, code or software that is executed, run or installed on the **Computer System** either (a) during the course of a legitimate and authorized upgrade, update or maintenance process of any software, firmware or hardware on or part of a **Computer System**, or (b) that are present within the firmware or hardware of a **Computer System** as a result of the manufacturing process, in each case for (a) and (b), for the purposes of this exclusion, that directly causes **Claims, Losses or Damages**.
6. Any of the following:
 - a. Bodily injury, sickness, or disease sustained by a person, including death resulting from any of these at any time;
 - b. Physical injury to tangible property, including all resulting loss of use of that property; or
 - c. Loss of use of tangible property that is not physically injured.
7. Any of the following:
 - a. Nuclear reaction, nuclear radiation, radioactive contamination, radioactive substance, electromagnetic field, electromagnetic radiation, or electromagnetism;
 - b. Pathogenic or poisonous biological or chemical materials, whether or not man-made, including communicable disease events;
 - c. War, invasion, acts of foreign enemies, hostilities (whether war is declared or not), riot, civil unrest, rebellion, revolution, insurrection, war-like action, coup, usurped powers or military power, including but not limited to those by state-sponsored actors, and action taken by government authority in hindering or defending against any of these; or
 - d. Fire, flood, earthquake, volcanic eruption, explosion, lightning, wind, hail, tidal wave, landslide, act of God or other physical event.
8. Any unlawful or unauthorized obtaining, gathering, collecting, acquiring, sharing, using, distribution or sale by an **Insured** of any **Protected Information**. Provided, however, this exclusion shall not apply to **Privacy Breach Expenses** or **Regulatory Proceedings Claims**, in each case directly arising from a **Privacy Breach Event**, and which are otherwise covered under this **Endorsement**.
9. The unsolicited dissemination of any communication to actual or prospective customers of the **Named Insured**, or to any other third party.

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10. Any violation of the Telecommunications Act, the CAN-SPAM Act, or any other federal, state or local legislation, regulation or law or common law, either: (a) protecting a person's or entity's right of seclusion or privacy (other than a **Privacy Law**), or (b) addressing the unsolicited distribution, transmission or dissemination of any communication.
11. Any gaining of any profit or advantage to which the **Insured** is not legally entitled.
12. Any patent infringement or theft, copying, display, or publication of any patent, process, or trade secret.
13. Any breach of contract, agreement, understanding, warranty (including but not limited to product warranty), or other guarantee or promise. This exclusion shall not apply to the following: Solely with respect to actual or alleged breach of contract, liability that would have attached to the **Named Insured** in the absence of such contract.
14. Any liability or obligation the Named Insured, or anyone acting on behalf of the Named Insured, assumes under any contract, agreement, understanding, warranty (including but not limited to product warranty), or other guarantee or promise. This exclusion shall not apply to the following: Liability that would have attached to the Named Insured in the absence of any such contract, agreement, understanding, warranty or other guarantee or promise.
15. Any seizure, nationalization, confiscation, destruction, deletion or expropriation of any **Protected Information** or any **Computer System** held or used by an **Insured** by order of any governmental authority.
16. Any of the following:
 - a. Violation of any federal, state, local, foreign legislation, regulation, or law prohibiting any restraint of trade or antitrust activity;
 - b. Any price fixing, price discrimination, monopoly or monopolization, predatory pricing, unfair competition, collusion, or conspiracy;
 - c. Any unfair, false, misleading, or deceptive trade or business practice; or
 - d. Any false, misleading, deceptive, or fraudulent statement or representation in advertising or promoting the products, services, or business of the **Named Insured**; provided, however, that this exclusion will not apply to a **Claim** directly arising from a **Media Wrongful Event**.
17. Any of the following:
 - a. Discrimination of any kind; or
 - b. Wrongful employment practice of any kind.
18. Any **Circumstances, Claim, Event, or Loss**:
 - a. That was the subject of notice to another insurer or potential indemnitor prior to the Effective Date of this **Endorsement**; or
 - b. **Discovered** prior to the Effective Date of this **Endorsement**, or could have been **Discovered** through the exercise of due diligence prior to the Effective Date of this **Endorsement**.
19. The presence, discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, oil or other petroleum substances or derivatives, waste materials or other irritants, contaminants, pollutants or any other substances, including asbestos, fungus, mold and lead, which are or may be injurious to public health, property or the environment ("hazardous substances"), including but not limited to:
 - a. The cost of cleanup or removal of hazardous substances;
 - b. The cost of such actions as may be necessary to monitor, assess and evaluate, the presence, discharge, dispersal, escape, release, or threat of same, of hazardous substances;
 - c. The cost of disposal of hazardous substances or the taking of such other action as may be necessary to temporarily or permanently prevent, minimize, or mitigate damage to the public health or welfare or to property or the environment, which may otherwise result; or

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- d. Any cost, based upon, arising out of, attributable to, caused by or resulting from, or involving in any way any government direction or request that the **Named Insured** test for, monitor, clean up, remove, contain, treat, detoxify or neutralize hazardous substances.
- B. The **Company** shall not be liable to pay for any **Claim or Damages** based upon, arising out of, attributable to, caused by or resulting from any **Claim or Damages**, whether actual or alleged, by any of the following:
 - 1. Any **Insured** against another **Insured**, except for an otherwise covered **Claim** by an **Insured** under Section I.A.3.a.;
 - 2. Solely in the case of a **Privacy Breach Event**, by any person or entity other than an **Impacted Individual**, an **Impacted Entity**, or (solely in the case of a **Regulatory Proceeding Claim**) a federal or state regulatory body or regulator;
 - 3. Any entity owned or controlled by, or which is under common ownership or control with, the **Named Insured**;
 - 4. Any person or entity which owns or controls the **Named Insured**; or
 - 5. Any independent contractor of the **Named Insured**.

SECTION VII: GENERAL CONDITIONS

A. TERMINATION

The cancellation and nonrenewal provisions of the policy to which this **Endorsement** is attached shall apply to this **Endorsement**. This **Endorsement** shall remain in effect until the expiration of the **Endorsement Period** unless:

- 1. The policy to which this **Endorsement** is attached is cancelled or non-renewed prior to the expiration of the **Endorsement Period**; or
- 2. This **Endorsement** is removed at the request of the **Named Insured**, such removal to be confirmed by further endorsement to the policy.

B. CHANGE IN CONTROL

- 1. For purposes of this **Endorsement**, a "Sale Transaction" means either of the following that occurs during the **Endorsement Period**:
 - a. The **Named Insured** consolidates or merges with or into, or sells more than 50% of its assets to, any other person or entity or group of persons or entities acting in concert, such that the **Named Insured** is not the surviving entity; or
 - b. Any person or entity or group of persons or entities acting in concert acquire more than 50% of the issued and outstanding voting equity securities of the **Named Insured** or control voting rights representing the right to vote for election of or to appoint more than 50% of the directors or trustees of the **Named Insured**.

In the event of a Sale Transaction, this **Endorsement** shall continue in full force and effect as to any **Event** first **Discovered** prior to the Sale Transaction. There shall be no coverage under this **Endorsement** for any **Event** first **Discovered** after the Sale Transaction. The **Named Insured** shall give the **Company** written notice of the Sale Transaction as soon as practicable but not later than thirty (30) days after the Sale Transaction.

- 2. For purposes of this **Endorsement**, an "Acquisition Transaction" means any of the following that occurs during the **Endorsement Period**:
 - a. The **Named Insured** consolidates or merges with any other person or entity or group of persons or entities acting in concert such that the **Named Insured** is the surviving entity;
 - b. The **Named Insured** acquires the assets of any other person or entity or group of persons or entities acting in concert, where such assets represent a market value, as of the date of such acquisition, of 10% or greater of the **Named Insured's** market value;

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- c. The **Named Insured** acquires or creates a new entity or subsidiary such that the **Named Insured** holds more than 50% of the issued and outstanding voting equity securities or controls voting rights representing the right to vote for election of or to appoint more than 50% of the directors or trustees of such entity or subsidiary; or
- d. The subsequent addition of another entity or person as a **Named Insured** in addition to the entity or person listed at the time of the commencement of the **Endorsement Period** as the **Named Insured** on the Policy Declarations to which this **Endorsement** is attached.

In the event of an Acquisition Transaction, then there is coverage under this **Endorsement** for such additional entity, subsidiary or person for any **Claim, Loss, Event, or Circumstances** first **Discovered** within the sixty (60) day period immediately following the Acquisition Transaction or until the end of the **Endorsement Period**, whichever occurs first. There is no coverage for such additional entity, subsidiary or person after that time period unless (i) as soon as practicable but no later than thirty (30) days after the Acquisition Transaction, the **Named Insured** provides the **Company** with notice and the particulars of such Acquisition Transaction; (ii) the **Company** agrees to extend the coverage of this **Endorsement** to such surviving **Named Insured**, newly acquired or created entity or subsidiary, or additional entity or person, as applicable, and the **Company** amends the terms of this **Endorsement** accordingly; and (iii) the **Named Insured** pays any additional premium when due. Such extended coverage does not apply to any **Claim, Loss, Event, or Circumstances** first **Discovered** or that could have been first **Discovered** (either by a **Knowledge Group Member** or equivalent in such additional entity or subsidiary) through the exercise of due diligence (including but not limited to in compliance with Section V) before the Acquisition Transaction.

C. BANKRUPTCY

Bankruptcy or insolvency of the **Named Insured** will not relieve any **Insured** or the **Company** of any obligations nor deprive the **Company** of its rights and defenses under this **Endorsement** unless such obligations are in violation of applicable law.

D. EXCESS COVERAGE

This insurance shall be excess of any other insurance that applies to any **Claim, Event, Loss, Circumstances** or **Damages** covered hereunder and shall not contribute with any or all other insurance, including any deductible or retention, whether collectible or not.

E. ASSIGNMENT

This **Endorsement** and any and all interests and rights hereunder are not assignable without **Approval**.

F. TERMS TO CONFORM TO APPLICABLE LAW

Where necessary, the **Company** shall amend the terms and conditions of this **Endorsement** to conform to applicable law.

G. TERRITORY

This **Endorsement** applies to acts committed or **Losses** occurring anywhere in the world except as set forth under "Sanctions" in Section VII.H.; provided, however, that any **Claim** must be brought in the United States.

H. SANCTIONS

This **Endorsement** does not apply, and the **Company** shall not be liable to provide coverage or provide any benefit hereunder, to the extent that the provision of such coverage, payment of such claim or provision of such benefit would be in violation of any trade or economic sanctions law or regulation applicable to the **Company's** jurisdiction of domicile or those of another jurisdiction with which the **Company** is legally obligated to comply, including without limitation any trade or economic sanctions or embargo by the United States.

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I. LEGAL ACTION AGAINST THE COMPANY

1. No legal action or claim may be brought against the **Company** based upon, arising out of, attributable to, caused by or resulting from this Endorsement unless the following criteria are met:
 - a. There has been full compliance by the **Insureds** with all the terms and conditions of this **Endorsement**; and
 - b. The action is brought within the limit of time provided under applicable law, but in no event later than sixty (60) months from the date the **Knowledge Group Member** first **Discovers** the earliest of any **Circumstances, Claim, Event or Loss** pertaining to such action.
2. In the event that the requirements set forth in Section VII.I.1. have been complied with, with respect to a legal action or claim against the **Company**, the amount of damages and losses shall be limited to the following:
 - a. The amount of a non-appealable order of a court or other tribunal (e.g., arbitral panel) resolving such dispute on the merits; or
 - b. The amount for which the legal action or claim was settled, provided that the settlement was agreed to in accordance with the terms and conditions of this **Endorsement**.

J. NO JOINDER

No individual or entity shall have any right under this **Endorsement** to join the **Company** as a party to any **Claim** to determine the liability of the **Insured**, nor shall the **Company** be impleaded by the **Insured** or the **Insured's** legal representative in any such **Claim**.

K. SUBROGATION

In the event of any payment under this **Endorsement**, the **Company** shall be subrogated to the extent of such payment to all the **Insured's** rights of recovery thereof, and the **Insured** shall execute all papers required and shall do everything that may be necessary to preserve and secure such rights, including the execution of such documents necessary to enable the **Company** to effectively bring suit in the name of the **Insured**.

The **Company** assumes no duty to recover any amounts paid under this **Endorsement**; however, any amounts as may be recovered pursuant to the exercise of the **Company's** rights of subrogation shall be applied as follows: (i) to the repayment of expenses incurred by the **Company** in exercising any rights of subrogation; (ii) to **Damages and Losses** incurred by the **Named Insured** in excess of the Limits of Liability hereunder; and (iii) to **Damages and Losses** paid by the **Company**.

L. HEADINGS

The titles of paragraphs, sections, provisions, or endorsements of or to this **Endorsement** are intended solely for convenience and reference, and are not deemed in any way to limit or expand the provisions to which they relate and are not part of the **Endorsement**.

SECTION VIII: DEFINITIONS

Except where this Endorsement expressly or by implication indicates otherwise, the plural of any term includes the singular, and the singular of any term includes the plural. To the extent of any conflict between defined terms in this **Endorsement** and the policy to which this **Endorsement** is attached, then the definitions set forth in this **Endorsement** shall prevail.

- A. **Approval** and **Approved** means the **Company's** written approval, including in response to a written request for approval by the **Named Insured**. Where **Approval** is required in this **Endorsement** the **Named Insured** must promptly submit such written request for **Approval** to the **Company**.
- B. **Circumstances** means facts, subjects, situations, decisions, causes, persons, transactions, events, acts, errors or omissions, or class of persons or events, in each case which could reasonably be likely to give rise to a **Claim, Loss, or Event**, as applicable.

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C. Claim means each of the following:

1. For the purposes of **Third Party Liability Events**, a **Third Party Claim**; and
2. For the purposes of Section I. A. 3. "b.", the **REGULATORY INSURING AGREEMENT**, a **Regulatory Proceeding Claim**.

D. Claim Expenses means each of the following, with respect to any **Claim**:

1. Reasonable and necessary fees, costs and expenses charged by any **Vendor** and **Approved**, such **Vendor Approved** in advance (including lawyers, experts, and litigation support staff) for the investigation, adjustment, settlement and/or defense of such **Claim**;
2. Post-judgment interest which accrues after a **Final Judgment**; and
3. The premiums for appeal, attachment, or similar bonds, but only for bond amounts **Approved** and within the remaining applicable Limits of Insurance. The **Company** does not have any obligation to furnish these bonds.

Claim Expenses do not include the following:

1. Salaries, wages, fees, remuneration, overhead, benefits, or expenses of the **Company** or the **Insureds**;
2. Fees, costs, and expenses incurred prior to the time that a **Claim** was reported to the **Company**;
3. Fees, costs, and expenses incurred without **Approval**;
4. Fees, costs, and expenses incurred to improve or upgrade the **Computer System** beyond what it was prior to the **Claim**; or
5. Fees, costs, and expenses to comply with any injunctive or other non-monetary equitable, declaratory, regulatory, or administrative relief.

E. Company means the Insurer as titled on the Schedule page of this **Endorsement**.

F. Computer System means a computer or series of interconnected computers owned or leased by and operated under the control of the **Named Insured**. **Computer System** also includes the following, but only if owned or leased by and operated under the control of the **Named Insured**:

1. **Electronic Media**;
2. **Portable Devices**;
3. **IOT Devices**; and
4. **Peripheral Hardwired Devices**.

Computer System does not include a computer system the **Named Insured** operates for others.

G. Corporate Information means any business information of a third party, which is not available to the general public and is provided to an **Insured** subject to a mutually executed written confidentiality agreement with the **Named Insured**, or which the **Named Insured** is legally required to maintain in confidence. The **Corporate Information** must be in the direct care, custody or control of the **Named Insured** in the ordinary course and scope of its business operations. The term **Corporate Information** does not include **Personally Identifiable Information**.

H. Damages means each of the following:

1. With respect to a **Third Party Claim**, **Claim Expenses** and the following monetary amounts the **Insured** becomes legally obligated to pay resulting from a **Final Judgment** or settlement:
 - a. Compensatory damages,
 - b. Attorney's fees and other litigation costs included in any **Final Judgment**, and
 - c. Pre-Judgment interest included in any **Final Judgment**.
2. With respect to a **Regulatory Proceeding Claim**, **Claim Expenses** and only the **Regulatory Fines** the **Insured** becomes legally obligated to pay.

Damages does not include any of the following:

- i. Any monetary amount which the **Insured** is not legally obligated to pay;
- ii. Any monetary amount which is not insurable under the applicable law or jurisdiction pursuant to which the **Endorsement** is construed;
- iii. Past, present and future earned and unearned royalties, profits, fees, costs, expenses, or commissions, or the return of royalties, profits, fees, costs, expenses, commissions, and profits unjustly held or obtained;

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- iv. Consideration charged by, paid to or owed to the **Insured**, including but not limited to restitution, disgorgement, reduction, or return of any consideration;
- v. Fees, costs, and expenses required to comply with any injunctive or other non-monetary equitable, declaratory, regulatory, or administrative relief;
- vi. Discounts, prizes, awards, coupons, or other incentives offered to the **Insured's** clients, **Impacted Individuals**, or **Impacted Entities**;
- vii. Civil or criminal fines or penalties imposed by law, except **Regulatory Fines**;
- viii. Punitive and exemplary damages;
- ix. The multiple portion of any multiplied damages; or
- x. Taxes, loss of tax benefit or fines, tax penalties or sanctions imposed against the **Named Insured**.

I. **Discovers** or **Discovered** means the time a **Knowledge Group Member** receives, receives notice of, or becomes aware of any of the following: (i) any **Event**; (ii) any **Circumstances**; or (iii) any **Claim** or **Loss** or potential **Claim** or **Loss**, regardless of the potential amount of the **Claim** or **Loss**.

J. **Electronic Media** means any electronic data which is unique to the **Named Insured**, including audio or visual information, ready-for-use applications, programs, and other content in machine-readable format.

K. **Electronic Media Advertising** means **Electronic Media** which advertises or promotes the **Named Insured's** products or services.

L. **Endorsement** means this Endorsement issued by the **Company**.

M. **Endorsement Period** means the **Endorsement Period** set forth in the Schedule.

N. **Event** means a **Media Wrongful Event**, a **Network Security Event** or a **Privacy Breach Event**.

O. **Exploit** means a vulnerability in a **Computer System** or software through which **Malicious Code**, or software designed to find, create, or take advantage of such vulnerability, can enter such **Computer System**.

P. **Final Judgment** means a non-appealable order of a court or other tribunal (e.g., arbitral panel) resolving, on the merits, a dispute between an **Insured** and a third party (including government agencies), as to which either no further appeal is possible or a decision is made with **Approval** not to appeal further.

Q. **Impacted Entities** means any business, entity or organization whose **Corporate Information** is lost, stolen, unintentionally or unknowingly disseminated, or accidentally published by a **Privacy Breach Event** covered under this **Endorsement**. This definition is subject to all of the following provisions:

- 1. **Impacted Entity** does not include any **Impacted Individual**; and
- 2. **Impacted Entity** may be domiciled anywhere in the world.

R. **Impacted Individuals** means any person whose **Personally Identifiable Information** is lost, stolen, unintentionally or unknowingly disseminated, or accidentally published by a **Privacy Breach Event** covered under this **Endorsement**. This definition is subject to all of the following provisions:

- 1. **Impacted Individual** does not include any **Impacted Entity**. Only an individual person may be an **Impacted Individual**; and
- 2. **Impacted Individual** may reside anywhere in the world.

S. **IOT Device** means any electronic device (other than a **Portable Device**) or hardwire connected device, that connects to the **Computer System** directly or through a **VPN**. **IOT Devices** include, but are not limited to, smart printers, industrial control systems, security systems, smart speakers, smart televisions and smart appliances.

T. **Insured** means the **Named Insured**, **Knowledge Group Members**, and the **Named Insured's** employees but only while such employees are acting within their capacity as such for the **Named Insured**.

U. **Knowledge Group Member(s)** mean the **Named Insured's** principals, officers, directors, and risk managers, but only while acting in their capacity as such for the **Named Insured**.

V. **Loss(es)** means **Privacy Breach Expenses**.

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Loss(es) do not include:

1. Costs and expenses required to comply with any injunctive or other non-monetary equitable, declaratory, regulatory, or administrative relief, including but not limited to costs to remove electronic data from a website or social media site;
2. Any monetary amount which is not insurable under the applicable law or jurisdiction pursuant to which the **Endorsement** is construed;
3. Discounts, prizes, awards, coupons, or other incentives offered to the **Insured's** clients, **Impacted Individuals**, or **Impacted Entities**;
4. Consideration charged by, paid to or owed to the **Insured**, including but not limited to restitution, disgorgement, reduction, royalties or licensing fees, or return of any consideration;
5. Any costs, fees or expenses incurred or paid by the **Insured** in establishing the existence of or amount of **Loss**, other than to a **Vendor** (including lawyers, experts, and litigation support staff) designated in writing or **Approved** in advance;
6. Fines, taxes, penalties, loss of tax benefits or sanctions; or
7. Indirect or consequential losses.

W. Malicious Code means an unauthorized or harmful program, code, or script, including but not limited to any virus, Trojan horse, worm, time, logic bomb, spyware, ransomware, or malware.

X. Mass Event means the original and any variant of a **Malicious Code** or **Exploit** that is both:

1. The subject of an alert by, or is identified by a name or designation that is assigned by, any (i) United States (federal or state) government entity or agency or (ii) computer security, forensics, threat intelligence, or anti-virus entity, service provider or vendor (including but not limited to CrowdStrike, Juniper Networks, Mandiant/FireEye, Norton, Malwarebytes, McAfee, Kaspersky, Digital Shadows, RiskIQ, Recorded Future, Flashpoint, Anomali, Mimecast, Proofpoint, Palo Alto Networks, RSA, Seculert/Radware, Symantec, or Verizon); and
2. Publicized (meaning reported on in two or more news or technology media or publications, including but not limited to The New York Times, Washington Post, Los Angeles Times, Financial Times, FOX Corporation, CNN, The Wall Street Journal, NBC News, ABC News, CBS News, VICE Motherboard, Data Breach Today, Krebs on Security, Dark Reading, ZD NET, Wired, PC World, The Register, or CSO Online);

in each case, prior to an **Insured** providing notice of an **Event, Loss, Claim or Circumstances**, whichever is earliest, pursuant to Section IV. A.

Y. Media Wrongful Event means any or all of the following that is unintentionally or unknowingly caused by **Electronic Media Advertising** first published or disseminated during the **Endorsement Period**:

1. Libel, slander or other defamation; or
2. Infringement of copyright, trademark, title, slogan, trade name, trade dress, service mark, service name, or misappropriation of ideas.

Z. Named Insured means the person(s) and/or entity(ies) listed on the Policy Declarations, to which this Endorsement is attached.

AA. Network Disruption Event means an interruption, disruption, failure, suspension, or delay in the performance of the **Computer System** directly caused by **Unauthorized Access or Unauthorized Use** of, or the introduction of **Malicious Code** or **Exploit** into, the **Computer System**.

BB. Network Security Event means any one or more of the following directly caused by a **Network Disruption Event**:

1. The inability of an **Insured** or authorized third party user to access the **Computer System**;
2. An **Insured's** transmittal or distribution of **Malicious Code** or **Exploit** to, or the failure or corruption of, a third party's computer system or network; or
3. The perpetuation of a denial of service attack on a third party's computer system or network.

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CC. Peripheral Hardwired Devices means non-portable devices connected by hardwire to the **Computer System**, including but not limited to printers, scanners, and routers.

DD. Personally Identifiable Information means any non-public information about a person that allows such person to be uniquely and reliably identified, or allows access to the person's financial account or medical records information, and for which notification of unauthorized access is required by a **Privacy Law**. The term **Personally Identifiable Information** does not include publicly available information that is lawfully made available to the general public (including, without limitation, being made available by such person on social media or other public sites), or **Corporate Information**. The **Personally Identifiable Information** must be in the direct care, custody or control of the **Named Insured** in the ordinary course and scope of its business operations.

EE. Portable Device means an electronic portable device such as a computer, smart phone, smart wearable or other similar device that connects to the **Computer System** either directly or through a **VPN**.

FF. Privacy Breach Event means the following actual or alleged events:

1. Theft, loss, unintentional or unknowing dissemination, or accidental publication of **Protected Information**;
2. **Unauthorized Access or Unauthorized Use of Protected Information**; or
3. The **Named Insured's** violation of a **Privacy Law**.

GG. Privacy Breach Expenses means the following reasonable and necessary fees, costs and expenses directly incurred for or by the **Named Insured**, and **Approved** in advance, in responding to a **Privacy Breach Event**:

1. Notification Expenses:

Notification fees and expenses charged by a **Vendor** (including lawyers, experts, and litigation support staff) to notify an **Impacted Individual** and any regulator required to be notified by applicable law that: (i) a **Privacy Breach Event** occurred, and (ii) there was, may have been or may be **Unauthorized Access or Unauthorized Use** of the **Personally Identifiable Information**.

2. Monitoring Expenses:

Fees and expenses charged by a **Vendor** (including lawyers, experts, and litigation support staff) to provide credit monitoring, identity theft, or fraud resolution services to an **Impacted Individual** affected by a **Privacy Breach Event**.

3. Cyber Investigation Expenses:

Fees and expenses charged by a **Vendor** (including lawyers, experts, and litigation support staff) to investigate any or all of the following:

- a. Whether **Protected Information** has been accessed; or
- b. Whether the **Named Insured** has an obligation to provide notice under a **Privacy Law**.

4. Crisis Management Expenses:

a. Fees and expenses charged by an **Approved** public relations firm, law firm or crisis management firm to perform crisis management services to minimize the potential harm to the **Named Insured's** business from a **Privacy Breach Event**; and

b. Fees and expenses charged by a call center designated in writing or **Approved** in advance to assist in managing incoming calls during and concerning a **Privacy Beach Event**.

Privacy Breach Expenses shall not include the following:

- i. Salaries, wages, fees, remuneration, overhead, benefits, or expenses of the **Company** or the **Insureds**; or
- ii. Fees, costs or expenses to enhance, upgrade or otherwise modify, or improve the **Computer System** beyond the level that existed immediately prior to the occurrence of a **Privacy Breach Event**.

HH. Privacy Law means any law or regulation governing the protection of **Personally Identifiable Information**, provided that the text of the law or regulation expressly requires one or more of the following:

1. Posting privacy policies;
2. Adopting specific privacy or security controls for **Personally Identifiable Information**; or

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3. Notifying **Impacted Individuals** if their **Personally Identifiable Information** has potentially been accessed or disclosed without authorization.

II. Protected Information means **Personally Identifiable Information** or **Corporate Information**.

JJ. Regulatory Fines means the civil or administrative fines or penalties assessed against a **Named Insured** in a **Regulatory Proceeding Claim**, if such fines and penalties are insurable under the applicable law and the **Named Insured** is legally obligated to pay such fines and penalties, in all cases arising from a **Privacy Breach Event**.

KK. Regulatory Proceeding Claim means each of the following that alleges the failure to comply with a U.S. federal or state **Privacy Law**:

1. A written demand to the **Named Insured** for documentation or information commenced by service of a complaint or similar pleading brought by a federal or state regulatory body or regulator; or
2. An investigation or civil proceeding brought against the **Named Insured** by a federal or state regulatory body or regulator.

LL. Related Claims mean all **Claims** that are based upon, arising from, in consequence of, directly or indirectly resulting from, or involving the same, continuous, repeated, related, or substantially similar **Circumstances**, or a same, continuous, repeated, related, or substantially similar series of **Circumstances**.

MM. Related Events means all **Events** that are based upon, arising from, in consequence of, directly or indirectly resulting from, or involving the same, continuous, repeated, related, or substantially similar **Circumstances**, or a same, continuous, repeated, related, or substantially similar series of **Circumstances**.

NN. Related Losses mean all **Losses** that are based upon, arising from, in consequence of, directly or indirectly resulting from, or involving the same, continuous, repeated, related, or substantially similar **Circumstances**, or a same, continuous, repeated, related, or substantially similar series of **Circumstances**.

OO. Third Party Claims means a written demand or assertion of a legal right for monetary damages or services, including the service of a civil complaint or similar proceeding, or request for arbitration or mediation, brought against an **Insured**, in each case directly arising from a **Third Party Liability Event**. For the avoidance of doubt, **Third Party Claims** do not include **Regulatory Proceeding Claims**.

PP. Third Party Liability Event means any or all of the following:

1. **Media Wrongful Event**;
2. **Network Security Event**; or
3. **Privacy Breach Event**.

QQ. Unauthorized Access or Unauthorized Use means the access to or use of the **Computer System** or **Protected Information** by a person or entity not authorized to do so, or the access to or use of the **Computer System** or **Protected Information** by an authorized person or entity in an unauthorized manner.

RR. Vendor means a third party person or entity that provides services to the **Named Insured** that the **Company** has either (i) designated in writing, or (ii) **Approved**. Where indicated, the term **Vendor** may include lawyers, experts, and litigation support staff.

SS. VPN means a virtual private network.

COMMUNITY ASSOCIATION DIRECTORS & OFFICERS

CLAIM REPORTING INSTRUCTIONS

HOW TO REPORT A CLAIM

Report all claims, in writing, directly to Berkley Program Specialists at the following e-mail address – claims59@berkley-ps.com. Claims may also be reported by telephone:

Berkley Program Specialist
Claims Department
Phone: (888) 417-9882
Email: claims59@berkley-ps.com

Include a complete notice of loss (ACORD Notice of Loss form or equivalent) that provides the following information:

1. Insured Name
2. Policy Number
3. Date of Loss
4. Location Address
5. Claimant's Name
6. Description of the Loss

In addition,

- Attach a copy of the Policy to the email.
- Attach all other pertinent documents and/or photos

You will receive an acknowledgement of the claim from Berkley Program Specialists within 72 hours of receipt.

If you receive legal correspondence or documents regarding an action against you, immediate notification to the carrier is required. The carrier will review for coverage prior to accepting the defense of any litigation. As a result, you may be asked by the carrier to engage personal counsel to protect your interests until such time as coverage is accepted.

Claims reported by e-mail will receive a brief acknowledgement via e-mail within 2 working days. Coverage decisions will be issued as quickly as possible, and a Reservation of Rights will be issued if Berkley Program Specialists requires additional time to determine coverage.

Cyber Claim and Incident Reporting

Any Cyber incident which may trigger coverage under this policy should be reported immediately to the Claims Department using the following information below:

Starnet Hotline Email address: starnet_claims@moxfive.com

Starnet Hotline Phone Number: 1-833-762-1833