

COMMON POLICY DECLARATIONS

ARGONAUT INSURANCE COMPANY
225 W. Washington St, 24th Floor
Chicago, IL 60606

POLICY NUMBER BAN1008191-03

PRODUCER **NAMED INSURED AND MAILING ADDRESS**

**Brownstone Agency, Inc.
32 Old Slip, 8th Floor
New York, NY, 10005
(212) 962-5620
FAX (212) 742-7934**

**THE 534 WEST 42ND STREET CONDO & 534 WEST 42ND STREET
LLC
C/O LIVING HOLDINGS, LLC
225 WEST 35TH STREET, 14TH FLOOR
New York, NY 10001**

POLICY PERIOD: FROM 07/07/2021 TO 07/07/2022 AT 12:01 A.M. STANDARD TIME AT YOUR MAILING ADDRESS SHOWN

ADJUSTMENT DATE:

BUSINESS DESCRIPTION: Condominium Association

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

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS:

PREMIUM

COMMERCIAL PROPERTY COVERAGE	\$6,266.00
COMMERCIAL LIABILITY COVERAGE	\$1,644.00
EQUIPMENT BREAKDOWN	\$698.00
DIRECTORS & OFFICERS LIABILITY	\$300.00
TERRORISM COVERAGE	\$290.00
NY FIF	\$52.73

TOTAL **\$9,250.73**

FORMS APPLICABLE TO ALL COVERAGE PARTS:

See Schedule of Forms and Endorsements

TOTAL PREMIUM \$9,198.00 + \$52.73 NY FIF

THE POLICY MAY BE SUBJECT TO ADJUSTMENT.

COUNTERSIGNED 07/09/2021

BY

DATE

AUTHORIZED REPRESENTATIVE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATION OF PREMISES SCHEDULE COMMERCIAL LINES POLICY

Named Insured: THE 534 WEST 42ND STREET CONDO & 534 WEST 42ND STREET LLC		Date: 07/07/2021	Policy Number: BAN1008191-03
Location Number:	Building Number:	DESIGNATED PREMISES: (ADDRESS, CITY, STATE, ZIP CODE)	Occupancy:
1	1	534 WEST 42ND STREET NEW YORK NY 10036 Applies to: PROPERTY & LIABILITY	7 UNITS W/ MERC

COMMERCIAL PROPERTY DECLARATIONS

COMMERCIAL PROPERTY COVERAGE PART

ADJ. NO.

Named Insured THE 534 WEST 42ND STREET CONDO & 534 WEST 42ND STREET LLC		Date 07/07/2021	Policy Number BAN1008191-03		
DESCRIPTION OF PREMISES: SEE DESIGNATION OF PREMISES SCHEDULE					
COVERAGES PROVIDED: INSURANCE AT THE DESCRIBED LOCATION APPLIES ONLY FOR COVERAGES FOR WHICH A LIMIT OF INSURANCE IS SHOWN.					
OPTIONAL COVERAGES: APPLICABLE ONLY WHEN SHOWN BY "X" IN SCHEDULE BELOW.					
LOC. NO.	BLDG. NO.	COVERAGE/CONSTRUCTION	LIMIT OF INSURANCE	COVERED CAUSES OF LOSS	COINS.
1	1	BUILDING	\$4,000,000	Special	AA
OTHER PROVISIONS					
<input checked="" type="checkbox"/> AGREED VALUE: \$4,000,000 <input type="checkbox"/> BUSINESS INCOME INDEMNITY: MONTHLY LIMIT DEDUCTIBLE: \$5,000		<input checked="" type="checkbox"/> REPLACEMENT COST PERIOD: MAX EARTHQUAKE DEDUCTIBLE: 2 %		<input type="checkbox"/> INFLATION GUARD % EXT. EXCEPTIONS: \$5,000	
LOC. NO.	BLDG. NO.	COVERAGE/CONSTRUCTION	LIMIT OF INSURANCE	COVERED CAUSES OF LOSS	COINS.
1	1	BUS. INCOME INCL. EXTRA EXP	\$100,000	Special	100%
OTHER PROVISIONS					
<input type="checkbox"/> AGREED VALUE: <input type="checkbox"/> BUSINESS INCOME INDEMNITY: MONTHLY LIMIT DEDUCTIBLE:		<input type="checkbox"/> REPLACEMENT COST PERIOD: MAX EARTHQUAKE DEDUCTIBLE: N/A %		<input type="checkbox"/> INFLATION GUARD % EXT. EXCEPTIONS:	
LOC. NO.	BLDG. NO.	COVERAGE/CONSTRUCTION	LIMIT OF INSURANCE	COVERED CAUSES OF LOSS	COINS.
OTHER PROVISIONS					
<input type="checkbox"/> AGREED VALUE: <input type="checkbox"/> BUSINESS INCOME INDEMNITY: MONTHLY LIMIT DEDUCTIBLE:		<input type="checkbox"/> REPLACEMENT COST PERIOD: MAX EARTHQUAKE DEDUCTIBLE: %		<input type="checkbox"/> INFLATION GUARD % EXT. EXCEPTIONS:	
LOC. NO.	BLDG. NO.	COVERAGE/CONSTRUCTION	LIMIT OF INSURANCE	COVERED CAUSES OF LOSS	COINS.
OTHER PROVISIONS					
<input type="checkbox"/> AGREED VALUE: <input type="checkbox"/> BUSINESS INCOME INDEMNITY: MONTHLY LIMIT DEDUCTIBLE:		<input type="checkbox"/> REPLACEMENT COST PERIOD: MAX EARTHQUAKE DEDUCTIBLE: %		<input type="checkbox"/> INFLATION GUARD % EXT. EXCEPTIONS:	

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DECLARATIONS OVERFLOW

Named Insured: THE 534 WEST 42ND STREET CONDO & 534 WEST 42ND STREET LLC	Date: 07/07/2021	Policy Number: BAN1008191-03
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IF THIS ENDORSEMENT IS LISTED IN THE POLICY DECLARATIONS, IT IS IN EFFECT FROM THE TIME COVERAGE UNDER THIS POLICY COMMENCES. OTHERWISE, THE EFFECTIVE DATE OF THIS ENDORSEMENT IS AS SHOWN ABOVE AT THE SAME TIME OR HOUR OF THE DAY AS THE POLICY BECAME EFFECTIVE.

COUNTERSIGNED BY:



AUTHORIZED REPRESENTATIVE

THIS ENDORSEMENT IS USED AS AN OVERFLOW FOR FIELDS ON THE DECLARATIONS PAGE NOT LARGE ENOUGH FOR THE NECESSARY INFORMATION AND TO LIST OPTIONAL COVERAGES.

Location Number:	Building Number:	Coverage (Commercial Property)	Limit
1	1	BACKUP SEWER & DRAIN	\$500,000
1	1	BUILDING ORDINANCE COV A	INCLUDED
1	1	DEMOLITION COV B	\$500,000
1	1	ICC COV C	\$500,000
1	1	EARTHQUAKE	\$1,000,000
1	1	FLOOD	\$1,000,000
1	1	COMMERCIAL CRIME	\$50,000
			2% DEDUCTIBLE
			\$10,000 DEDUCTIBLE
			\$500 DEDUCTIBLE

COMMERCIAL PROPERTY DECLARATIONS
COMMERCIAL PROPERTY COVERAGE PART (CONTINUED)

ADJ. NO.

Named Insured THE 534 WEST 42ND STREET CONDO & 534 WEST 42ND STREET LLC	Date 07/07/2021	Policy Number BAN1008191-03
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FORMS APPLICABLE:

See Schedule of Forms and Endorsements

MORTGAGE HOLDERS:

PREM BLDG
NO. NO.

LOSS PAYEES:

PREM BLDG
NO. NO.

TAX OR SURCHARGE:	\$ 52.73
PREMIUM-THIS COVERAGE PART:	\$ 6,266.00

COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS

NAMED INSURED THE 534 WEST 42ND STREET CONDO & 534 WEST 42ND STREET LLC	EFFECTIVE DATE 07/07/2021	POLICY NUMBER BAN1008191-03
FORM OF BUSINESS: <input type="checkbox"/> Individual <input type="checkbox"/> Joint Venture <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Partnership <input type="checkbox"/> Trust <input checked="" type="checkbox"/> Organization including a corporation (but not including a Partnership, Joint Venture or Limited Liability Company)		
ALL PREMISES YOU OWN, RENT OR OCCUPY. (See DESIGNATION OF PREMISES SCHEDULE)		
THESE DECLARATIONS ARE COMPLETED ON THE ATTACHED COMMERCIAL GENERAL LIABILITY COVERAGE PART SCHEDULE(S).		
LIMITS OF INSURANCE		
General Aggregate Limit	\$ 2,000,000	
Products-Completed Operations Aggregate Limit	\$ N/A	
Personal Injury and Advertising Injury Limit	\$ 1,000,000 Any one person or organization	
Each Occurrence Limit	\$ 1,000,000	
Damage To Premises Rented To You Limit	\$ 100,000 Any one premises	
Medical Expense Limit	\$ 25,000 Any one person	
RETROACTIVE DATE (For Claims Made Coverage Only) - Not Applicable in New York		
This insurance does not apply to any "bodily injury" or "property damage" which occurs, or an offense committed, before the Retroactive Date, if any, shown below: Retroactive Date: <u>NONE</u> (Enter date or "None" if no Retroactive Date applies)		
FORMS AND ENDORSEMENTS		
FORMS AND ENDORSEMENTS ATTACHED TO THIS COVERAGE PART:		
PREMIUM		
STATE TAX OR	\$	
OTHER CHARGE (If Applicable):	\$	
ADVANCE PREMIUM FOR PREMISES/OPERATIONS	\$ 1,644.00	
ADVANCE PREMIUM FOR PRODUCTS/COMPLETED OPERATIONS	\$	
TOTAL COVERAGE PART PREMIUM	\$ 1,644.00	

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DECLARATIONS OVERFLOW

Named Insured: THE 534 WEST 42ND STREET CONDO & 534 WEST 42ND STREET LLC	Date: 07/07/2021	Policy Number: BAN1008191-03
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Location Number:	Building Number:	Coverage (Commercial Liability)	Limit	Deductible
1	1	WATER DAMAGE LEGAL LIABILITY	\$1,000,000	\$0
1	1	DIRECTORS & OFFICERS LIAB	\$1,000,000	\$1,000 RETENTION
1	1	Hired / Non-Owned Auto Liab	\$1,000,000	N/A

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SCHEDULE OF LIABILITY CHANGES

NAMED INSURED THE 534 WEST 42ND STREET CONDO & 534 WES		DATE 07/07/2021	POLICY NUMBER BAN1008191-03
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CLASS CODE INFORMATION AFFECTED BY THIS CHANGE IS ADDED, DELETED, OR CHANGED AS INDICATED.			
THE FOLLOWING CLASS CODE INFORMATION IS			
CLASS CODE 65185		PREMIUM BASIS SQUARE FEET (AREA)	
LOCATION 1/ 1	EXPOSURE 8740 + VACANT/UNOCCUPIED 257	RATE	PREMIUM
		VARIOUS	
CLASS DESCRIPTION 5 or more family		PRODUCTS/COMPLETED OPERATIONS	
		RATE	PREMIUM
THE FOLLOWING CLASS CODE INFORMATION IS			
CLASS CODE		PREMIUM BASIS	
LOCATION	EXPOSURE	RATE	PREMIUM
CLASS DESCRIPTION		PRODUCTS/COMPLETED OPERATIONS	
		RATE	PREMIUM
THE FOLLOWING CLASS CODE INFORMATION IS			
CLASS CODE		PREMIUM BASIS	
LOCATION	EXPOSURE	RATE	PREMIUM
CLASS DESCRIPTION		PRODUCTS/COMPLETED OPERATIONS	
		RATE	PREMIUM

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SCHEDULE OF FORMS AND ENDORSEMENTS

NAMED INSURED THE 534 WEST 42ND STREET CONDO & 534 WEST 42ND STREET LLC		EFFECTIVE DATE 07/07/2021	POLICY NUMBER BAN1008191-03
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THIS ENDORSEMENT IS USED AS AN OVERFLOW FOR FIELDS ON THE DECLARATIONS PAGE NOT LARGE ENOUGH FOR THE NECESSARY INFORMATION.			
DECCOMPOL 10/16 COMMON POLICY DECLARATIONS SCHDESGPREM 10/16 DESIGNATION OF PREMISES SCHEDULE DECCP 10/16 COMMERCIAL PROPERTY DECLARATIONS DECOF 10/16 DECLARATIONS OVERFLOW DECCPSUPP 10/16 COMMERCIAL PROPERTY COVERAGE PART (CONTINUED) DECCGL 10/16 COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS BS1502 06/17 SCHEDULE OF GENERAL LIABILITY CHANGES SCHFE 10/16 SCHEDULE OF FORMS AND ENDORSEMENTS SIGAIC 04/16 SIGNATURE PAGE Privacy Notice 08/20 PRIVACY POLICY Claims Notice 01/00 CLAIMS NOTICE MBRE NOTICE 01/00 INSPECTION HOTLINE IL0017 11/98 COMMON POLICY CONDITIONS IL0023 07/02 NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT IL0183 08/08 NEW YORK CHANGES-FRAUD IL0268 01/14 NEW YORK CHANGES - CANCELLATION AND NONRENEWAL IL0952 01/15 CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM IL0985 01/15 DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT ILP001 01/04 U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL NOTICE IL0935 07/02 EXCLUSION OF CERTAIN COMPUTER RELATED LOSSES CP0090 07/88 COMMERCIAL PROPERTY CONDITIONS BS2001 06/17 BUILDING AND PERSONAL PROPERTY COVERAGE FORM - BROWNSTONE BS2010 06/17 CAUSES OF LOSS - SPECIAL FORM - BROWNSTONE CP0133 09/15 NEW YORK CHANGES CP1270 09/96 JOINT OR DISPUTED LOSS AGREEMENT CP0164 10/12 NEW YORK CHANGES - FUNGUS, WET ROT AND DRY ROT CP0178 08/08 NEW YORK-EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA CP0405 10/12 ORDINANCE OR LAW COVERAGE BS2304 06/17 FLOOD COVERAGE ENDORSEMENT DECLARATIONS BS2303 06/17 WATER BACKUP AND SUMP OVERFLOW - SCHEDULE OF LOC AND LIMITS BS5101 04/19 EQUIPMENT BREAKDOWN COVERAGE SCHEB 04/19 EQUIPMENT BREAKDOWN COVERAGE SCHEDULE CP0030 10/12 BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM BS9401 06/17 POLLUTION EXCLUSION ENDORSEMENT CG2149 09/99 TOTAL POLLUTION EXCLUSION ENDORSEMENT CPDS06 10/00 EARTHQUAKE VOLCANIC ERUPTION COVERAGE SCHEDULE BS2503 06/17 EARTHQUAKE AND VOLCANIC ERUPTION LIMIT OF INSURANCE ENDTS CG0001 04/13 COMMERCIAL GENERAL LIABILITY COVERAGE FORM CG0163 07/11 NEW YORK CHANGES COMMERCIAL GENERAL LIABILITY COVERAGE FORM CG0104 12/04 NEW YORK CHANGES - PREMIUM AUDIT CG2170 01/15 CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM CG2133 11/85 EXCLUSION - DESIGNATED PRODUCTS BS1301 06/17 HIRED AUTO AND NON-OWNED AUTO LIABILITY CG2147 12/07 EMPLOYMENT-RELATED PRACTICES EXCLUSION CG2621 10/91 NEW YORK CHANGES-TRANSFER OF DUTIES WHEN A LIMIT IS USED UP CG2144 07/98 LIMITATION OF COVERAGE TO DESIGNATED PREMISES OR PROJECT BS1404 06/17 ASBESTOS EXCLUSION ENDORSEMENT			

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SCHEDULE OF FORMS AND ENDORSEMENTS

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BS1302 06/17 CG2132 05/09 CG2109 06/15 DECNFP 10/16 BS6001 10/16 BS6101 10/16 BS6102 06/17 BS9501 10/16 DECCR 10/16 CR0020 11/15 CR0155 10/10 BS1405 05/20 CYBERNOTICE3 05/20	WATER DAMAGE LIMITS OF LIABILITY COMMUNICABLE DISEASE EXCLUSION EXCLUSION - UNMANNED AIRCRAFT NOT-FOR-PROFIT MANAGEMENT LIABILITY COVERAGE PART DECLARATIONS NOT-FOR-PROFIT MANAGEMENT LIABILITY COVERAGE PART NEW YORK AMENDATORY ENDORSEMENT - NOTICE ADDENDUM NEW YORK CHANGES AMENDATORY ENDORSEMENT NEW YORK POLICYHOLDER NOTICE COMMERCIAL CRIME DECLARATIONS COMMERCIAL CRIME COVERAGE FORM (DISCOVERY FORM) NEW YORK CHANGES (CRIME) EXCLUSION - CYBER INJURY- WITH LIMITED BODILY INJURY EXCEPTION EXCLUSION CYBER INJURY ADVISORY NOTICE TO POLICYHOLDERS	

SIGNATURE PAGE

IN WITNESS WHEREOF, the company issuing this policy has caused this policy to be signed by its President and its Secretary and countersigned (if required) on the Declarations page by a duly authorized representative of the company. This endorsement is executed by the company stated in the Declarations.

Argonaut Insurance Company



President



Secretary

Notice of Insurance Information Practices

Argo Group US, Inc., and each of its subsidiaries (“Argo Group”) recognizes the importance of maintaining the privacy of our customers and their personal information. We take seriously the responsibility that accompanies our collection and use of your personal information. Argo Group protects the privacy and security of our customers and their personal information as required by applicable privacy and security laws.

This Notice of Insurance Information Practices (“Insurance Privacy Notice”) provides notice of our information practices to all applicants, policyholders, and where applicable claimants, in connection with our insurance transactions. It supplements the privacy and security provisions contained in Argo Group’s Global Privacy Notice (which is located at www.argolimited.com/privacy-policy).

This Insurance Privacy Notice applies to all companies and business produced or underwritten within Argo Group, and complies with the requirements of the Gramm-Leach-Bliley Act (GLBA), and any federal and state privacy and security laws and regulations applicable to insurance transactions. You are receiving this Insurance Privacy Notice with respect to your relationship with Argo Group* and one or more of the subsidiaries listed below.

Information Collection and Use

To conveniently and effectively provide and service the insurance products we sell, we may collect and use your personal information, including information that may be considered nonpublic personal information, under applicable privacy and security laws. This personal information may include identifiers, financial and insurance underwriting information, financial and account information, and information considered protected classifications under applicable privacy and security laws. More information on the specific personal information we may collect and how we might use it is available in our Global Privacy Notice referenced above.

Information Sharing and Disclosure

Applicable laws impose certain obligations upon third parties and organizations with which we share personal information. Accordingly, we prohibit the unauthorized disclosure of personal information, except as legally required or permitted.

Argo Group does not rent, sell or share your personal information with nonaffiliated third parties except that Argo Group may share personal information with nonaffiliated third parties to the extent necessary in furtherance of the applicable insurance transaction, including third party contractors. These third parties are prohibited from using the information for purposes other than performing services for Argo Group. Argo Group may disclose your information to third parties when obligated to do so by law and to investigate, prevent, or act regarding suspected or actual prohibited activities, including but not limited to fraud and situations involving the security of our operations and employees. In certain instances, you may share your information with a third party directly and that information may be subject to that party’s applicable security and privacy policies.

Finally, Argo Group may transfer your personal information to a successor entity in connection with a corporate merger, consolidation, sale of all or a portion of its assets, bankruptcy, or other corporate change.

Security

We implement technical and organizational security measures designed to secure and protect personal information. Please note, however, we cannot fully eliminate security risks associated with the storage and transmission of personal information.

To protect the confidentiality and integrity of your personal information, we limit access to personal information by only allowing authorized personnel to have access to such information. We maintain physical, electronic and procedural security protections to safeguard the nonpublic personal information in our records. Documents that contain an individual’s personal information are appropriately destroyed or deleted before disposal; Argo Group maintains security measures to protect the loss, misuse and alteration of the information under our control. Our hardware infrastructure is housed in a controlled access facility that restricts access to authorized individuals. The network infrastructure is protected by a firewall and traffic is monitored and logged on the firewall and servers. Sensitive administrative activities are carried out over secure, encrypted links between our offices and hosting

facility. Administrative access is limited to authorized employees including specific remote administration protocols and IP addresses. All employees with access to personal information have been advised of Argo Group's security policies and practices and receive regular training regarding these policies and practices.

Any Argo Group employee who becomes aware of the inappropriate use or disclosure of your nonpublic personal information is expected and required to immediately report such behavior to Argo Group's Data Protection Officer.

Contact Us

If you have any questions about this Insurance Privacy Notice, our Global Privacy Notice, or our privacy and security practices, please contact:

Data Protection Officer
privacy@argogroupus.com
Argo Group International Holdings Ltd.
P.O. Box 469011
San Antonio, TX 78246
800-470-7958

*Note: Argo Group is the parent of Argonaut Insurance Company; Argonaut-Midwest Insurance Company; Argonaut Great Central Insurance Company; ARIS Title Insurance Corporation; Colony Insurance Company; Colony Specialty Insurance Company; Peleus Insurance Company; Rockwood Casualty Insurance Company; Somerset Casualty Insurance Company; Central Insurance Management, Inc.; Alteris Insurance Services, Inc.; Trident Insurance Services, LLC; and Argonaut Management Services, Inc. This Privacy Policy applies to all companies and business produced or underwritten within Argo Group.



BROWNSTONE AGENCY, INC.

32 OLD SLIP NEW YORK NY 10005 TEL: 212.962.5620 FAX: 212.571.0465

Claims Reporting Procedures

Please report all claims immediately.

Normal business hours: Monday through Friday, 9:00 AM to 4:45 PM (excluding holidays).

To report a claim, please contact the following:

New York, NY

32 Old Slip, 8th Floor

New York, NY 10005

Main Phone #: (212) 962-5620

Property: Alex Mora (212) 699-8790

Liability: Donna Quaranta (212) 699-8965

and

Brooklyn, NY

423 Court Street

Brooklyn, NY 12231

(718) 797-4661

Massachusetts

200 Cordwainer Drive, Suite 300

Norwell, MA 02061

Main Phone #: (617) 236-6400 or

After Hours: McCormack Adjusters (800) 972-5399

Claims Management Team:

Ilona Ring, Liability Claims Supervisor

iring@brownstoneagency.com

Diane Piciocchi, Property Claims Manager

dpiciocchi@brownstoneagency.com

After hours, on weekends or holidays, please call our toll-free number (844) 234-0850.

You may also file a claim online 24 hours/day on our website at www.brownstoneagency.com.

Thank you.



Mutual Boiler Re®

Member of the FM Global Group

Inspection Hotline

For the convenience of our insureds, Brownstone Agency, in conjunction with Mutual Boiler Re, has set up an Inspection Hotline for equipment inspection requests. Requests for boiler and pressure vessel inspections can be made through this single Inspection Hotline nationwide.

Please include the following information with your request:

Telephone: 1-866-594-1257
E-mail: inspections@mutualboilerre.com

Insured Name: _____

Insurance Services Policy No. _____

Location Address: _____

Contact Name: _____

Phone No. _____

Request: _____

Inspections will be scheduled promptly!

Jurisdictional Inspections - A Service Provided to You

Boilers and pressure vessels have the potential to cause severe damage if pressure parts fail. Jurisdictional authorities in your state/province/city mandate these vessels be examined periodically by inspectors to verify they are in compliance with construction, installation and operational codes and standards.

At no additional cost to you, Brownstone Agency has partnered with Mutual Boiler Re, a member of the FM Global Group, to have these required inspections performed by FM Global. FM Global is an accredited, authorized inspection agency in all jurisdictions in the United States and Canada.

FM Global prides itself on the expertise of its inspectors and is pleased to partner with Brownstone Insurance Agency to provide these essential services to you. FM Global's extensive jurisdictional knowledge will assist you with compliance to local regulations so you can stay focused on what matters most to you—your business. In addition, your inspector will identify conditions observed on the boiler or pressure vessel that have the potential to lead to a loss and offer loss prevention recommendations through a written report.

Your FM Global inspector is:

- Trained on the ASME (American Society of Mechanical Engineers) codes governing boiler and pressure vessel construction, installation and operation
- Certified by examination
- Commissioned by the National Board of Boilers and Pressure Vessels Inspectors
- Maintains a certificate of competency issued by the jurisdiction

About the visit:

Your FM Global inspector will perform the following necessary services to help you comply with your local jurisdictional requirements:

- Conduct internal and external pressure-vessel inspections
- Witness the testing of safety devices
- Document all results
- Provide the inspection results to you
- Submit these results to the jurisdictional authority on your behalf

Once these steps are completed, your jurisdictional authority will issue a certificate indicating that your equipment is compliant with applicable regulations.

Certificate fees:

These inspections are provided as part of your insurance coverage eliminating the need for, and payment to, the jurisdictional authorities to conduct these inspections. Mutual Boiler Re pays for boiler and pressure vessel certificate issuance fees and inspection costs in U.S. jurisdictions that require the insurance company to pay the certificate fees. These jurisdictions are: California, Hawaii, Kentucky, New Jersey, New York, South Dakota, Vermont, West Virginia, New Orleans, Louisiana, **New York City**, New York and Omaha, Nebraska.



For more information on jurisdictional inspections, please call the Mutual Boiler Re toll-free hotline at 1(866) 594 1257 or email us at inspections@mutualboilerre.com.

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 GENERAL LIABILITY COVERAGE PART

FARM 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

SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY NEW YORK DEPARTMENT OF
TRANSPORTATION

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.

NEW YORK CHANGES – FRAUD

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART – FARM PROPERTY – OTHER FARM PROVISIONS FORM – ADDITIONAL COVERAGES, CONDITIONS, DEFINITIONS
FARM COVERAGE PART – LIVESTOCK COVERAGE FORM
FARM COVERAGE PART – MOBILE AGRICULTURAL MACHINERY AND EQUIPMENT COVERAGE FORM

The **CONCEALMENT, MISREPRESENTATION OR FRAUD** Condition is replaced by the following:

FRAUD

We do not provide coverage for any insured ("insured") who has made fraudulent statements or engaged in fraudulent conduct in connection with any loss ("loss") or damage for which coverage is sought under this policy.

However, with respect to insurance provided under the COMMERCIAL AUTOMOBILE COVERAGE PART, we will provide coverage to such "insured" for damages sustained by any person who has not made fraudulent statements or engaged in fraudulent conduct if such damages are otherwise covered under the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW YORK CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
 COMMERCIAL GENERAL LIABILITY COVERAGE PART
 COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 CRIME AND FIDELITY COVERAGE PART
 EQUIPMENT BREAKDOWN COVERAGE PART
 FARM COVERAGE PART
 LIQUOR LIABILITY COVERAGE PART
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

A. Paragraphs 1., 2., 3. and 5. of the Cancellation Common Policy Condition are replaced by the following:

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

2. Cancellation Of Policies In Effect

a. 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)** 30 days before the effective date of cancellation if we cancel for any reason not included in Paragraph **A.2.b.** below.
- (2)** 15 days before the effective date of cancellation if we cancel for any of the reasons included in Paragraph **A.2.b.** below.

b. For More Than 60 Days

If this policy has been in effect for more than 60 days, or if this policy is a renewal or continuation of a policy we issued, we may cancel only for any of the reasons listed below, provided we mail the first Named Insured written notice at least 15 days before the effective date of cancellation:

- (1)** Nonpayment of premium, provided however, that a notice of cancellation on this ground shall inform the first Named Insured of the amount due;

- (2)** Conviction of a crime arising out of acts increasing the hazard insured against;
- (3)** Discovery of fraud or material misrepresentation in the obtaining of the policy or in the presentation of a claim;
- (4)** After issuance of the policy or after the last renewal date, discovery of an act or omission, or a violation of any policy condition, that substantially and materially increases the hazard insured against, and which occurred subsequent to inception of the current policy period;
- (5)** Material physical change in the property insured, occurring after issuance or last annual renewal anniversary date of the policy, which results in the property becoming uninsurable in accordance with our objective, uniformly applied underwriting standards in effect at the time the policy was issued or last renewed; or material change in the nature or extent of the risk, occurring after issuance or last annual renewal anniversary date of the policy, which causes the risk of loss to be substantially and materially increased beyond that contemplated at the time the policy was issued or last renewed;
- (6)** Required pursuant to a determination by the Superintendent that continuation of our present premium volume would jeopardize our solvency or be hazardous to the interest of our policyholders, our creditors or the public;

(7) A determination by the Superintendent that the continuation of the policy would violate, or would place us in violation of, any provision of the Insurance Code; or

(8) Where we have reason to believe, in good faith and with sufficient cause, that there is a probable risk of danger that the insured will destroy, or permit to be destroyed, the insured property for the purpose of collecting the insurance proceeds. If we cancel for this reason, you may make a written request to the Department of Financial Services, within 10 days of receipt of this notice, to review our cancellation decision. Also, we will simultaneously send a copy of this cancellation notice to the Department of Financial Services.

3. We will mail or deliver our notice, including the reason for cancellation, to the first Named Insured at the address shown in the policy and to the authorized agent or broker.

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.

However, when the premium is advanced under a premium finance agreement, the cancellation refund will be pro rata. Under such financed policies, we will be entitled to retain a minimum earned premium of 10% of the total policy premium or \$60, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.

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

7. If one of the reasons for cancellation in Paragraph **A.2.b.** or **D.2.b.(2)** exists, we may cancel this entire policy, even if the reason for cancellation pertains only to a new coverage or endorsement initially effective subsequent to the original issuance of this policy.

C. The following conditions are added:

- 1. Nonrenewal**
If we decide not to renew this policy we will send notice as provided in Paragraph **C.3.** below.
- 2. Conditional Renewal**
If we conditionally renew this policy subject to:
 - a. A change of limits;
 - b. A change in type of coverage;
 - c. A reduction of coverage;
 - d. An increased deductible;
 - e. An addition of exclusion; or
 - f. Increased premiums in excess of 10%, exclusive of any premium increase due to and commensurate with insured value added or increased exposure units; or as a result of experience rating, loss rating, retrospective rating or audit;

we will send notice as provided in Paragraph **C.3.** below.

3. Notices Of Nonrenewal And Conditional Renewal

- a. If we decide not to renew this policy or to conditionally renew this policy as provided in Paragraphs **C.1.** and **C.2.** above, we will mail or deliver written notice to the first Named Insured shown in the Declarations at least 60 but not more than 120 days before:
 - (1) The expiration date; or
 - (2) The anniversary date if this is a continuous policy.
- b. Notice will be mailed or delivered to the first Named Insured at the address shown in the policy and to the authorized agent or broker. If notice is mailed, proof of mailing will be sufficient proof of notice.
- c. Notice will include the specific reason(s) for nonrenewal or conditional renewal, including the amount of any premium increase for conditional renewal and description of any other changes.
- d. If we violate any of the provisions of Paragraph **C.3.a., b.** or **c.** above by sending the first Named Insured an incomplete or late conditional renewal notice or a late nonrenewal notice:
 - (1) And if notice is provided prior to the expiration date of this policy, coverage will remain in effect at the same terms and conditions of this policy at the lower of the current rates or the prior period's rates until 60 days after such notice is mailed or delivered, unless the first Named Insured, during this 60-day period, has replaced the coverage or elects to cancel;

- (2) And if the notice is provided on or after the expiration date of this policy, coverage will remain in effect at the same terms and conditions of this policy for another policy period, at the lower of the current rates or the prior period's rates, unless the first Named Insured, during this additional policy period, has replaced the coverage or elects to cancel.
- e. If you elect to renew on the basis of a late conditional renewal notice, the terms, conditions and rates set forth in such notice shall apply:
 - (1) Upon expiration of the 60-day period, unless Subparagraph (2) below applies; or
 - (2) Notwithstanding the provisions in Paragraphs d.(1) and d.(2), as of the renewal date of the policy if the conditional renewal notice was sent at least 30 days prior to the expiration or anniversary date of the policy.
- f. We will not send you notice of nonrenewal or conditional renewal if you, your authorized agent or broker or another insurer of yours mails or delivers notice that the policy has been replaced or is no longer desired.

D. The following provisions apply when the Commercial Property Coverage Part, the Farm Coverage Part or the Capital Assets Program (Output Policy) Coverage Part is made a part of this policy:

1. Items D.2. and D.3. apply if this policy meets the following conditions:
 - a. The policy is issued or issued for delivery in New York State covering property located in this state; and
 - b. The policy insures:
 - (1) For loss of or damage to structures, other than hotels or motels, used predominantly for residential purposes and consisting of no more than four dwelling units; or
 - (2) For loss of or damage to personal property other than farm personal property or business property; or
 - (3) Against damages arising from liability for loss of, damage to or injury to persons or property, except liability arising from business or farming; and
- c. The portion of the annual premium attributable to the property and contingencies described in 1.b. exceeds the portion applicable to other property and contingencies.

2. Paragraph 2. of the **Cancellation** Common Policy Condition is replaced by the following:

2. Procedure And Reasons For Cancellation

 - a. We may cancel this entire policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - (1) 15 days before the effective date of cancellation if we cancel for nonpayment of premium, provided however, that a notice of cancellation on this ground shall inform the first Named Insured of the amount due; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
 - b. But if this policy:
 - (1) Has been in effect for more than 60 days; or
 - (2) 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, provided however, that a notice of cancellation on this ground shall inform the first Named Insured of the amount due;
 - (2) Conviction of a crime arising out of acts increasing the risk of loss;
 - (3) Discovery of fraud or material misrepresentation in obtaining the policy or in making a claim;
 - (4) Discovery of willful or reckless acts or omissions increasing the risk of loss;
 - (5) Physical changes in the covered property that make that property uninsurable in accordance with our objective and uniformly applied underwriting standards in effect when we:
 - (a) Issued the policy; or
 - (b) Last voluntarily renewed the policy;

- (6) The Superintendent of Financial Services' determination that continuing the policy would violate Chapter 28 of the Insurance Law; or
- (7) Required pursuant to a determination by the Superintendent of Financial Services that the continuation of our present premium volume would be hazardous to the interests of our policyholders, our creditors or the public.

3. The following are added:

a. Conditional Continuation

Instead of cancelling this policy, we may continue it on the condition that:

- (1) The policy limits be changed; or
- (2) Any coverage not required by law be eliminated.

If this policy is conditionally continued, we will mail or deliver to the first Named Insured written notice at least 20 days before the effective date of the change or elimination. We will mail or deliver our notice to the first Named Insured's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice. Delivery of the notice will be the same as mailing.

b. Nonrenewal

If, as allowed by the laws of New York State, we:

- (1) Do not renew this policy; or
- (2) Condition policy renewal upon:
 - (a) Change of limits; or
 - (b) Elimination of coverage;

we will mail or deliver written notice of nonrenewal or conditional renewal:

- (a) At least 45 days; but
- (b) Not more than 60 days;

before the expiration date of the policy. We will mail or deliver our notice to the first Named Insured's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice. Delivery of the notice will be the same as mailing.

E. The following is added to the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions, the Commercial Property Coverage Part and the Capital Assets Program (Output Policy) Coverage Part:

When the property is subject to the Anti-arson Application in accordance with New York Department of Financial Services' Insurance Regulation No. 96, the following provisions are added:

If you fail to return the completed, signed and affirmed anti-arson application to us:

- 1. Or our broker or agent within 45 days of the effective date of a new policy, we will cancel the entire policy by giving 20 days' written notice to you and to the mortgageholder shown in the Declarations.
- 2. Before the expiration date of any policy, we will cancel the policy by giving written notice to you and to the mortgageholder shown in the Declarations at least 15 days before the effective date of cancellation.

The cancellation provisions set forth in **E.1.** and **E.2.** above supersede any contrary provisions in this policy including this endorsement.

If the notice in **E.1.** or **E.2.** above is mailed, proof of mailing will be sufficient proof of notice. Delivery of the notice will be the same as mailing.

F. The following applies to the Commercial Property Coverage Part, the Farm Coverage Part and the Capital Assets Program (Output Policy) Coverage Part:

Paragraphs **f.** and **g.** of the **Mortgageholders** Condition are replaced by the following:

f. Cancellation

- (1) If we cancel this policy, we will give written notice to the mortgageholder at least:
 - (a) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
 - (b) 30 days before the effective date of cancellation if we cancel for any other reason.

- (2) If you cancel this policy, we will give written notice to the mortgageholder. With respect to the mortgageholder's interest only, cancellation will become effective on the later of:
 - (a) The effective date of cancellation of the insured's coverage; or
 - (b) 10 days after we give notice to the mortgageholder.

g. Nonrenewal

- (1) 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.
- (2) If you elect not to renew this policy, we will give written notice to the mortgageholder. With respect to the mortgageholder's interest only, nonrenewal will become effective on the later of:
 - (a) The expiration date of the policy; or
 - (b) 10 days after we give notice to the mortgageholder.

G. The following provisions apply when the following are made a part of this policy:

Commercial General Liability Coverage Part
Employment-Related Practices Liability Coverage Part
Farm Liability Coverage Form
Liquor Liability Coverage Part
Products/Completed Operations Liability Coverage Part

- 1. The aggregate limits of this policy as shown in the Declarations will be increased in proportion to any policy extension provided in accordance with Paragraph **C.3.d.** above.
- 2. The last sentence of Limits Of Insurance does not apply when the policy period is extended because we sent the first Named Insured an incomplete or late conditional renewal notice or a late nonrenewal notice.

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.

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

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

SCHEDULE

SCHEDULE - PART I	
Terrorism Premium (Certified Acts)	\$ 290.00
This premium is the total Certified Acts premium attributable to the following Coverage Part(s), Coverage Form(s) and/or Policy(ies): Commercial Property, General Liability	
Additional information, if any, concerning the terrorism premium:	
SCHEDULE - PART II	
Federal share of terrorism losses	____ % Year: 20____
(Refer to Paragraph B . in this endorsement.)	
Federal share of terrorism losses	____ % Year: 20____
(Refer to Paragraph B . in this endorsement.)	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Disclosure Of Premium

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

B. Disclosure Of Federal Participation In Payment Of Terrorism Losses

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

C. Cap On Insurer Participation In Payment Of Terrorism Losses

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

U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS

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

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

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

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

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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.

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.

BUILDING AND PERSONAL PROPERTY COVERAGE FORM – BROWNSTONE

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;
 - (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, deeds, 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 research, replace or restore the information on valuable papers and records, including those which exist as electronic data, except as provided in the Coverage Extensions;
- 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
- 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, signs (other than signs attached to buildings), 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: $\$80,000 (\$79,500 + \$500) \times .25 = \$20,000$, 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. 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 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 \$100,000 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 the lesser of:

1. 10,000; or
2. 10% of Your Business Personal Property Limit of Insurance.

- (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.

The most we will pay for loss or damage under this Extension is \$500 at each described premises, provided that no payment for loss or damage shall exceed \$100 for any one person.

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

The most we will pay for loss or damage under this Extension is \$2,000 at each described premises.

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

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

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. The most we will pay under this Extension is \$500.

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 \$5,000.

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), signs (other than signs attached to buildings), 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. Extra Expense

You may extend the insurance provided by this Coverage Form to pay the actual and necessary "extra expense" you sustain due to direct physical loss of or damage to property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss.

The most we will pay for loss under this Extension is \$1,000,

Each of these Extensions is additional insurance. 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 attached to a building is \$1,000 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. 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:

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

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

Total amount of loss payable:

$$\$59,850 + \$80,000 = \$139,850$$

Example No. 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.

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 80%
 for it is
 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 80%
 for it is
 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:	\$ 75,000
	<u>\$ 250,000</u>

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:
$$\$100,000 \times .08 \times 146 \div 365 = \$ 3,200$$

3. Replacement Cost

- a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Valuation Loss Condition, Valuation, 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;
 - (4) "Stock", unless the Including "Stock" option is shown in the Declarations; or
 - (5) Manuscripts.

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. "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:
 - a. To avoid or minimize the "suspension" of business and to continue "operations":
 - (1) At the described premises; or
 - (2) At replacement premises or at temporary locations, including:
 - (a) Relocation expenses; and
 - (b) Costs to equip and operate the replacement or temporary locations;
 - b. To minimize the "suspension" of business if you cannot continue "operations"; or
 - c. (1) To repair or replace any property; or
 - (2) To research, replace or restore the lost information on damaged valuable papers and records;
to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Form.
- 2. "Operations" means your business activities occurring at the described premises.
- 3. "Period of restoration" 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 or law that:

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

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

- 4. "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.
- 5. "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.
- 6. "Suspension" means the slowdown or cessation of your business activities.

CAUSES OF LOSS – SPECIAL FORM – BROWNSTONE

Words and phrases that appear in quotation marks have special meaning. Refer to Section F., 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 by you, any of your partners, members, officers, managers, employees (including temporary employees and leased workers), directors, trustees or authorized representatives, whether acting alone or in collusion with each other or with any other party; or theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion:

(1) Applies whether or not an act occurs during your normal hours of operation.

- (2) Does not apply to acts of destruction by your employees (including temporary employees and leased workers) or authorized representatives; but theft by employees (including temporary employees and leased workers) or authorized representatives is not covered.
 - i. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
 - j. Rain, snow, ice or sleet to personal property in the open.
 - k. Collapse, including any of the following conditions of property or any part of the property:
 - (1) An abrupt falling down or caving in;
 - (2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
 - (3) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to (1) or (2) above.

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

This exclusion, **k.**, does not apply:

- (a) To the extent that coverage is provided under the Additional Coverage – Collapse; or
- (b) To collapse caused by one or more of the following:
 - (i) The "specified causes of loss";
 - (ii) Breakage of building glass;
 - (iii) Weight of rain that collects on a roof; or
 - (iv) Weight of people or personal property.
- i. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion, **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.
- n. "Theft" or mysterious disappearance, except to the extent that coverage is provided in Paragraph 1.d. of Section C., Limitations.
- 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. 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 Extensions

1. 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.

2. 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.

F. 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.

- d. "Theft" means the unlawful taking of property to the deprivation of the insured.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

JOINT OR DISPUTED LOSS AGREEMENT

This Endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

- A.** This endorsement is intended to facilitate payment of insurance proceeds when:
 1. Both a boiler and machinery policy and this commercial property policy are in effect;
 2. Damage occurs to Covered Property that is insured by the boiler and machinery policy and this commercial property policy; and
 3. There is disagreement between the insurers as to whether there is coverage or as to the amount of the loss to be paid, if any, by each insurer under its own policies.
- B.** This endorsement does not apply if:
 1. Both the boiler and machinery insurer(s) and we do not admit to any liability; and
 2. Neither the boiler and machinery insurer(s) nor we contend that coverage applies under the other insurer's policy.
- C.** The provisions of this endorsement apply only if all of the following requirements are met:
 1. The boiler and machinery policy carried by the named insured, insuring the Covered Property, contains a similar provision at the time of the loss or damage, with substantially the same requirements, procedures and conditions as contained in this endorsement;
 2. The damage to the Covered Property was caused by a loss for which:
 - a. Both the boiler and machinery insurer(s) and we admit to some liability for payment under the respective policies; or
 - b. Either:
 - (1) The boiler and machinery insurer(s) does not admit to any liability for payment, while we contend that:
 - (a) All liability exists under the boiler and machinery policy; or
 - (b) Some liability exists under both the boiler and machinery policy and this commercial property policy;
- (2)** We do not admit to any liability for payment, while the boiler and machinery insurer(s) contends that:
 - (a) All liability exists under this commercial property policy; or
 - (b) Some liability exists under both the boiler and machinery policy and this commercial property policy; or
- (3)** Both the boiler and machinery insurer(s) and we:
 - (a) Do not admit to any liability for payment; and
 - (b) Contend that some or all liability exists under the other insurer's policy; and
- 3. The total amount of the loss is agreed to by you, the boiler and machinery insurer(s) and us.
- D.** If the requirements listed in Paragraph **C.** above are satisfied, we and the boiler and machinery insurer(s) will make payments to the extent, and in the manner, described as follows:
 1. We will pay, after your written request, the entire amount of loss that we have agreed as being covered, if any, by this commercial property policy and one-half (1/2) the amount of the loss that is in disagreement.
 2. The boiler and machinery insurer(s) will pay, after your written request, the entire amount of loss that they have agreed as being covered, if any, by the boiler and machinery policy and one-half (1/2) the amount of loss that is in disagreement.
 3. Payments by the insurers of the amounts that are in disagreement, as described in Paragraphs 1. and 2., do not alter, waive or surrender any rights of any insurer against any other with regard to the portion of the loss for which each insurer is liable.

4. The amount in disagreement to be paid by us under this endorsement shall not exceed the amount payable under the equivalent Loss Agreement(s) of the boiler and machinery policy.
5. The amount to be paid under this endorsement shall not exceed the amount we would have paid had no boiler and machinery policy been in effect at the time of loss. In no event will we pay more than the applicable Limit of Insurance shown in the Declarations.
6. Acceptance by you of sums paid under this endorsement does not alter, waive or surrender any other rights against us.

E. Arbitration

1. If the circumstances described in Paragraph **C.2.a.** exist and the boiler and machinery insurer(s) and we agree to submit our differences to arbitration, the boiler and machinery insurer(s) and we will determine the amount each will pay and will pay the insured within 90 days. Arbitration will then take place within 90 days after payment of the loss under the terms of this endorsement.
2. If any of the circumstances described in Paragraph **C.2.b.** exist, then the boiler and machinery insurer(s) and we agree to submit our differences to arbitration within 90 days after payment of the loss under the terms of this endorsement.

3. You agree to cooperate with any arbitration procedures. There will be three arbitrators: one will be appointed by us, and another will be appointed by the boiler and machinery insurer(s). The two arbitrators will select a third arbitrator. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. A decision agreed to by two of the three arbitrators will be binding on both parties. Judgment on any award can be entered in any court that has jurisdiction.

F. Final Settlement Between Insurers

The insurer(s) found responsible for the greater percentage of the ultimate loss must return the excess contribution to the other insurer(s). In addition, the insurer(s) found responsible for the greater portion of the loss must pay Liquidated Damages to the other insurer(s) on the amount of the excess contribution of the other insurer(s). Liquidated Damages are defined as interest from the date the insured invokes this Agreement to the date the insurer(s) that contributed the excess amount is reimbursed. The interest is calculated at 1.5 times the highest prime rate from the Money Rates column of the Wall Street Journal during the period of the Liquidated Damages. Arbitration expenses are not a part of the excess contribution for which liquidated damages are calculated. Arbitration expenses will be apportioned between insurers on the same basis that the ultimate loss is apportioned.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW YORK CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

A. If this policy covers the interest of the owner of any of the following types of buildings or structures:

1. Residential (except 1 or 2 family buildings or structures);
2. Commercial; or
3. Industrial;

the following provision is added:

Before payment to you for loss or damage to the above buildings or structures caused by or resulting from fire, we will:

- (1) Deduct from your payment the claim of any tax district that issues a certificate of lien in accordance with the Insurance Law; and
- (2) Pay directly to the tax district the amount of the claim.

When we pay that claim, we will have no obligation to pay the amount of that claim to you. Our payment of that claim within 30 days of our receipt of the certificate of lien will be a conclusive presumption that the claim was valid and properly paid.

B. The following is added with respect to any Condition of this Coverage Part which requires you to notify us of loss or to notify us of an accident, claim or "suit":

1. Notice given by or on your behalf; or
2. Written notice by or on behalf of any claimant; to any of our agents in New York State, which adequately identifies you, will be the same as notice to us.

C. Legal Action Against Us

1. The **Legal Action Against Us** Loss Condition in the Legal Liability Coverage Form is replaced by the following:

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

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from you; or

b. To sue us on this Coverage Form unless all of its terms have been fully complied with.

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

2. Paragraph **b.** of Additional Condition **H.5. Legal Action Against Us** in the Mortgageholders Errors And Omissions Coverage Form is replaced by the following:

b. No person or organization has a right under Coverages **C** and **D**:

- (1) To join us as a party or otherwise bring us into a "suit" asking for damages from you; or
- (2) To sue us on this Coverage Form unless all of its terms have been fully complied with.

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

D. The **Examination Of Your Books And Records** Common Policy Condition is replaced by the following:

Examination Of Your Books And Records

1. Except as provided in 2. below, 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.

2. We will conduct an audit to determine the final premium due or to be refunded, for coverage for which an advance or deposit premium was paid based on estimated exposure. But the audit may be waived if:

- a. The total annual premium attributable to the auditable exposure base is not reasonably expected to exceed \$1,500; or
- b. The policy requires notification to the insurer with the specific identification of any additional exposure units (e.g., buildings) for which coverage is requested.

If the audit is not waived, it must be completed within 180 days after:

- a. The expiration date of the policy; or
- b. The anniversary date, if this is a continuous policy or a policy written for a term longer than one year.

E. The following sentence is deleted from Paragraph **A.** in the Legal Liability Coverage Form:

We will have the right and duty to defend any "suit" seeking those damages.

The following sentence is added to Paragraph **A.** in the Legal Liability Coverage Form:

We will have the right and duty to defend any "suit" seeking those damages even if the allegations of the "suit" are groundless, false or fraudulent.

F. The following sentence is deleted from Paragraph **A.3.** in the Mortgageholders Errors And Omissions Coverage Form:

We will have the right and duty to defend any "suit" seeking those damages.

The following is added to Paragraph **A.3.** in the Mortgageholders Errors And Omissions Coverage Form:

We will have the right and duty to defend any "suit" seeking those damages even if the allegations of the "suit" are groundless, false or fraudulent.

G. The following Condition is added to Paragraph **D.** of the Legal Liability Coverage Form and Paragraph **F.4.** of the Mortgageholders Errors And Omissions Coverage Form:

Transfer Of Duties When A Limit Of Insurance Is Used Up

1. If we conclude that, based on claims or "suits" which have been reported to us and to which this insurance may apply, a Limit of Insurance is likely to be used up in the payment of judgments or settlements, we will notify the first Named Insured, in writing, to that effect.

2. When the Limit of Insurance has actually been used up in the payment of judgments or settlements:

- a. We will notify the first Named Insured, in writing, as soon as practicable, that:
 - (1) Such a limit has actually been used up; and
 - (2) Our duty to defend "suits" seeking damages subject to that limit has also ended.
- b. We will initiate, and cooperate in, the transfer of control, to any appropriate insured, of all claims and "suits" seeking damages which are subject to that limit and which are reported to us before that limit is used up. That insured must cooperate in the transfer of control of said claims and "suits".

We agree to take such steps, as we deem appropriate, to avoid a default in, or continue the defense of, such "suits" until such transfer is completed, provided the appropriate insured is cooperating in completing such transfer.

We will take no action whatsoever with respect to any claim or "suit" seeking damages that would have been subject to that limit, had it not been used up, if the claim or "suit" is reported to us after that limit of insurance has been used up.

- c. The first Named Insured, and any other insured involved in a "suit" seeking damages subject to that limit, must arrange for the defense of such "suit" within such time period as agreed to between the appropriate insured and us. Absent any such agreement, arrangements for the defense of such "suit" must be made as soon as practicable.

3. The first Named Insured will reimburse us for expenses we incur in taking those steps we deem appropriate in accordance with Paragraph **2.b.** above.

The duty of the first Named Insured to reimburse us will begin on:

- a. The date on which the applicable limit of insurance is used up, if we sent notice in accordance with Paragraph **1.** above; or
- b. The date on which we sent notice in accordance with Paragraph **2.a.** above, if we did not send notice in accordance with Paragraph **1.** above.



4. The exhaustion of any limit of insurance by the payments of judgments or settlements, and the resulting end of our duty to defend, will not be affected by our failure to comply with any of the provisions of this Condition.

H. Except as provided in I. below, the **Appraisal** Condition is replaced by the following:

Appraisal

1. If we and you disagree on the value of the property, the extent of the loss or damage or the amount of the loss or damage, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser and notify the other of the appraiser selected within 20 days of such demand.
2. If we or you fail to proceed with the appraisal of the covered loss after a written demand is made by either party, then either party may apply to a court having jurisdiction for an order directing the party that failed to proceed with the appraisal to comply with the demand for the appraisal of the loss. In this event, each party will select a competent and impartial appraiser and notify the other of the appraiser selected within 20 days of such order.
3. The two appraisers will select an umpire. If they cannot agree within 15 days upon such umpire, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property, the extent of the loss or damage and the amount of the loss or damage. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding.
4. 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.

I. The **Appraisal** Condition in:

1. Business Income (And Extra Expense) Coverage Form **CP 00 30**; and
2. Business Income (Without Extra Expense) Coverage Form **CP 00 32**;

is replaced by the following:

Appraisal

1. If we and you disagree on the amount of Net Income and operating expense, the extent of the loss or damage or the amount of the loss or damage, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser and notify the other of the appraiser selected within 20 days of such demand.
2. If we or you fail to proceed with the appraisal of the covered loss after a written demand is made by either party, then either party may apply to a court having jurisdiction for an order directing the party that failed to proceed with the appraisal to comply with the demand for the appraisal of the loss. In this event, each party will select a competent and impartial appraiser and notify the other of the appraiser selected within 20 days of such order.
3. The two appraisers will select an umpire. If they cannot agree within 15 days upon such umpire, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense, the extent of the loss or damage and the amount of the loss or damage. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding.
4. 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.

J. The following provision is added to the Commercial Property Coverage Part:

Estimation Of Claims

Upon request, we will furnish you or your representative with a written estimate of damages to real property specifying all deductions, provided such an estimate has been prepared by us or has been prepared on our behalf for our own purposes. This estimate will be provided within thirty days after your request or its preparation, whichever is later.

K. The following provision is added to the Legal Liability Coverage Form and supersedes any provision to the contrary:

Failure to give prompt notice to us, as required under this Coverage Form, shall not invalidate any claim made by you or any other claimant, unless the failure to provide such timely notice has prejudiced us. However, no claim made by you or any other claimant will be invalidated if it shall be shown not to have been reasonably possible to give such timely notice and that notice was given as soon as was reasonably possible thereafter.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW YORK CHANGES – FUNGUS, WET ROT AND DRY ROT

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

A. In the Causes Of Loss – Basic Form, Causes Of Loss – Broad Form, Causes Of Loss – Special Form, and Mortgageholders Errors And Omissions Coverage Form, the exclusion titled "Fungus", Wet Rot, Dry Rot And Bacteria and the Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria are deleted. Under these forms, the following exclusion is added:

We will not pay for loss or damage caused by or resulting from "fungus", wet rot or dry rot. However, this exclusion does not apply when "fungus", wet rot or dry rot results from a Covered Cause of Loss.

B. In the Building And Personal Property Coverage Form and the Condominium Association Coverage Form, under the Additional Coverage – Increased Cost Of Construction, Paragraph **A.4.e.(5)** is replaced by the following:

Under this Additional Coverage, we will not pay for:

1. 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
2. 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".

C. Paragraph **C.** of Ordinance Or Law Coverage Endorsement **CP 04 05** is replaced by the following:

We will not pay under Coverage **A**, **B** or **C** of this endorsement for:

1. Enforcement of or compliance with any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants"; or

2. The costs associated with the enforcement of or compliance with any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

D. Paragraph **A.** of Ordinance Or Law – Increased Period Of Restoration Endorsement **CP 15 31** is replaced by the following:

If a Covered Cause of Loss occurs to property at the premises described in the Declarations, coverage is extended to include the amount of actual and necessary loss you sustain during the increased period of "suspension" of "operations" caused by or resulting from a requirement to comply with any ordinance or law that:

1. Regulates the construction or repair of any property;
2. Requires the tearing down of parts of any property not damaged by a Covered Cause of Loss; and
3. Is in force at the time of loss.

However, coverage is not extended under this endorsement to include loss caused by or resulting from the enforcement of or compliance with any ordinance or law which requires:

1. The demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants"; or
2. 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".

E. Paragraph **E.3.** of Functional Building Valuation Endorsement **CP 04 38** is replaced by the following:

We will not pay under this endorsement for:

- 1.** Enforcement of or compliance with any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants"; or

- 2.** The costs associated with the enforcement of or compliance with any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW YORK – EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

- A.** The exclusion set forth in Paragraph **B.** applies to all coverage under all forms and endorsements that comprise this Coverage Part, 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 micro-organism that induces or is capable of inducing physical distress, illness or disease.

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

- C.** 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.

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	Coverage B And C Combined Limit Of Insurance
/	<input type="checkbox"/>	\$	\$	\$ *
/	<input type="checkbox"/>	\$ Refer to DECOF	\$ Refer to DECOF	\$ *
/	<input type="checkbox"/>	\$	\$	\$ *

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

*Do **not** enter a Blanket Limit of Insurance if individual Limits of Insurance are selected for Coverages **B** and **C**, or if one of these Coverages is not applicable.

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 only if both **B.1.** and **B.2.** are satisfied and are then subject to the qualifications set forth in **B.3.**

1. The ordinance or law:

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

- b.** Is in force at the time of loss.

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

2.a. The building sustains 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.

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

3. In the situation described in **B.2.b.** above, we will not pay the full amount of loss otherwise payable under the terms of Coverages **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.

(Section **H.** of this endorsement provides an example of this procedure.)

However, if the covered direct physical damage, alone, would have resulted in a requirement to comply with the ordinance or law, then we will pay the full amount of loss otherwise payable under the terms of Coverages **A**, **B** and/or **C** of this endorsement.

C. We will not pay under Coverage **A**, **B** or **C** of this endorsement for:

1. Enforcement of or compliance with any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
2. The costs associated with the enforcement of or compliance with any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

D. Coverage

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

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

Coverage **A** is included within the Limit Of Insurance shown in the Declarations as applicable to the covered building. 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 **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 **3.a.:**

- (1) The cost of excavations, grading, backfilling and filling;

- (2) Foundation of the building;
- (3) Pilings; 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.**

E. Loss Payment

1. All following loss payment provisions, **E.2.** through **E.5.**, are subject to the apportionment procedures set forth in Section **B.3.** of this endorsement.
2. When there is a loss in value of an undamaged portion of a building to which Coverage **A** applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:
 - a. If the Replacement Cost Coverage Option applies and the property is being repaired or replaced, on the same or another premises, we will not pay more than the lesser of:
 - (1) The amount you would actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or
 - (2) The Limit Of Insurance shown in the Declarations as applicable to the covered building.
 - b. If the Replacement Cost Coverage Option applies and the property is **not** repaired or replaced, or if the Replacement Cost Coverage Option does **not** apply, we will not pay more than the lesser of:
 - (1) The actual cash value of the building at the time of loss; or
 - (2) The Limit Of Insurance shown in the Declarations as applicable to the covered building.
3. Unless Paragraph **E.5.** applies, loss payment under Coverage **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 above.
4. Unless Paragraph **E.5.** applies, loss payment under Coverage **C** – Increased Cost Of Construction Coverage will be determined as follows:
 - a. We will not pay under Coverage **C**:
 - (1) Until the property is actually repaired or replaced, at the same or another premises; and
 - (2) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - b. If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage **C** is the lesser of:
 - (1) The increased cost of construction at the same premises; or
 - (2) The applicable Limit Of Insurance shown for Coverage **C** in the Schedule above.
 - c. If the ordinance or law requires relocation to another premises, the most we will pay under Coverage **C** is the lesser of:
 - (1) The increased cost of construction at the new premises; or
 - (2) The applicable Limit Of Insurance shown for Coverage **C** in the Schedule above.
5. If a Combined Limit Of Insurance is shown for Coverages **B** and **C** in the Schedule above, Paragraphs **E.3.** and **E.4.** of this endorsement do not apply with respect to the building that is subject to the Combined Limit, and the following loss payment provisions apply instead:

The most we will pay, for the total of all covered losses for Demolition Cost and Increased Cost of Construction, is the Combined Limit Of Insurance shown for Coverages **B** and **C** in the Schedule above. Subject to this Combined Limit of Insurance, the following loss payment provisions apply:

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

- b.** With respect to the Increased Cost of Construction:
 - (1)** We will not pay for the increased cost of construction:
 - (a)** Until the property is actually repaired or replaced, at the same or another premises; and
 - (b)** Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - (2)** If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.
 - (3)** If the ordinance or law requires relocation to another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the new premises.
- F.** The terms of this endorsement apply separately to each building to which this endorsement applies.
- G.** Under this endorsement we will not pay for loss due to any ordinance or law that:
 1. You were required to comply with before the loss, even if the building was undamaged; and
 2. You failed to comply with.
- H.** Example of proportionate loss payment for Ordinance Or Law Coverage Losses (procedure as set forth in Section **B.3.** of this endorsement).

Assume:

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

- I.** 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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLOOD COVERAGE ENDORSEMENT AND DECLARATIONS

This Endorsement provides supplementary information to be used with the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM - BROWNSTONE
COMMERCIAL PROPERTY CONDITIONS

SCHEDULE

Inception Date of Flood Coverage Endorsement: _____	
Note: There is no coverage for a Flood that begins before or within 72 hours after this date. Refer to Section C.5.a. of this Endorsement for additional information.	
Description of Covered Locations:	Each Location Flood Limit Of Insurance:
1. Refer to Schedule DECOF	\$ _____
2.	\$ _____
3.	\$ _____
4.	\$ _____
5.	\$ _____
Aggregate Flood Limit Of Insurance (applicable to all covered locations): \$ _____	
Description Of Personal Property In The Open, If Covered For Flood: _____	
Flood Deductible: \$ _____	
Non-Coinsurance Option <input type="checkbox"/> (Check if applicable)	
Other Flood Insurance, If Any (Identify insurer and policy number): Primary (NFIP) _____ Other _____	

Information required to complete this Flood Coverage Schedule, if not shown above, will be shown in the Declarations.

- A. This Endorsement applies to the Covered Property and Coverages for which a Flood Limit of Insurance is shown in the SCHEDULE above or in the Declarations.
- B. Solely with respect to the coverage provided by this endorsement, the **Covered Cause of Loss** provision within the Causes of Loss form is amended by the addition of the following:

Additional Covered Cause Of Loss

Flood, meaning a general and temporary condition of partial or complete inundation of normally dry land areas due to:

1. The overflow of inland or tidal waters;
2. The unusual or rapid accumulation or runoff of surface waters from any source; or
3. Mudslides or mudflows which are caused by flooding as defined in **B.2.** above. For the purpose of this Covered Cause of Loss, a mudslide or mudflow involves a river of liquid and flowing mud on the surface of normally dry land areas as when earth is carried by a current of water and deposited along the path of the current.

All flooding in a continuous or protracted event will constitute a single flood.

- C. Solely with respect to the coverage provided by this endorsement, **B. Exclusions**, **C. Limitations** and related provisions are amended as follows:

1. **B. Exclusions** and **C. Limitations** of the Causes Of Loss form (and the Exclusions section of the Mortgageholders Errors And Omissions Coverage Form) apply to coverage provided under this Endorsement except as provided in **C.2.** and **C.3.** below.
2. To the extent that a part of the Water Exclusion might conflict with coverage provided under this Endorsement, that part of the Water Exclusion does not apply.
3. To the extent that a tsunami causes the overflow of tidal waters, the exclusion of earthquake, in the Earth Movement Exclusion, does not apply.
4. The Ordinance Or Law Exclusion in this Coverage Part continues to apply with respect to any loss under this Coverage Part including any loss under this Endorsement, unless Ordinance Or Law Coverage is added by endorsement.
5. The following exclusions and limitations are added and apply to coverage under this Endorsement:
 - a. We will not pay for any loss or damage caused by or resulting from any Flood that begins before or within 72 hours after the inception date of this Endorsement. However, this limitation does not apply to a particular location if Flood coverage was in effect for that location for at least 72 hours immediately prior to the inception date of this endorsement, under a policy issued by us or by another insurer, and this policy replaces the previous policy without a lapse in coverage. If you request and we provide an increase in the stated Limit of Insurance for Flood during the term of this policy, with the exception of an increase at the time of renewal of the policy, the increase will not apply to loss or damage from any Flood that begins before or within 72 hours after your request was made.

If the Flood is due to the overflow of inland or tidal waters, then the Flood is considered to begin when the water first overflows its banks.

- b. We will not pay for loss or damage caused by or resulting from destabilization of land arising from the accumulation of water in subsurface land areas.
- c. Under this Coverage Part, as set forth under Property Not Covered in the Coverage Form to which this Endorsement is attached, land is not covered property, nor is the cost of excavations, grading, backfilling or filling. Therefore, coverage under this Endorsement does not include the cost of restoring or remediating land due to the collapse or sinking of land caused by or resulting from Flood. However, coverage under this Endorsement includes damage to the covered portions of the building and to covered personal property, caused by collapse or sinking of land along the shore of a body of water as the result of erosion or undermining caused by waves or currents of water which exceed the cyclical levels and cause Flood.

- d. We do not cover loss or damage by Flood to personal property in the open except to the extent that such coverage, if any, is specified in the SCHEDULE of this Endorsement or in the Declarations.
- e. Property Not Covered, in the Coverage Form to which this Endorsement is attached, is amended and supplemented as follows with respect to Flood Coverage:
 - (1) Property Not Covered includes any building or other property that is not eligible for flood insurance pursuant to the provisions of the Coastal Barrier Resources Act, 16 U.S.C. 3501 et seq. and the Coastal Barrier Improvement Act of 1990, Pub. L. 101-591, 16 U.S.C. 3501 et seq.
 - (2) Property Not Covered includes boat houses and open structures, and any property in or on the foregoing, if the structure is located on or over a body of water.
 - (3) If bulkheads, pilings, piers, wharves, docks, or retaining walls that are not part of a building, have been removed from Property Not Covered and added as Covered Property by separate endorsement, this Flood Coverage Endorsement does not apply to such property.
 - (4) The following are removed from Property Not Covered and are therefore Covered Property:
 - (a) Foundations below the lowest basement floor or the subsurface of the ground; and
 - (b) Underground pipes, flues and drains.
- f. We will not pay for loss or damage caused by discharge of water or waterborne material from a sewer, drain or sump unless such discharge results from Flood and occurs within 72 hours after the Flood recedes.

D. Solely with respect to the coverage provided by this endorsement, **A. Coverage, 4. A. Debris Removal** (and any additional limit for Debris Removal under a Limit Of Insurance clause or an endorsement) is deleted and replaced with the following:

Debris Removal

- 1. 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 Flood. However, we will not pay to remove deposits of mud or earth from the grounds of the described premises.
- 2. We will also pay the expense to remove debris of Covered Property that has floated or been hurled off the described premises by Flood.

3 This coverage for Debris Removal, as set forth in **D.1.** and **D.2.** above, does not increase the applicable Limit of Insurance for Flood. Therefore, the most we will pay for the total of debris removal and loss or damage to Covered Property is the Limit of Insurance for Flood that applies to the Covered Property at the affected described premises covered under this Endorsement.

E. Solely with respect to the coverage provided by this endorsement, **F. Additional Conditions, 1. Coinsurance** is amended by the addition of the following:

- 1. The Coinsurance Condition, if any, in the applicable Coverage Form applies to the coverage provided under this Endorsement, unless the No-Coinurance Option, in the SCHEDULE of this Endorsement or in the Declarations, is specified as being applicable.
- 2. Various Coverage Extensions, in the Coverage Form to which this Endorsement is attached, require coinsurance. If the No-Coinurance Option applies, then the coinsurance requirement for such Coverage Extensions is eliminated.

F. Solely with respect to the coverage provided by this endorsement **C. Limit Of Insurance** is amended by the addition of the following:

1. General Information

Flood Coverage may be written at a Limit Of Insurance that is equal to or less than the Limit Of Insurance which applies to other Covered Causes of Loss (e.g., Fire) under this Building And Personal Property Coverage Part.

The Aggregate Flood Limit of Insurance and Each Location Flood Limit of Insurance are shown in the SCHEDULE above or in the Declarations. If both Limits are not shown, then the Limit applicable to Fire also applies to Flood.

2. Application Of Aggregate Limit And Each Location Limit

- a. The most we will pay for the total of all loss or damage caused by Flood with respect to all covered locations described in the SCHEDULE above, is the amount set forth in the Aggregate Flood Limit Of Insurance. Such amount is shown in the SCHEDULE above or the Declarations.
- b. Subject to the Aggregate Flood Limit Of Insurance, the most we will pay for the total of all loss or damage caused by Flood with respect to each location described in the SCHEDULE above, is the amount set forth in the Each Location Flood Limit Of Insurance. Such amount is shown in the SCHEDULE above or the Declarations.

If the Each Location Flood Limit of Insurance and the Aggregate Flood Limit of Insurance amounts are the same, or if there is no amount stated as an Aggregate Flood Limit, then the Each Location Flood Limit of Insurance is the most we will pay for the total of all loss or damage that is caused by Flood.

3. Ensuing Loss

In the event of covered ensuing loss, for example, loss caused by Fire, Explosion and/or Sprinkler Leakage which results from the Flood, the most we will pay, for the total of all loss or damage caused by flood, fire, explosion and sprinkler leakage, is the Limit of Insurance applicable to Fire. We will **not** pay the sum of the Fire and Flood Limits.

EXAMPLES - ENSUING LOSS

Two examples follow, using these facts: The Building And Personal Property Coverage Form - Brownstone, in these examples, includes the Causes Of Loss - Special Form - Brownstone (which covers fire) and this Flood Coverage Endorsement. A building is damaged by Flood and by Fire which is caused by the Flood. The value of the damaged building is \$1,000,000. The Limit of Insurance applicable to the building, for the Basic Causes of Loss, is \$800,000. The Each Location Limit of Insurance for Flood is \$400,000. The Flood Deductible amount is \$5,000.

EXAMPLE 1

The damage due to Flood is \$500,000. The damage due to Fire is \$500,000.

Payment for Flood damage is \$400,000 (\$500,000 damage minus \$5,000 Flood deductible = \$495,000; Limit is \$400,000)

Payment for Fire damage is \$400,000 (\$500,000 damage capped at the difference between the Basic Limit and the Flood Limit)

Total Loss Payment is \$800,000.

EXAMPLE 2

The damage due to Flood is \$800,000. The damage due to Fire is \$100,000.

Payment for Flood damage is \$400,000 (\$800,000 damage minus \$5,000 Flood deductible = \$795,000; Limit is \$400,000)

Payment for Fire damage is \$100,000 (amount of damage)

Total Loss Payment is \$500,000.

Note: These examples are given only to illustrate the situation of Flood and ensuing loss. Therefore, the loss payment stated for Flood damage does not address the situation where another policy also covers the Flood damage.

G. Solely with respect to the coverage provided by this endorsement **D. Deductible** is amended by the addition of the following:

1. The Deductible for coverage provided under this Endorsement is the Deductible applicable to Flood as shown in the SCHEDULE of this Endorsement or in the Declarations.

2. We will not pay that part of the loss that is attributable to any Deductible(s) in the National Flood Insurance Program policy.
3. If Flood results in another Covered Cause of Loss and if both Covered Causes of Loss cause loss or damage, then only the higher deductible applies (e.g., the Flood deductible or the Fire deductible).

H. Solely with respect to the coverage provided by this Endorsement, **G. OTHER INSURANCE** in the Commercial Property Conditions form is deleted and replaced with the following:

Other Insurance

1. For Covered Locations situated in Flood Zones: A, AO, AH, A1-A30, AE, A99, AR, AR/AE, AR/AO, AR/A1-A30, AR/A, V, VE, or V1-V30 if the loss is also covered under a National Flood Insurance Program (NFIP) policy, or if the property is eligible to be written under an NFIP policy but there is no such policy in effect, then we will pay only for the amount of loss in excess of the maximum limit that can be insured under that policy. This provision applies whether or not the maximum NFIP limit was obtained or maintained, and whether or not you can collect on the NFIP policy. We will not, under any circumstances, pay more than the applicable Limit Of Insurance for Flood as stated in the SCHEDULE of this Endorsement or the Declarations of this Coverage Part. Section **H. 1.** shall not apply if:
 - a. At the time of loss, the Covered Location was eligible for flood coverage provided under an NFIP policy but such policy was not in effect due solely to ineligibility of the property at the time this Flood Coverage Endorsement was issued; or
 - b. An NFIP policy is not in effect because we have agreed to write this Flood Coverage Endorsement without underlying NFIP coverage.

Nothing contained herein shall operate to increase our Limit of Insurance for Flood Coverage beyond those stated in the SCHEDULE of this Endorsement or the Declarations of this Coverage Part.

2. If there is other insurance covering the loss, other than that described in **H.1.** above, we will pay our share of the loss. Our share is the proportion that the applicable Limit of Insurance under this Endorsement bears to the total of the applicable Limits Of Insurance under all other such insurance. But we will not pay more than the applicable Limit Of Insurance stated in the SCHEDULE of this Endorsement or the Declarations of this Coverage Part.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WATER BACK-UP AND SUMP OVERFLOW - SCHEDULE OF LOCATIONS AND LIMITS OF INSURANCE

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM - BROWNSTONE

SCHEDULE

Building Number/Premises Number	Limit Of Insurance
	\$ Refer to schedule DECOF
	\$
	\$

A. Section **A. Coverage** is amended by the addition of the following:

We will pay for direct physical loss or damage to Covered Property, covered under this Policy, caused by or resulting from water which:

1. Backs up through or overflows from a sewer or drain; or
2. 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 **2.** above, we will not pay the cost of repairing or replacing a sump pump or its related equipment in the event of mechanical breakdown.

B. The coverage described in Paragraph **A.** of this Endorsement does not apply to loss or damage resulting from an insured's failure to:

1. Keep a sump pump or its related equipment in proper working condition; or
2. Perform the routine maintenance or repair necessary to keep a sewer or drain free from obstructions.

C. Solely with respect to the coverage provided by this endorsement, **C. Limits of Insurance** is amended by the addition of the following:

The most we will pay for the coverage provided under this Endorsement is \$5,000 per location, unless a higher Water Back-Up And Sump Overflow Limit of Insurance is indicated in the **SCHEDULE** above.

D. With respect to the coverage provided under this Endorsement, Exclusion **B.1.g. Water** in the Cause Of Loss - Special Form - Brownstone is deleted and replaced with the following:

g. Water

- (1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow; or
- (3) Water under the ground surface pressing on, or flowing or seeping through:
 - (a) Foundations, walls, floors or paved surfaces;
 - (b) Basements, whether paved or not; or
 - (c) Doors, windows or other openings.

But if water, as described in **g.(1)** through **g.(3)**, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BROWNSTONE PROGRAM – NEW YORK EQUIPMENT BREAKDOWN COVERAGE

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM – BROWNSTONE
CONDOMINIUM ASSOCIATION COVERAGE FORM
CAUSES OF LOSS – SPECIAL FORM – BROWNSTONE

The following is added as an Additional Coverage to the Special Form – Brownstone:

Additional Coverage – “Equipment Breakdown”

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

1. We will pay for direct physical loss or damage to Covered Property at the premises shown in the Declarations caused by or resulting from an “Equipment Breakdown”.

“Equipment Breakdown” loss or damage must be caused by, resulting from, or consisting of:

- a. Mechanical breakdown;
- b. Electrical or electronic breakdown and “electronic equipment deficiency”;
- c. Rupture, bursting, bulging, implosion, or steam explosion; or
- d. Artificially generated electrical current, including electrical arcing, that disturbs electrical devices, appliances or wires.

2. “Equipment Breakdown” does not include:

 a. Physical loss or damage caused by or resulting from any of the following:

- (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 electronic data by any computer system including any hardware, programs or software; or
- (7) Marring or scratching.

However, if loss or damage not otherwise excluded results, then we pay for such resulting damage.

- b. Any loss, damage cost or expense directly caused by, contributed to by, resulting from or arising out of the following Covered Causes of Loss:

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

3. Unless otherwise shown in a "schedule," the following coverages also apply to the direct result of an "Equipment Breakdown." These coverages do not provide additional amounts of insurance.

a. **Expediting Expenses**

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

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

b. **Pollutant Clean Up and Removal**

We will pay for the additional cost to repair or replace Covered Property because of contamination by a "hazardous substance." This includes the additional expenses to clean up or dispose of such property. This does not include contamination of "perishable goods" by refrigerant which is addressed in 2.h. below. As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no "hazardous substance" been involved.

The most we will pay for loss, damage or expense under this coverage is \$250,000 unless otherwise shown in a "schedule."

c. **Spoilage**

(1) **We will pay:**

- (a) For physical damage to "perishable goods" due to spoilage;
- (b) Any necessary expenses you incur to reduce the amount of loss under this coverage to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

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

The most we will pay for loss, damage or expense under this coverage is \$250,000 unless otherwise shown in a "schedule."

d. **Data Restoration**

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

The most we will pay for loss or expense under this coverage is \$100,000.

e. **Service Interruption**

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

- (2) The most we will pay for loss, damage or expense under this coverage is the limit that applies to Business Income, Extra Expense, Data Restoration or Spoilage.

f. Business Income and Extra Expense

Any insurance provided under this coverage part for Business Income or Extra Expense is extended to the coverage provided by this endorsement. The most we will pay for loss of Business Income you sustain or necessary Extra Expense you incur is the limit shown in the Declarations for that coverage.

g. Computer Equipment

We will pay for loss, damage or expense caused by or resulting from an "Equipment Breakdown" to "computer equipment."

h. Refrigeration Contamination

(1) We will pay for loss to "perishable goods" due to contamination by refrigerant used in refrigerating, cooling or humidity control equipment.

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

The most we will pay for loss, damage or expense under this coverage is \$250,000 unless otherwise shown in a "schedule."

i. CFC Refrigerants

We will pay for the additional costs to repair or replace Covered Property because of the use or presence of a refrigerant containing CFC (chlorofluorocarbon) substances.

As used in this coverage, 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 Business Income coverages provided by this endorsement, caused by the presence of a refrigerant containing CFC substances.

We pay no more than the least of the following:

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

j. Temperature Fluctuation

We will pay for loss of "perishable goods" caused by or resulting from any condition or event to Covered Property that can be resolved by calibrating, resetting, tightening, adjusting or cleaning.

However, we will not pay for loss of "perishable goods" as a result of resetting the power supply to the Covered Property containing the "perishable goods".

The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain or necessary Extra Expense you incur, is \$5,000.

k. Unauthorized Instruction

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

I. 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 or replacement of; electrical panels, switchgear or circuit breakers; or

(3) Electrical wire and wiring improvements which include installation of; flexible conduit, junction boxes 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 must be sent to us within 180 Days after the payment of the loss is received.

m. Off-Premises Coverage

We will pay for loss or damage to Covered Property while temporarily at a premises that is not the premises shown in the Declarations.

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

3. Conditions

The following conditions are in addition to the Conditions in the Building and Personal Property Coverage Form – Brownstone, Condominium Association Coverage Form, the Commercial Property Conditions and the Common Policy Conditions.

a. 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 from an "Equipment Breakdown" to that Covered Property. This can be done by mailing or delivering a written notice of suspension to:

(1) Your last known address; or

(2) The address where the "covered equipment" is located.

Once suspended in this way, your insurance can be reinstated only by an endorsement for that Covered Property. If we suspend your insurance, you will get a pro rata refund of premium for that Covered Property for the period of suspension. But the suspension will be effective even if we have not yet made or offered a refund.

b. Jurisdictional Inspections

If any property that is 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.

c. 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 efficient than the equipment being replaced.

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

d. Green Environmental and Efficiency Improvements

- (1) If Covered Property requires repair or replacement due to an "Equipment Breakdown", we will pay:
 - (a) The lesser of the reasonable and necessary additional cost incurred by the insured to repair or replace physically damaged Covered Property of like kind and quality which qualifies as "green".
As used in the coverage, like kind and quality means similar size and capacity.
 - (b) The additional reasonable and necessary fees incurred by the insured for an accredited professional certified by a "green authority" to participate in the repair or replacement of the physically damaged Covered Property as "green."
 - (c) The additional reasonable and necessary cost incurred by the insured for certification or recertification of the repaired or replaced Covered Property as "green."
 - (d) The additional reasonable and necessary cost incurred by the insured for "green" in the removal, disposal or recycling of physically damaged Covered Property.
 - (e) The Business Income loss, if shown as covered, during the additional time required for repair or replacement of Covered Property, consistent with "green", in the coverages above.
- (2) 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 Covered Property of like kind and quality inclusive of fees, costs and any Business Income loss incurred as stated above.
- (3) Green Environmental and Efficiency Improvements does not cover any of the following:
 - (a) Covered Property does not include "stock", raw materials, finished goods, "production machinery", merchandise, electronic data processing equipment not used in the functional support of the real property, process water, molds and dies, property in the open, property of others for which the insured is legally liable for or personal property of others.
 - (b) Any loss adjusted on any valuation basis other than repair or replacement basis as per the Valuation section of the policy.
 - (c) Any loss covered under any other section of the policy.
 - (d) Any cost incurred due to any law or ordinance with which the insured was legally obligated to comply with prior to the time of the "Equipment Breakdown".

4. **Deductible**

The deductible in the Declarations applies unless a separate Equipment Breakdown deductible is shown in a "schedule." If a separate Equipment Breakdown deductible is shown, the following applies.

Only as regards Equipment Breakdown Coverage, provision D. DEDUCTIBLE is deleted and replaced with the following:

a. Deductibles for Each Coverage

- (1) Unless the "schedule" indicates that your deductible is combined for all coverages, multiple deductibles may apply to any one loss.

- (2) We will not pay for loss, damage or expense under any coverage until the amount of the covered loss, damage or expense exceeds the deductible amount shown for that coverage in the "schedule." We will then pay the amount of loss, damage or expense in excess of the applicable deductible amount, subject to the applicable limit.
- (3) If deductibles vary by type of Covered Property and more than one type of Covered Property is involved in any one loss, only the highest deductible for each coverage will apply.
- b. Direct and Indirect Coverages
 - (1) Direct Coverages Deductibles and Indirect Coverages Deductibles may be indicated in the "schedule."
 - (2) Unless more specifically indicated in the "schedule":
 - (a) Indirect Coverages Deductibles apply to Business Income and Extra Expense loss; and
 - (b) Direct Coverages Deductibles apply to all remaining loss, damage or expense covered by this endorsement.

- c. Application of Deductibles

- (1) Dollar Deductibles

We will not pay for loss, damage or expense resulting from any one loss until the amount of loss, damage or expense exceeds the applicable Deductible shown in the "schedule." We will then pay the amount of loss, damage or expense in excess of the applicable Deductible or Deductibles, up to the applicable Limit of Insurance.

- (2) Time Deductible

If a time deductible is shown in the "schedule," we will not be liable for any loss occurring during the specified number of hours or days immediately following the "Equipment Breakdown." If a time deductible is expressed in days, each day shall mean twenty-four consecutive hours.

5. The **Definitions** Section is amended by the addition of the following:

- a. "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.
- b. "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.
- c. "Electronic equipment" means devices which operate using many small electrical parts such as, but not limited to, microchips, transistors or circuits.
- d. "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.

- e. "Equipment Breakdown" means:
 - (1) Physical loss or damage, both originating within:
 - (a) Boilers, fired or unfired pressure vessels, vacuum vessels, and pressure piping, all normally subject to vacuum or internal pressure of contents, excluding:
 - (i) Waste disposal piping;
 - (ii) Any piping forming part of a fire protective system;
 - (iii) Furnaces; and
 - (iv) Any water piping other than:
 - 1) Boiler feed water piping between the feed pump and the boiler;
 - 2) Boiler condensate return piping; or
 - 3) Water piping forming part of a refrigerating or air conditioning system used for cooling, humidifying or space heating purposes.
 - (b) All mechanical, electrical, "electronic equipment" or fiber optic equipment.
 - f. "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.
 - g. "Green Authority" means an authority on "green" buildings, products, materials, methods or processes certified and accepted by Leadership in Energy and Environmental Design (LEED®), Green Building Initiative Green Globes®, Energy Star Rating System or any other recognized "green" rating system.
 - h. "Hazardous substance" means any substance that is hazardous to health or has been declared to be hazardous to health by a governmental agency.
 - i. "Perishable goods" means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.
 - j. "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.
 - k. "Production machinery" means any machine or apparatus that processes or produces a product intended for eventual sale. However, "production machinery" does not mean any fired or unfired pressure vessel other than a cylinder containing a movable plunger or piston.
 - l. "Schedule" means the Equipment Breakdown Coverage Schedule.
 - m. "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.

6. Exclusions

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

The exclusions are modified as follows:

- (1) The following is added to Exclusion B.1.g.:

However, if electrical Covered Property requires drying out because of Water as described in g.(1) through g.(3) above, we will pay for the direct expenses of such drying out subject to the applicable Limit of Insurance and deductible for Building or Business Personal Property, whichever applies.

(2) The last paragraph of Exclusion B.2.d. is deleted and replaced with the following:

But if an "Equipment Breakdown" results, we will pay for the loss or damage caused by that "Equipment Breakdown".

7. Limitations

All limitations in the Causes of Loss – Special Form - Brownstone form apply except as modified below and to the extent that coverage is specifically provided by this Additional Coverage "Equipment Breakdown."

As respects this endorsement only, Limitations C.1.a. and C.1.b do not apply.

The most we will pay for loss, damage or expense under this endorsement arising from any one loss is the applicable Limit of Insurance in the Declarations unless otherwise shown in a "schedule." Coverage provided under this endorsement does not provide an additional amount of insurance.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

BROWNSTONE PROGRAM

COMMERCIAL PROPERTY COVERAGE PART

EQUIPMENT BREAKDOWN COVERAGE SCHEDULE

Equipment Breakdown is subject to the Limits of Insurance shown in the Declarations except as specifically shown below.

These coverages apply to all locations covered on the policy, unless otherwise specified.

SCHEDULE		
COVERAGE	LIMITS (Per Location)	DEDUCTIBLES: (Dollar, Time, ADV or %)
Property Damage:	\$ <u>Bldg Limit + Bus. Inc. + P.P.</u>	Per form DECCP-1016
Business Income/ Extra Expense:	\$ <u>Included</u>	Per form BS5101-0419
Pollutant Clean Up and Removal:	\$ <u>Included</u>	Per form BS5101-0419
Refrigerant Contamination	\$ <u>Included</u>	Per form BS5101-0419
Spoilage	\$ <u>Included</u>	Per form BS5101-0419
Other:	N/A	

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

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

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

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

A. Coverage

1. Business Income

Business Income means the:

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

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

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

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

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

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

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

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

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

2. Extra Expense

a. Extra Expense Coverage is provided at the premises described in the Declarations only if the Declarations show that Business Income Coverage applies at that premises.

b. Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

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

- (1) Avoid or minimize the "suspension" of business and to continue operations at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.

(2) Minimize the "suspension" of business if you cannot continue "operations".

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

3. Covered Causes Of Loss, Exclusions And Limitations

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

4. Additional Limitation – Interruption Of Computer Operations

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

5. Additional Coverages

a. Civil Authority

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

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

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

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

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

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

b. Alterations And New Buildings

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

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

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

c. Extended Business Income

(1) Business Income Other Than "Rental Value"

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

- (a) Begins on the date property (except "finished stock") is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (b) Ends on the earlier of:
 - (i) The date you could restore your "operations", with reasonable speed, to the level which would generate the business income amount that would have existed if no direct physical loss or damage had occurred; or
 - (ii) 60 consecutive days after the date determined in (1)(a) above.

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

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

(2) "Rental Value"

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

- (a) Begins on the date property is actually repaired, rebuilt or replaced and tenantability is restored; and
- (b) Ends on the earlier of:
 - (i) The date you could restore tenant occupancy, with reasonable speed, to the level which would generate the "Rental Value" that would have existed if no direct physical loss or damage had occurred; or
 - (ii) 60 consecutive days after the date determined in (2)(a) above.

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

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

d. Interruption Of Computer Operations

- (1) Under this Additional Coverage, electronic data has the meaning described under Additional Limitation – Interruption Of Computer Operations.

(2) Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Business Income and Extra Expense to apply to a "suspension" of "operations" caused by an interruption in computer operations due to destruction or corruption of electronic data due to a Covered Cause of Loss. However, we will not provide coverage under this Additional Coverage when the Additional Limitation – Interruption Of Computer Operations does not apply based on Paragraph A.4.d. therein.

(3) With respect to the coverage provided under this Additional Coverage, the Covered Causes of Loss are subject to the following:

- (a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage, Interruption Of Computer Operations, is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
- (b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage, Interruption Of Computer Operations, includes Collapse as set forth in that form.
- (c) If the Causes Of Loss form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Interruption Of Computer Operations.
- (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.

(4) The most we will pay under this Additional Coverage, Interruption Of Computer Operations, is \$2,500 (unless a higher limit is shown in the Declarations) for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.

(5) This Additional Coverage, Interruption Of Computer Operations, does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in (4) above has not been exhausted.

6. Coverage Extension

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

Newly Acquired Locations

- a. You may extend your Business Income and Extra Expense Coverages to apply to property at any location you acquire other than fairs or exhibitions.
- b. The most we will pay under this Extension, for the sum of Business Income loss and Extra Expense incurred, is \$100,000 at each location, unless a higher limit is shown in the Declarations.
- c. Insurance under this Extension for each newly acquired location will end when any of the following first occurs:

- (1) This policy expires;

- (2) 30 days expire after you acquire or begin to construct the property; or
- (3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property.

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

B. Limits Of Insurance

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

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

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

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

C. Loss Conditions

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

1. Appraisal

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

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

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

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

2. Duties In The Event Of Loss

- a. You must see that the following are done in the event of loss:
 - (1) Notify the police if a law may have been broken.
 - (2) Give us prompt notice of the direct physical loss or damage. Include a description of the property involved.
 - (3) As soon as possible, give us a description of how, when and where the direct physical loss or damage occurred.
 - (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses 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) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.
Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
 - (6) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
 - (7) Cooperate with us in the investigation or settlement of the claim.
 - (8) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

3. Loss Determination

- a. The amount of Business Income loss will be determined based on:
 - (1) The Net Income of the business before the direct physical loss or damage occurred;
 - (2) The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
 - (3) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
 - (4) Other relevant sources of information, including:
 - (a) Your financial records and accounting procedures;
 - (b) Bills, invoices and other vouchers; and
 - (c) Deeds, liens or contracts.
- b. The amount of Extra Expense will be determined based on:
 - (1) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
 - (a) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
 - (b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
 - (2) Necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

c. Resumption Of Operations

We will reduce the amount of your:

- (1) Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.
- (2) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.
- d. If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

4. Loss Payment

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

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

D. Additional Condition

COINSURANCE

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

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

1. The Coinsurance percentage shown for Business Income in the Declarations; times
2. The sum of:
 - a. The Net Income (Net Profit or Loss before income taxes), and
 - b. Operating expenses, including payroll expenses,

that would have been earned or incurred (had no loss occurred) by your "operations" at the described premises for the 12 months following the inception, or last previous anniversary date, of this policy (whichever is later).

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

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

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

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

We will pay the amount determined in Step (3) or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

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

- (1)** Prepaid freight – outgoing;
- (2)** Returns and allowances;
- (3)** Discounts;
- (4)** Bad debts;
- (5)** Collection expenses;
- (6)** Cost of raw stock and factory supplies consumed (including transportation charges);
- (7)** Cost of merchandise sold (including transportation charges);
- (8)** Cost of other supplies consumed (including transportation charges);
- (9)** Cost of services purchased from outsiders (not employees) to resell, that do not continue under contract;
- (10)** Power, heat and refrigeration expenses that do not continue under contract (if Form **CP 15 11** is attached);
- (11)** All payroll expenses or the amount of payroll expense excluded (if Form **CP 15 10** is attached); and
- (12)** Special deductions for mining properties (royalties unless specifically included in coverage; actual depletion commonly known as unit or cost depletion – not percentage depletion; welfare and retirement fund charges based on tonnage; hired trucks).

Example 1 (Underinsurance)

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been: \$ 400,000
The Coinsurance percentage is: 50%
The Limit of Insurance is: \$ 150,000
The amount of loss is: \$ 80,000

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

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

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

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

Example 2 (Adequate Insurance)

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been: \$ 400,000
The Coinsurance percentage is: 50%
The Limit of Insurance is: \$ 200,000
The amount of loss is: \$ 80,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ($\$400,000 \times 50\%$). Therefore, the Limit of Insurance in this example is adequate and no penalty applies. We will pay no more than \$80,000 (amount of loss).

This condition does not apply to Extra Expense Coverage.

E. Optional Coverages

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

1. Maximum Period Of Indemnity

- a.** The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.

- b.** The most we will pay for the total of Business Income loss and Extra Expense is the lesser of:
 - (1)** The amount of loss sustained and expenses incurred during the 120 days immediately following the beginning of the "period of restoration"; or
 - (2)** The Limit Of Insurance shown in the Declarations.

2. Monthly Limit Of Indemnity

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

Example

When: The Limit of Insurance is:	\$ 120,000
The fraction shown in the Declarations for this Optional Coverage is:	1/4
The most we will pay for loss in each period of 30 consecutive days is:	\$ 30,000
(\$120,000 x 1/4 = \$30,000)	
If, in this example, the actual amount of loss is:	
Days 1–30:	\$ 40,000
Days 31–60:	\$ 20,000
Days 61–90:	<u>\$ 30,000</u>
	\$ 90,000
We will pay:	
Days 1–30:	\$ 30,000
Days 31–60:	\$ 20,000
Days 61–90:	<u>\$ 30,000</u>
	\$ 80,000

The remaining \$10,000 is not covered.

3. Business Income Agreed Value

- a.** To activate this Optional Coverage:
 - (1)** A Business Income Report/Work Sheet must be submitted to us and must show financial data for your "operations":
 - (a)** During the 12 months prior to the date of the Work Sheet; and

- (b)** Estimated for the 12 months immediately following the inception of this Optional Coverage.

- (2)** The Declarations must indicate that the Business Income Agreed Value Optional Coverage applies, and an Agreed Value must be shown in the Declarations. The Agreed Value should be at least equal to:

- (a)** The Coinsurance percentage shown in the Declarations; multiplied by
- (b)** The amount of Net Income and operating expenses for the following 12 months you report on the Work Sheet.

- b.** The Additional Condition, Coinsurance, is suspended until:

- (1)** 12 months after the effective date of this Optional Coverage; or
- (2)** The expiration date of this policy; whichever occurs first.

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

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

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

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

Example

When: The Limit of Insurance is:	\$ 100,000
The Agreed Value is:	\$ 200,000
The amount of loss is:	\$ 80,000
Step (1): \$100,000 ÷ \$200,000 = .50	
Step (2): .50 x \$80,000 = \$40,000	

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

4. Extended Period Of Indemnity

Under Paragraph A.5.c., **Extended Business Income**, the number 60 in Subparagraphs **(1)(b)** and **(2)(b)** is replaced by the number shown in the Declarations for this Optional Coverage.

F. Definitions

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

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

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

2. "Operations" means:

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

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

a. Begins:

(1) 72 hours after the time of direct physical loss or damage for Business Income Coverage; or

(2) Immediately after the time of direct physical loss or damage for Extra Expense Coverage;

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

b. Ends on the earlier of:

(1) The date when the property at the described premises should be 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 or compliance with any ordinance or law that:

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

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

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

4. "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.

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

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

b. Continuing normal operating expenses incurred in connection with that premises, including:

(1) Payroll; and

(2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.

6. "Suspension" means:

a. The slowdown or cessation of your business activities; or

b. That a part or all of the described premises is rendered untenable, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLLUTION EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

COMMERCIAL GENERAL LIABILITY COVERAGE PART

In this Coverage Part or Policy, any exclusion, limitation or other provision relating to pollutants ("pollutants"), or any amendment to or replacement of such exclusions, limitations or other provisions, applies whether or not the irritant or contaminant has any function in or on your business, operations, premises, site or location.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TOTAL POLLUTION EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Exclusion f. under Paragraph 2., **Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

This insurance does not apply to:

f. Pollution

(1) "Bodily injury" or "property damage" which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

(2) Any loss, cost or expense arising out of any:

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EARTHQUAKE - VOLCANIC ERUPTION COVERAGE SCHEDULE PAGE ____ OF ____

This endorsement provides supplementary information to be used with the following:

EARTHQUAKE AND VOLCANIC ERUPTION ENDORSEMENT (SUB-LIMIT FORM)

Description of Premises or Location(s)

Per Dec Page

"Including Masonry Veneer" Option Yes No

Property Damage Deductible _____ 2 %

Earthquake - Sprinkler Leakage Only

Earthquake - Volcanic Eruption Limit(s) of Insurance The Limit(s) of Insurance shown in Section **A** and/or **B** of this Schedule is an annual aggregate limit(s). Refer to the Limit Of Insurance Provisions in the Earthquake And Volcanic Eruption Endorsement (Sub-Limit Form) for an explanation.

A. Blanket Limit \$ _____

(The Blanket Limit applies to all Premises and Locations listed on this page of the Schedule. If a separate Blanket Limit(s) applies at other Premises or Locations, then a separate page(s) of this Schedule will be used to enter the Blanket Limit(s) for such Premises or Locations.)

Check applicable Covered Property/Coverage(s) for Blanket Limit:

<input type="checkbox"/> Bldg.	<input type="checkbox"/> BI (CP 00 32)
<input type="checkbox"/> BPP	<input type="checkbox"/> EE (CP 00 50)
<input type="checkbox"/> BI (CP 00 30)	<input type="checkbox"/> Other _____

The Blanket Limit does not apply separately to the Premises, Locations, Covered Property or Coverages listed. The Blanket Limit is the most we will pay for all loss or damage to the indicated Covered Property/Coverages at the Premises and Locations listed, subject to all other applicable provisions of the Limit of Insurance section in the Earthquake And Volcanic Eruption Endorsement (Sub-Limit Form).

B. Separate Limits (If a separate Limit of Insurance is entered in this section of the Schedule, **B.**, for a particular Covered Property/Coverage, that Covered Property/Coverage should NOT be included under a Blanket Limit.)

Premises #1	Premises #2	Premises #3
Bldg. \$ _____	Bldg. \$ _____	Bldg. \$ _____
BPP \$ _____	BPP \$ _____	BPP \$ _____
BI (CP 00 30) \$ _____	BI (CP 00 30) \$ _____	BI (CP 00 30) \$ _____
BI (CP 00 32) \$ _____	BI (CP 00 32) \$ _____	BI (CP 00 32) \$ _____
EE (CP 00 50) \$ _____	EE (CP 00 50) \$ _____	EE (CP 00 50) \$ _____
Other \$ _____	Other \$ _____	Other \$ _____

Increased Annual Aggregate Limit Option: **Yes** **No**

Bldg. = Building; BPP = Business Personal Property; BI = Business Income Coverage Form; EE = Extra Expense Coverage Form

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EARTHQUAKE AND VOLCANIC ERUPTION LIMIT OF INSURANCE ENDORSEMENT (SUBLIMIT FORM)

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM - BROWNSTONE

SCHEDULE

LIMIT OF PROPERTY INSURANCE PER LOCATION	DEDUCTIBLE	POLICY ANNUAL AGGREGATE LIMIT OF INSURANCE
REFER TO SCHEDULE BIL 0002	REFER TO SCHEDULE BIL 0002	REFER TO SCHEDULE BIL 0002

A. This endorsement applies to the Covered Property and Coverages for which an Earthquake - Volcanic Eruption Limit Of Insurance is shown in the SCHEDULE above or in the Declarations.

B. Additional Covered Causes Of Loss

1. The following are added to the Covered Causes of Loss:

- a. Earthquake.
- b. Volcanic Eruption, meaning the eruption, explosion or effusion of a volcano.

All Earthquake shocks or Volcanic Eruptions that occur within any 168-hour period will constitute a single Earthquake or Volcanic Eruption. The expiration of this policy will not reduce the 168-hour period.

C. Exclusions, Limitations And Related Provisions

1. The Exclusions and Limitation(s) sections of the applicable Causes of Loss - Basic Form, Causes of Loss - Broad Form, and Causes of Loss - Special - Brownstone Form apply to coverage provided under this endorsement, except as provided in **C.2.** and **C.3.** below.
2. To the extent that the Earth Movement Exclusion might conflict with coverage provided under this endorsement, the Earth Movement Exclusion does not apply.
3. The exclusion of collapse, in the Causes of Loss-Special - Brownstone Form, does not apply to collapse caused by Earthquake or Volcanic Eruption.
4. The Additional Coverage - Collapse, in the applicable Causes of Loss - Basic Form, Causes of Loss - Broad Form and Causes of Loss - Special - Brownstone Form, does not apply to the coverage provided under this endorsement. This endorsement includes coverage for collapse caused by Earthquake or Volcanic Eruption.
5. We will not pay for loss or damage caused directly or indirectly by tidal wave or tsunami, even if attributable to an Earthquake or Volcanic Eruption.
6. We will not pay for loss or damage caused by or resulting from any Earthquake or Volcanic Eruption that begins before the inception of this insurance.
7. The Ordinance Or Law Exclusion in this Coverage Form continues to apply with respect to any loss under this Coverage Form including any loss under this endorsement, unless Ordinance Or Law Coverage is added by endorsement.
8. We will not pay for loss of or damage to exterior masonry veneer (except stucco) on wood frame walls caused by or resulting from Earthquake or Volcanic Eruption. The value of such veneer will not be included in the value of Covered Property or the amount of loss when applying the Property Damage Deductible applicable to this endorsement.

This limitation, **C.8.**, does not apply if there is a Deductible applicable to this form.

9. Under this Coverage Form, as set forth under Property Not Covered in the Coverage Form to which this endorsement is attached, land is not covered property, nor is the cost of excavations, grading, backfilling or filling. Therefore, coverage under this endorsement does not include the cost of restoring or remediating land.

D. No Coinsurance

The Coinsurance Condition in this policy, if any, does not apply to the coverage provided under this endorsement.

Various Coverage Extensions, in the Coverage Form to which this endorsement is attached, require coinsurance. The coinsurance requirement for such Coverage Extensions is eliminated with respect to coverage provided under this endorsement.

E. Limit Of Insurance

1. General Information

The term Limit of Insurance means the Limit of Insurance applicable to Earthquake - Volcanic Eruption for the Covered Property or Coverage under which loss or damage is sustained.

The SCHEDELE above or the Declarations provide information on the Limit of Insurance applicable to Covered Property and Coverages for Earthquake - Volcanic Eruption.

The Limit of Property Insurance for any one location shall be the lesser of:

- a. The Limit of Property Insurance set forth in the SCHEDELE above; or
- b. The applicable Limit of Insurance set forth in the Commercial Property Declarations.

2. Policy Annual Aggregate Limit

The Limit of Insurance for Earthquake - Volcanic Eruption is the policy annual aggregate limit and as such is the most we will pay for the total of all loss or damage under this policy that is caused by Earthquake or Volcanic Eruption in a 12-month period (starting with the beginning of the present annual policy period), even if there is more than one Earthquake or Volcanic Eruption during that period of time. Thus, if the first Earthquake or Volcanic Eruption does not exhaust the Limit of Insurance, then the balance of that Limit is available for a subsequent Earthquake(s) or Volcanic Eruption(s).

If a single Earthquake or Volcanic Eruption (as defined in Section **B.** of this endorsement) begins during one annual policy period and ends during the following annual policy period, any Limit of Insurance applicable to the following annual policy period will **not** apply to such Earthquake or Volcanic Eruption.

3. Additional Coverages And Coverage Extensions

Amounts payable under an Additional Coverage or Coverage Extension, as set forth in the applicable Coverage Form, do not increase the Limit of Insurance for Earthquake - Volcanic Eruption.

4. Ensuing Loss

If a Cause of Loss (such as fire) is covered by means of an exception to the Earth Movement Exclusion, in the Causes of Loss Form, we will also pay for the loss or damage caused by that other Covered Cause of Loss. But the most we will pay, for the total of all loss or damage caused by the Earthquake, Volcanic Eruption and other Covered Cause of Loss, is the Limit of Insurance applicable to such other Covered Cause of Loss. We will **not** pay the sum of the two Limits.

EXAMPLES - ENSUING LOSS

Two examples follow, using these facts: A policy includes this Earthquake - Volcanic Eruption Limit of Insurance Endorsement. A building is damaged by Earthquake, and by Fire which is caused by the Earthquake. The value of the damaged building is \$1,000,000. The Limit of Insurance applicable to the building, as shown in the Declarations, is \$800,000. The Limit of Insurance for Earthquake - Volcanic Eruption is \$400,000. The Earthquake Deductible amount is \$50,000.

Example #1

The damage due to Earthquake is \$500,000.

The damage due to Fire is \$500,000.

Payment for Earthquake damage is \$400,000 (\$500,000 damage minus \$50,000 Earthquake deductible = \$450,000; Limit is \$400,000)

Payment for Fire damage is \$400,000 (\$500,000 damage capped at the difference between the Basic Limit and the Earthquake Limit)

Total Loss Payment is \$800,000.

Example #2

The damage due to Earthquake is \$800,000.

The damage due to Fire is \$100,000.

Payment for Earthquake damage is \$400,000 (\$800,000 damage minus \$50,000 Earthquake deductible = \$750,000; Limit is \$400,000)

Payment for Fire damage is \$100,000 (amount of damage)

Total Loss Payment is \$500,000.

F. Property Damage Deductible

1. The provisions of Section **F.2.** of this endorsement are applicable to all Coverage Forms except:
 - a. Business Income (And Extra Expense) Coverage Form;
 - b. Business Income (Without Extra Expense) Coverage Form; and
 - c. Extra Expense Coverage Form.
2. The Deductible, if any, in this Coverage Form is replaced by the following with respect to Earthquake and Volcanic Eruption:
 - a. **All Policies**
 - (1) A Deductible is calculated separately for, and applies separately to:
 - (a) Each building, if two or more buildings sustain loss or damage;
 - (b) The building and to personal property in that building, if both sustain loss or damage;
 - (c) Personal property at each building, if personal property at two or more buildings sustains loss or damage; and
 - (d) Personal property in the open.
 - (2) We will not pay for loss or damage until the amount of loss or damage exceeds the applicable Deductible. We will then pay the amount of loss or damage in excess of that Deductible, up to the applicable Limit of Insurance.
 - (3) When property is covered under the Coverage Extension for Newly Acquired or Constructed Property: In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to a percentage of the value(s) of the property at time of loss. The applicable percentage for Newly Acquired or Constructed Property is the highest percentage shown in the Declarations for any described premises.
 - (4) If there is loss or damage caused by Earthquake or Volcanic Eruption, and loss or damage caused by a Cause of Loss (e.g., fire) that is covered by means of an exception to the Earth Movement Exclusion, then the only applicable Deductible provisions are those stated in this endorsement.

b. Calculation of the Deductible - Specific Insurance Other than Builders Risk**(1) Property Not Subject to Value Reporting Forms**

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to a percentage (as shown in the Declarations) of the Limit(s) of Insurance applicable to the property that has sustained loss or damage.

(2) Property Subject to Value Reporting Forms

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to a percentage (as shown in the Declarations) of the value(s) of the property that has sustained loss or damage. The value(s) to be used are the latest value(s) shown in the most recent Report of Values on file with us.

However:

- (a)** If the most recent Report of Values shows less than the full value(s) of the property on the report dates, we will determine the deductible amount as a percentage of the full value(s) as of the report dates.
- (b)** If the first Report of Values is not filed with us prior to loss or damage, we will determine the deductible amount as a percentage of the applicable Limit(s) of Insurance.

c. Calculation of the Deductible - Blanket Insurance Other than Builders Risk

(1) Property Not Subject to Value Reporting Forms

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to a percentage (as shown in the Declarations) of the value(s) of the property that has sustained loss or damage. The value(s) to be used are those shown in the most recent Statement of Values on file with us.

(2) Property Subject to Value Reporting Forms

In determining the amount, if any, that we will pay for property that has sustained loss or damage, we will deduct an amount equal to a percentage (as shown in the Declarations) of the value(s) of that property as of the time of loss or damage.

d. Calculation of the Deductible - Builders Risk Insurance

(1) Builders Risk Other than Reporting Form

In determining the amount, if any, that we will pay for property that has sustained loss or damage, we will deduct an amount equal to a percentage (as shown in the Declarations) of the actual cash value(s) of that property as of the time of loss or damage.

(2) Builders Risk Reporting Form

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to a percentage (as shown in the Declarations) of the value(s) of the property that has sustained loss or damage. The value(s) to be used are the actual cash value(s) shown in the most recent Report of Values on file with us.

However:

- (a)** If the most recent Report of Values shows less than the actual cash value(s) of the property on the report date, we will determine the deductible amount as a percentage of the actual cash value(s) as of the report date.
- (b)** If the first Report of Values is not filed with us prior to loss or damage, we will determine the deductible amount as a percentage of the actual cash value(s) of the property as of the time of loss or damage.

3. The following is applicable only to the Coverage Forms specified below:

- a. Business Income (And Extra Expense) Coverage Form;**
- b. Business Income (Without Extra Expense) Coverage Form;**

c. Extra Expense Coverage Form.

For buildings over 4 stories in height we will only pay for loss you sustain after the first 168 hours after direct physical loss or damage caused by or resulting from Earthquake or Volcanic Eruption.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW YORK CHANGES – COMMERCIAL GENERAL LIABILITY COVERAGE FORM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**A. Paragraph 1. Insuring Agreement of Section I –
Coverage A Bodily Injury And Property
Damage Liability** is replaced by the following:

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 even if the allegations of the "suit" are groundless, false or fraudulent. 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 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 "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".

B. Paragraph 1.a. of Section I – Coverage B Personal And Advertising Injury Liability is replaced by the following:

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 even if the allegations of the "suit" are groundless, false or fraudulent. 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 and 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.

C. The following is added as Paragraph e. to the Duties In The Event Of Occurrence, Offense, Claim Or Suit Condition (Paragraph 2. of Section IV – Commercial General Liability Conditions):

- e. Notice given by or on behalf of the insured, or written notice by or on behalf of the injured person or any other claimant, to any agent of ours in New York State, with particulars sufficient to identify the insured, shall be considered to be notice to us.

D. Paragraph 3. of Section IV – Commercial General Liability Conditions is replaced by the following:

3. **Legal Action Against Us**
 - a. Except as provided in Paragraph b., no person or organization has a right under this Coverage Part:
 - (1) To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
 - (2) To sue us on this 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.

- b. With respect to "bodily injury" and "personal and advertising injury" claims, if we deny coverage or do not admit liability because an insured or the injured person, someone acting for the injured person or other claimant fails to give us written notice as soon as practicable, then the injured person, someone acting for the injured person or other claimant may bring an action against us, provided the sole question is whether the denial of coverage or nonadmission of liability is based on the failure to provide timely notice.

However, the injured person, someone acting for the injured person or other claimant may not bring an action if within 60 days after we deny coverage or do not admit liability, we or an insured:

- (1) Brings an action to declare the rights of the parties under the policy; and
- (2) Names the injured person, someone acting for the injured person or other claimant as a party to the action.

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

Failure to give notice to us as required under this Coverage Part shall not invalidate any claim made by the insured, injured person or any other claimant, unless the failure to provide such timely notice has prejudiced us. However, no claim made by the insured, injured person or other claimant will be invalidated if it shall be shown not to have been reasonably possible to give such timely notice and that notice was given as soon as was reasonably possible thereafter.

F. The definition of "loading or unloading" in the **Definitions** Section does not apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW YORK CHANGES – PREMIUM AUDIT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
PRODUCT WITHDRAWAL COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

A. Paragraph b. of the Premium Audit Condition Section IV is replaced by the following:

PREMIUM AUDIT

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. An audit to determine the final premium due or to be refunded will be completed within 180 days after the expiration date of the policy. But the audit may be waived if the total annual premium attributable to the auditable exposure base is not reasonably expected to exceed \$1500. If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, we will return the excess to the first Named Insured.

B. Except as provided in Paragraph A. above, the Examination Of Your Books And Records Common Policy Condition continues to apply.

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.

HIRED AUTO AND NON-OWNED AUTO LIABILITY

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

SCHEDULE*

Insurance is provided only with respect to those coverages specified below for which a specific Additional Premium charge is shown:

COVERAGE	ADDITIONAL PREMIUM
Non-Ownership Liability	\$ INCLUDED IN LIABILITY PREMIUM
Hired Auto Liability	\$

*Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

A. **SECTION I - COVERAGES, COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 1. Insuring Agreement** is amended and the following is added:

Hired Auto Liability

The coverage provided under **SECTION I - COVERAGES, COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY** applies to "bodily injury" or "property damage" arising out of the maintenance or use of a "hired auto" by you or your "employees" in the course of your business.

Non-Owned Auto Liability

The coverage provided under **SECTION I - COVERAGES, COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY** applies to "bodily injury" or "property damage" arising out of the use of a "non-owned auto" by any person other than you in the course of your business.

B. With respect to the coverage provided by this endorsement **SECTION I - COVERAGES, COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions** is amended as follows:

1. Exclusions **2.c., 2.e., 2.g., 2.h., 2.j., 2.k., 2.l., 2.m., 2.n. and 2.o.** under **COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY** are deleted.

2. The following exclusions are added:

"Bodily injury" to an "employee" of the insured arising out of and in the course of employment by the insured. This Exclusion does not apply to:

- (1) Liability assumed by the insured under an "insured contract"; or
- (2) "Bodily injury" arising out of and in the course of domestic employment by the insured unless benefits for such injury are in part either payable or required to be provided under any workers compensation law.

"Property damage" to:

- (1) Property owned or being transported by, or rented or loaned to the insured; or
- (2) Property in the care, custody or control of the insured.

C. With respect to the coverage provided by this endorsement, **SECTION II - WHO IS AN INSURED** is deleted and replaced by the following:

SECTION II - WHO IS AN INSURED

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

1. You;
2. Any other person using a "hired auto" with your permission;
3. With respect to a "non-owned auto", any partner or "executive officer" of yours, but only while such "non-owned auto" is being used in your business;
4. Any other person or organization, but only with respect to their liability because of acts or omissions of an insured under 1., 2. or 3. above.

An insured does not include, and no coverage under this Policy is provided for:

1. Any person engaged in the business of his or her employer with respect to "bodily injury" to any co-employee of such person injured in the course of employment;
2. Any partner or "executive officer" with respect to any "auto" owned by such partner or officer or a member of his or her household;
3. Any person while employed in or otherwise engaged in duties in connection with an "auto business";
4. The owner or lessee (of whom you are a sub-lessee) of a "hired auto" or the owner of "non-owned auto" or any agent or "employee" of such owner or lessee;
5. Any person or organization with respect to the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations.

D. With respect to the coverage provided by this endorsement, **SECTION III - LIMITS OF INSURANCE** is deleted and replaced by the following:

SECTION III - LIMITS OF INSURANCE

The General Aggregate Limit shown in the Declarations does not apply to the insurance provided by this Endorsement.

E. With respect to the coverage provided by this endorsement, the following is added:

The insurance provided by this endorsement is excess over any other valid and collectible insurance available to the insured.

F. With respect to the coverage provided by this endorsement, the **DEFINITIONS** Section is amended to add the following:

"Auto business" means the business or occupation of selling, repairing, servicing, storing or parking "autos".

"Hired auto" means any "auto" you lease, hire or borrow. This does not include any "auto" you lease, hire or borrow from any of your employees or members of their households, or from any of your partners or "executive officers".

"Non-owned auto" means any "auto" you do not own, lease, hire or borrow which is used in connection with your business. However, if you are a partnership, a "non-owned" does not include any "auto" owned by any partner.

G. The definition of "insured contract" within the DEFINITIONS Section is amended by the addition of the following:

"Insured contract" means that part of any contract or agreement entered into, as part of your business, by you or any of your "employees" pertaining to the rental or lease of any "auto";

An "insured contract" does not include that part of any contract or agreement:

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

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - DESIGNATED PRODUCTS

This endorsement modifies insurance provided under the following:

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

SCHEDULE

Designated Product(s):

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

This insurance does not apply to "bodily injury" or "property damage" included in the "products -completed operations hazard" and arising out of any of "your products" shown in the Schedule.

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.

LIMITATION OF COVERAGE TO DESIGNATED PREMISES OR PROJECT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Premises:

Refer to the Designation of Premises Schedule (form # SCHEDESGPREM) for the covered locations.

Project:

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

This insurance applies only to "bodily injury", "property damage", "personal and advertising injury" and medical expenses arising out of:

1. The ownership, maintenance or use of the premises shown in the Schedule and operations necessary or incidental to those premises; or
2. The project shown in the Schedule.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW YORK CHANGES – TRANSFER OF DUTIES WHEN A LIMIT OF INSURANCE IS USED UP

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following Condition is added to COMMERCIAL GENERAL LIABILITY CONDITIONS (Section IV):

Transfer of Duties When a Limit of Insurance Is Used Up.

a. If we conclude that, based on "occurrences," offenses, claims or "suits" which have been reported to us and to which this insurance may apply, the:

- (1)** General Aggregate Limit (other than the Products/Completed Operations Aggregate Limit);
- (2)** Products/Completed Operations Aggregate Limit;
- (3)** Personal and Advertising Injury Limit;
- (4)** Each Occurrence Limit; or
- (5)** Fire Damage Limit

is likely to be used up in the payment of judgments or settlements, we will notify the first Named Insured, in writing, to that effect.

b. When a limit of insurance described in paragraph **a.** above has actually been used up in the payment of judgments or settlements:

- (1)** We will notify the first Named Insured, in writing, as soon as practicable, that:
 - (a)** Such a limit has actually been used up; and
 - (b)** Our duty to defend "suits" seeking damages subject to that limit has also ended.
- (2)** We will initiate, and cooperate in, the transfer of control, to any appropriate insured, of all claims and "suits" seeking damages which are subject to that limit and which are reported to us before that limit is used up. That insured must cooperate in the transfer of control of said claims and "suits".

We agree to take such steps, as we deem appropriate, to avoid a default in, or continue the defense of, such "suits" until such transfer is completed, provided the appropriate insured is cooperating in completing such transfer.

We will take no action whatsoever with respect to any claim or "suit" seeking damages that would have been subject to that limit, had it not been used up, if the claim or "suit" is reported to us after that limit of insurance has been used up.

(3) The first Named Insured, and any other insured involved in a "suit" seeking damages subject to that limit, must arrange for the defense of such "suit" within such time period as agreed to between the appropriate insured and us. Absent any such agreement, arrangements for the defense of such "suit" must be made as soon as practicable.

c. The first Named Insured will reimburse us for expenses we incur in taking those steps we deem appropriate in accordance with paragraph **b.(2)** above.

The duty of the first Named Insured to reimburse us will begin on:

- (1)** The date on which the applicable limit of insurance is used up, if we sent notice in accordance with paragraph **a.** above; or
- (2)** The date on which we sent notice in accordance with paragraph **b.(1)** above, if we did not send notice in accordance with paragraph **a.** above.
- d.** The exhaustion of any limit of insurance by the payments of judgments or settlements, and the resulting end of our duty to defend, will not be affected by our failure to comply with any of the provisions of this Condition.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – ASBESTOS

This Endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY and **SECTION I – COVERAGES, COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY, 2. – Exclusions** are amended by the addition of the following:

This insurance does not apply to:

Asbestos

Any liability for “bodily injury”, “property damage”, “personal and advertising injury”, occupational disease, disability, shock, mental anguish or mental injury, at any time arising out of the manufacture of, mining of, use of, sale of, installation of, removal of, distribution of, or exposure to asbestos, asbestos products, asbestos fibers or asbestos dust; or

An obligation of the “insured” to indemnify any party because of damages arising out of “bodily injury”, “property damage”, “personal and advertising injury”, occupational disease, disability, shock, mental anguish or mental injury, at any time as a result of the manufacture of, mining of, use of, sale of, installation of, removal of, distribution of, or exposure to asbestos, asbestos products, asbestos fibers or asbestos dust; or

An obligation to defend any “suit” or claim against the “insured” alleging “bodily injury”, “property damage”, “personal and advertising injury”, occupational disease, disability, shock, mental anguish or mental injury, resulting from or contributed to, by the manufacture of, mining of, use of, sale of, installation of, removal of, distribution of, or exposure to asbestos, asbestos products, asbestos fibers or asbestos dust.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WATER DAMAGE LIMITS OF LIABILITY

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

SCHEDULE

<u>Your Premises:</u> Please List Each Building Number/Premises Number Separately	<u>Each Occurrence Limit of Liability</u>
Refer to Schedule DECOF	\$
	\$
	\$

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. **SECTION I - COVERAGES, COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 1. Insuring Agreement** is amended and the following is added:

We will pay those sums that you become legally obligated to pay as damages because of "property damage" to "your premises," including any property therein, caused by "water damage", provided that the cause of loss for any "water damage" shall occur at or away from "your premises."

However we will not pay those sums you become legally obligated to pay as damages because of "property damage" arising out of a fire.

B. Solely with respect to this endorsement, **SECTION III - LIMITS OF INSURANCE** is amended by the addition of the following:

Subject to the General Aggregate Limit shown in the Declarations of this Policy, the Each Occurrence Limit of Liability shown in the SCHEDULE above, is the most we will pay for damages because of all water damage resulting from any one "occurrence".

C. For the purposes of this endorsement only, the **DEFINITIONS** Section is amended by the addition of the following:

1. "Water Damage" means:

- a. The discharge, overflow or leakage of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household or industrial appliance;
- b. The collapse or fall of tanks or the component parts or supports thereof which form a part of an automatic sprinkler system; or
- c. Rain, hail, sleet or snow entering any building or structure through open or defective roofs; gutters or spouting; or walls, doors, windows, skylights, transoms or ventilators.

2. "Your Premises" means the property listed in the SCHEDULE above.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

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.

EXCLUSION – UNMANNED AIRCRAFT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. Exclusion 2.g. Aircraft, Auto Or Watercraft under Section I – Coverage A – Bodily Injury And Property Damage Liability is replaced by the following:

2. Exclusions

This insurance does not apply to:

g. Aircraft, Auto Or Watercraft

(1) Unmanned Aircraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft". Use includes operation and "loading or unloading".

This Paragraph **g.(1)** applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft".

(2) Aircraft (Other Than Unmanned Aircraft), Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft (other than "unmanned aircraft"), "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This Paragraph **g.(2)** applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft (other than "unmanned aircraft"), "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This Paragraph **g.(2)** does not apply to:

- (a)** A watercraft while ashore on premises you own or rent;
- (b)** A watercraft you do not own that is:
 - (i)** Less than 26 feet long; and
 - (ii)** Not being used to carry persons or property for a charge;
- (c)** Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (d)** Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

(e) "Bodily injury" or "property damage" arising out of:

- (i)** The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged; or
- (ii)** The operation of any of the machinery or equipment listed in Paragraph **f.(2)** or **f.(3)** of the definition of "mobile equipment".

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

2. Exclusions

This insurance does not apply to:

Unmanned Aircraft

"Personal and advertising injury" arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft". Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the offense which caused the "personal and advertising injury" involved the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft".

This exclusion does not apply to:

- a.** The use of another's advertising idea in your "advertisement"; or
- b.** Infringing upon another's copyright, trade dress or slogan in your "advertisement".

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

"Unmanned aircraft" means an aircraft that is not:

- 1.** Designed;
- 2.** Manufactured; or
- 3.** Modified after manufacture;

to be controlled directly by a person from within or on the aircraft.

NOT-FOR-PROFIT MANAGEMENT LIABILITY COVERAGE PART DECLARATIONS

Claims Made Disclosure Statement

The D&O Liability Coverage Part is written on a claims-made basis. The Coverage Part provides no coverage for claims arising out of incidents, occurrences or alleged wrongful acts which took place prior to the retroactive date stated in the Coverage Part. The Coverage Part covers only claims actually made against the insured while the Coverage Part remains in effect and all coverage under the Coverage Part ceases upon termination of the Coverage Part except for the sixty (60) day automatic extended reporting period coverage, unless the insured purchases the three (3) year additional extended reporting period option coverage.

Note: Potential coverage gaps may arise upon expiration of the extended reporting period if replacement coverage is not purchased. During the first several years of the claims made relationship, claims made rates are comparatively lower than occurrence rates and the insureds can expect substantial annual premium increases, independent of overall rate increases, until the claims made relationship reaches maturity.

Named Organization: THE 534 WEST 42ND STREET CONDO & 534 WEST 42ND STREET LLC
Mailing Address: C/O LIVING HOLDINGS, LLC 225 WEST 35TH STREET, 14TH FLOOR New York, NY 10001
Policy Period
From: 07/07/2021
To: 07/07/2022 12:01 A.M. at your mailing address shown above.

Business Description:

Limit Of Liability	
Per claim for Coverages A, B or C including "claims expenses":	\$ 1,000,000
Aggregate for Coverages A, B and C including "claims expenses":	\$ 1,000,000

Retention Amounts	
Coverage A (each claim)	\$ 1,000
Coverage B (each claim)	\$ 1,000
Coverage C (each claim)	\$ 1,000

Retroactive Date	
This insurance does not apply to a "claim" arising out of a "wrongful act" which occurs before the retroactive date, if any, shown below.	
Retroactive Date (Coverages A and B):	12/28/2012 (Enter date or "none" if no retroactive date applies.)
Retroactive Date (Coverage C):	12/28/2012 (Enter date or "none" if no retroactive date applies.)

Pending Or Prior Litigation Date**Pending Or Prior Date (Coverages A and B):**

(Enter date or "none" if no pending or prior date applies.)

Pending Or Prior Date (Coverage C):

(Enter date or "none" if no pending or prior date applies.)

Optional Extended Reporting Period

1. For risks with a claims-made relationship of 3 years or more, 110% of "insured's" last Annual Premium for three (3) years.
2. For risks with a claims-made relationship of 3 years or less, 100% by the expiring premium to arrive at your additional premium charge for the endorsement.

Endorsements Applicable To This Coverage Part (Show Numbers)**Countersignature Of Authorized Representative****Name:** John Simone**Title:****Signature:****Date:**

NOT-FOR-PROFIT MANAGEMENT

LIABILITY COVERAGE PART

THIS IS A CLAIMS-MADE POLICY. SUBJECT TO ITS TERMS AND CONDITIONS, THIS POLICY ONLY COVERS "CLAIMS" FIRST MADE AGAINST THE "INSURED" DURING THE "POLICY PERIOD", THE AUTOMATIC EXTENDED REPORTING PERIOD OR DURING THE OPTIONAL EXTENDED REPORTING PERIOD, IF EXERCISED. "CLAIMS EXPENSES" ARE INCLUDED WITHIN, AND WILL REDUCE, THE LIMITS OF LIABILITY. PLEASE READ THE ENTIRE POLICY CAREFULLY, AND CONSULT WITH YOUR BROKER/AGENT OR OTHER PROFESSIONAL TO THE EXTENT YOU DO NOT UNDERSTAND ANY TERMS OR CONDITIONS OF THIS POLICY.

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 organization" shown in the Declarations. The words "we", "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section VII – Definitions.

SECTION I – INSURING AGREEMENTS

A. Coverage A – Management Liability

We will pay on behalf of any "insured person" such "loss" which the "insured person" becomes legally obligated to pay as a result of a "claim" first made against that "insured person" during the "policy period", the Automatic Extended Reporting Period, or during the Optional Extended Reporting Period, if exercised, except to the extent that the "organization" has indemnified the "insured person" for such "loss".

However, this insurance applies only to a "claim" arising out of a "wrongful act" committed by the "insured person" which occurs on or after the Retroactive Date, if any, shown in the Declarations, and before the end of the "policy period".

B. Coverage B – Organization Reimbursement

We will pay on behalf of the "organization" such "loss" for which the "organization" has indemnified any "insured person", as permitted or required by law, and which the "insured person" becomes legally obligated to pay as a result of a "claim" first made against that "insured person" during the "policy period", the Automatic Extended Reporting Period, or during the Optional Extended Reporting Period.

However, this insurance applies only to a "claim" arising out of a "wrongful act" committed by the "insured person" which occurs on or after the Retroactive Date, if any, shown in the Declarations, and before the end of the "policy period".

C. Coverage C – Organization Liability

We will pay on behalf of the "organization" such "loss" which the "organization" becomes legally obligated to pay as a result of a "claim" first made against the "organization" during the "policy period", the Automatic Extended Reporting Period, or during the Optional Extended Reporting Period.

However, this insurance applies only to a "claim" arising out of a "wrongful act" committed by the "organization" which occurs on or after the Retroactive Date, if any, shown in the Declarations, and before the end of the "policy period".

SECTION II – EXTENSIONS

Subject to Section I, the following coverage extensions are provided:

A. Spousal Liability

If a "claim" against any "insured person" includes a claim against the "insured person's" spouse (whether such status is derived by reason of statutory or common law, or any other law of any country) solely by reason of:

1. Such spousal status; or
2. Such spouse's ownership interest in property or assets that are sought as recovery for the "wrongful act" committed or allegedly committed by the "insured person";

all loss which such spouse becomes legally obligated to pay by reason of such claim will be treated for the purposes of this Policy as "loss" which the "insured person" becomes legally obligated to pay as a result of the "claim" made against such "insured person". Such loss to the spouse will be covered under this Policy only if and to the extent such loss would be covered if incurred by the "insured person".

However, this extension will not afford coverage for a "claim" arising out of any "wrongful act" committed or allegedly committed by the spouse.

B. Estates, Heirs And Legal Representatives

This Policy will afford coverage for "claims" arising out of the "wrongful acts" of any "insured person" made against:

1. The estate, heirs or legal representatives of that deceased "insured person"; and
2. The legal representative of that "insured person" in the event of incompetency, insolvency or bankruptcy.

This extension will afford coverage only if and to the extent that, in the absence of such death, incompetency, insolvency or bankruptcy of the "insured person", such "claims" would have been covered by this Policy according to this Policy's terms, conditions and exclusions.

SECTION III – EXCLUSIONS

We will not pay for any "loss" resulting from any "claim":

- A.** Based upon, attributable to, or arising in fact out of any dishonest, malicious, fraudulent or criminal act or any willful violation of any statute or regulation;
- B.** For bodily injury, mental or emotional distress, sickness, disease or death of any person, or damage to or destruction of any property including the loss of its use;
- C.** Based upon, attributable to, or arising in fact out of the gaining of any profit, remuneration or advantage to which any "insured" was not legally entitled;
- D.** Based upon, attributable to, or arising out of a "wrongful act" or "interrelated wrongful act" that has occurred before the Retroactive Date, if any, shown in the Declarations;
- E.** Based upon, attributable to, or arising out of the same facts, "wrongful acts" or "interrelated wrongful acts", alleged or contained in any "claim" which has been reported, or in any circumstances of which notice has been given, under any insurance policy of which this Policy is a renewal or replacement;
- F.** Based upon, attributable to, or arising out of any demand, suit, or other proceeding against any "insured" which was pending on or existed prior to the applicable Pending or Prior Litigation Date shown in the Declarations, or arising out of the same or substantially the same facts, circumstances or allegations which are the subject of, or the basis for, such demand, suit, or other proceeding;

- G.** Based upon, attributable to, or arising out of any actual or alleged failure or omission on the part of any "insured" to effect or maintain insurance;
- H.** Based upon, attributable to, or arising out of any "wrongful act" committed or allegedly committed by any "organization" or its "insured persons" which becomes a "subsidiary", if such actual or alleged "wrongful act" occurred prior to the date such "organization" became a "subsidiary";
- I.** Based upon, attributable to, or arising out of any "wrongful act" committed by any "insured person" serving in any position or capacity in any organization other than the "organization" even if the "organization" directed or requested that "insured person" to serve in such other position or capacity;
- J.** Based upon, attributable to, or arising out of any demand, suit, or other proceedings against any for-profit entity or its insured persons that the "organization" acquired, merged with, or created before or during the "policy period";
- K.** Brought by or on behalf of the "organization" or any "insured person", in any capacity, except a "claim" that is a derivative action brought on behalf of the "organization" by one or more shareholders, security holders of the "named organization," or a holder of a membership interest in the "named organization", who are not "insured persons" and who bring the "claim" without the solicitation, assistance or participation of any "insured person" or the "organization";
- L.** Based upon, attributable to, or arising out of any actual or alleged violation ERISA, including responsibilities, obligations or duties imposed on fiduciaries by "ERISA" in connection with any pension, profit sharing, health and welfare or other employee benefit plan or trust established or maintained for the purpose of providing benefits to employees of the "insured";
- M.** For liability under or breach of any oral, written or implied contract or agreement, or for liability of others assumed by the "organization" under any such contract or agreement, except if the "organization" would have been liable in the absence of such contract or agreement;
- N.** Based upon, attributable to, or arising out of "wrongful acts" resulting from:
 - 1.** Any publication or pronouncement, including material placed on the Internet or on similar electronic means of communication, concerning any organization or business enterprise or their products or services made by or at the direction of any "insured"; or
 - 2.** Any printing of periodicals, advertising matter, or any or all jobs taken by any "insured" to be printed for a third party when the periodicals, advertising matter or other printing is not within the scope of the "organization's" own activities;
- O.** Based upon, attributable to, or arising out of:
 - 1.** The actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time;
 - 2.** 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
 - 3.** A claim or suit brought by or on behalf of any 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";including without limitation any "claim" by or on behalf of the "organization" or its securities holders;

- P.** Based upon, attributable to, or arising out of an accounting of profits made from the purchase or sale of securities or the failure to register securities under the Federal Securities Act of 1933; the Securities Exchange Act of 1934; the Public Utilities Holding Company Act of 1935; the Investment Company Act of 1940; the Securities Laws or Blue Sky Laws of any state; and any Amendments of or additions to any of these acts or laws;
- Q.** Brought by or on behalf of any "insured" under this Policy, or which are brought by any shareholder, security holder of the "named organization," or a holder of a membership interest in the "named organization";
- R.** Based upon, attributable to, or arising out of any employment-related "wrongful act;" or
- S.** Based upon, attributable to, or arising out of any "claim", other than "claim expenses," which constitutes costs of compliance with any order for, grant of or agreement to provide non-monetary relief.

A "wrongful act" committed by any "insured person" shall not be imputed to any other "insured person" for purposes of applying the exclusions set forth in this Section **III**.

SECTION IV – LIMIT OF LIABILITY, COINSURANCE AND RETENTION

- A.** The most we will pay for all "loss" under Coverage **A**, or Coverage **B**, or Coverage **C**, separately or combined, resulting from all "claims" first made during the "policy period" and the Extended Reporting Period, if exercised, is the aggregate Limit of Liability shown in the Declarations.

If the aggregate Limit of Liability is exhausted by the payment of "loss", we will have no further obligations or liability of any kind under this Policy.

- B.** All "claims" arising out of the same "wrongful act" or "interrelated wrongful acts" committed by one or more "insureds" shall be considered a single "claim". Such single "claim" shall be deemed to be first made on the date the initial "claim" arising out of such "wrongful act" or "interrelated wrongful acts" was first made pursuant to Section **VI**, Paragraph **A.1.** or notice of such "wrongful act" or "interrelated wrongful acts" was first reported pursuant to Section **VI**, Paragraph **A.2.**
- C.** Subject to Paragraph **A.** above, we will pay only that amount of "loss" which is in excess of the applicable Retention Amount shown in the Declarations. Such Retention Amount will be borne by the "insureds", uninsured and at their own risk. A single Retention Amount will apply to all "loss" resulting from all "claims" alleging the same "wrongful acts" or "interrelated wrongful acts".
- D.** If "loss" resulting from a single "claim" is covered in whole or in part under more than one Coverage, the applicable Retention Amount will be applied separately to that part of the "loss" covered by each Coverage. However, for any one "claim", the sum of the applied Retention Amounts shall not exceed the largest single applicable Retention Amount.
- E.** "Claims expenses" are part of the "loss" and are not payable by us in addition to the Limit of Liability, but are payable within the Limit of Liability shown in the Declarations, thereby reducing the Limit of Liability shown in the Declarations.
- F.** If the "organization" is permitted or required by law to indemnify an "insured person" for "loss", but fails or refuses, other than for reason of "financial insolvency", then our payment for such "loss" will not be subject to any Retention Amount; and the "organization" shall be responsible for, and shall hold us harmless from, and shall reimburse us for such "loss" up to the applicable Retention Amount as shown in the Declarations. For purposes of this Paragraph, the "organization" resolutions, operating agreement, organizing agreement, articles of organization, certificate of formation, and other provisions providing indemnification to the "insured persons", shall be deemed to provide indemnification for such "loss" to the fullest extent permitted or required by law.

G. With respect to Coverage A only, the following coinsurance provision applies:

1. We will pay 99.9% of all "loss" under Coverage A for the first one million dollars (\$1,000,000) of coverage purchased, provided that such "loss" shall not include any applicable Coverage A Retention Amount shown in the Declarations; and
2. 0.1% of all "loss" under Coverage A shall be borne by the "insured person" uninsured by us and at their own risk;

The 0.1% coinsurance percentage will apply to all "loss" under Coverage A resulting from all "claims" alleging the same "wrongful acts" or "interrelated wrongful acts". If "loss" resulting from a single "claim" is covered in part under more than Coverage A, the 0.1% coinsurance percentage will be applied separately to that part of the "loss" covered under Coverage A.

SECTION V – DEFENSE AND SETTLEMENT

A. We shall have the right and duty to defend any "claim" made against any "insured" under Section I – Insuring Agreements, even if such "claim" is groundless, false or fraudulent.

1. a. We shall have the sole right to select counsel for the defense of any such "claim" and such counsel shall be chosen from our list of approved counsel. The "insured" shall have the right to consent to our choice of defense counsel, which consent shall not be unreasonably withheld, and to participate and assist in the direction of the defense of any "claim". If the "insured" consents to our choice of counsel, "claims expenses" shall be limited to fifty percent (50%) of the aggregate Limit of Liability shown in the Declarations, and notwithstanding anything to the contrary stated in Section IV, Limit of Liability and Retention of this Coverage Part, any "claims expenses" in excess of fifty percent (50%) of the aggregate Limit of Liability shown in the Declarations for this Coverage Part shall be in addition to, and not part of, the applicable Limits of Liability shown in the Declarations.

b. Subject to our written approval, the "insured" may nominate its own counsel as a proposed candidate for the defense of any such "claim" (hereinafter "Insured's Proposed Counsel"), to be included in our list of approved counsel. Such approval by us is fully dependent upon the Insured's Proposed Counsel adopting and adhering to our fee guidelines, as well as our litigation guidelines. If we do not approve, in writing, the Insured's Proposed Counsel, such Insured's Proposed Counsel shall not be a part of our list of approved counsel.

c. If for any "claim", the "insured" does not consent to our choice of counsel, or the Insured's Proposed Counsel does not receive a written approval by us, the "insured" may select its own counsel, provided that such counsel selected by the "insured" shall not be part of our list of approved counsel, for such "claim" and as set forth in Section IV, Limit of Liability and Retention of this Coverage Part, all "claims expenses" for such "claim" shall be part of, and not in addition to the aggregate Limit of Liability shown in the Declarations for this Coverage Part. Our duty to defend any "claim" shall cease upon exhaustion of the applicable Limit of Liability.

2. The "insureds" shall:

- a. Not admit or assume any liability, enter into any settlement agreement, stipulate to any judgment, or incur any "claims expenses" without our prior written consent. Only those settlements, stipulated judgments and "claims expenses" which have been consented to by us, will be recoverable as "loss" under the terms and conditions of this Policy. Our consent shall not be unreasonably withheld.
- b. Provide us with full cooperation, assistance and all information that would reasonably be required in order to allow us to reach a decision as to such consent.

B. We may, upon the written consent of the "insureds", make any settlement of any "claim" which we deem reasonable. Such "insureds" consent shall not be unreasonably withheld. If any of the "insureds" withhold consent to such settlement, our liability for all "loss" resulting from such "claim" will not exceed the amount for which we could have settled such "claim" plus "claims expenses" incurred as of the date such settlement was proposed in writing by us to the "insureds".

SECTION VI – CONDITIONS

A. Notice To Us

1. As a condition precedent to our obligations under this Policy, the "insureds" must give us or our licensed agent in the state of New York, with particulars sufficient to identify the person or entity entitled to coverage under this Policy, written notice of any "claim" made against any "insured" as soon as practicable, but in no event:
 - a. Later than sixty (60) days after the end of the "policy period"; or
 - b. After the end of the Extended Reporting Period, if exercised.
2. If during the "policy period" any "insured" becomes aware of a specific "wrongful act" that may reasonably be expected to give rise to a "claim" against any "insured", and during the "policy period" the "insureds" give written notice to us of:
 - a. A description of the specific "wrongful act", including all relevant dates;
 - b. The names of the persons involved in the specific "wrongful act", including names of the potential claimants;
 - c. Particulars as to the reasons for anticipating a "claim" which may result from such specific "wrongful act";;
 - d. The nature of the alleged or potential damages arising from such specific "wrongful act"; and
 - e. The circumstances by which the "insureds" first became aware of the specific "wrongful act";then any "claim" subsequently made against any "insured" arising out of such specific "wrongful act" shall be deemed under this Policy to be a "claim" made during the "policy period" in which such specific "wrongful act" was first reported to us.

3. Failure by an "insured" to give a notice required within a prescribed time will not invalidate any coverage that would have been available if it is shown that it was not reasonably possible to give such notice within the prescribed time, and that notice was given as soon as reasonably possible.

B. Extended Reporting Periods

1. Automatic Extended Reporting Period.
 - a. An Automatic Extended Reporting Period is provided without additional charge upon "Coverage Termination". This period starts at the date of the Policy termination or the expiration of the "policy period," whichever is earlier, and lasts for sixty (60) days.
 - b. The Automatic Extended Reporting Period applies to "claims" arising out of a "wrongful act" that was committed during the "policy period" and after the Retroactive Date, if any, as set forth in the Declarations, and which are first made against the "insured" during the "policy period" and reported to us, within sixty (60) days after the end of the "policy period" in accordance with the Notice To Use Condition under Paragraph **A.1.** of Section VI - Conditions.

c. The Automatic Extended Reporting Period does not reinstate or increase the Limits of Liability. The Limits of Liability for the Automatic Extended Reporting Period will be the remaining limit applicable to the expiring coverage part.

d. Within 30 days after "Coverage Termination", we will notify you in writing, of the automatic Extended Reporting Period and the availability of purchasing an Optional Extended Reporting Period of 3 years.

2. Optional Extended Reporting Period.

a. The Optional Extended Reporting Period is available by endorsement and for the premium charge shown in the Declarations as follows:

(1) Upon "Coverage Termination"; or

(2) When the claims-made relationship has continued for more than one year and if we cancel this policy due to:

(a) Your failure to pay any amounts owed to us; or

(b) Fraud.

b. If the claims-made relationship has continued:

(1) For three years or more, the Optional Extended Reporting Period shall provide a Supplemental General Aggregate Limit of Liability, which will be at least equal to 100 percent of the policy's annual aggregate limit; or

(2) Less than three years, the Supplemental General Aggregate Limit of Liability will be at least equal to the greater of:

(a) The amount of coverage remaining in such policy's annual aggregate liability limit; or

(b) 50 percent of such policy's annual aggregate liability limit.

c. You will have the greater of 60 days from the effective date of termination of coverage, or 30 days from the date of mailing or delivery of the advice of the availability to purchase the Optional Extended Reporting Period, to submit written acceptance of the Optional Extended Reporting Period Option.

d. The Optional Extended Reporting Period applies to any "claim" which is first made during such Optional Extended Reporting Period, and which arises out of a "wrongful act" committed prior to cancellation or non-renewal and on or after the Retroactive Date. Such Optional Extended Reporting Period shall be available by endorsement.

b. The right to purchase the Optional Extended Reporting Period must be exercised by notice to us in writing not later than sixty (60) days following the non-renewal or cancellation date of this Policy, and must include payment of premium for the applicable Optional Extended Reporting Period, as well as payment of all premiums due to us. If such notice is not so given to us, the "insured" shall not be entitled to exercise such right at a later date.

c. The Optional Extended Reporting Period includes the automatic 60 days Automatic Extended Reporting period specified in **B.1.** above.

3. Extended Reporting Periods – Other Terms and Conditions

a. Automatic Extended Reporting Periods shall not apply to any insured that has any other applicable insurance.

b. At the commencement of any Optional Extended Reporting Period, the entire premium

thereafter shall be deemed earned.

- c. If the "insured" has been placed in receivership, liquidation or bankruptcy, or permanently ceases operations, then any one qualifying as an "insured" shall have the right to purchase the Optional Extended Reporting Period Option issued in the name of the "insured" for the benefit of all who qualify as you. The request for such Optional Extended Reporting Period Option must be made within 120 days of the termination of the Policy.

C. Assistance And Cooperation

The "insureds" shall, as a condition precedent to their rights under this Policy, give to us all information, assistance and cooperation as we may reasonably require.

D. Subrogation

With respect to any payments made under this Policy on behalf of any "insured", we shall be subrogated to the rights of recovery of such "insured", to the extent of those payments. The "insureds" shall execute all papers required and shall do everything necessary to secure and preserve such rights, including the execution of such documents necessary to enable us to bring suit in the name of the "insureds". Any recoveries, less the cost of obtaining them, will be distributed as follows:

1. To the "insured persons" and/or the "organization", until they are reimbursed for any "loss" that they sustain that exceeds the sum of the Limit of Liability and the Retention Amount, if any;
2. Then to us, until we are reimbursed for the payment made under this Policy; and
3. Then to the "insured persons" and/or the "organization", until they are reimbursed for that part of the payment equal to the Retention Amount, if any.

E. Other Insurance

If any "loss" resulting from any "claim" is insured by any other valid and collectible policy, then this Policy shall apply only in excess of the amount of any deductibles, retentions and limits of liability under such other policy whether such other policy is stated to be primary, contributory, excess, contingent or otherwise, unless such other policy is written specifically excess of this Policy by reference in such other policy to this Policy's policy number.

F. Assignment

No change in, modification of, or assignment of interest under this Policy will be effective without our written consent.

G. Action Against Us

No action shall be taken against us unless, as a condition precedent, there shall have been full compliance with all of the terms and conditions of this Policy.

No person or organization shall have the right under this Policy to join us as a party to any action against any "insured" to determine the liability of any "insured", nor shall we be impleaded by the "insureds" or their legal representatives.

H. Representation And Severability

The "insureds" represent that all information and statements contained in the "application" are true, accurate and complete. All such information and statements are the basis for our issuing this Policy and shall be considered as incorporated into and constitute a part of this Policy. In the event that the "application" contains any misrepresentation or misstatement of a material fact, this Policy shall not afford coverage to any "insured" who knew of such misrepresentation or misstatement.

I. Changes In Exposure

1. Acquisition Or Creation Of Another Not-For- Profit Organization

If before or during the "policy period" the "organization":

- a.** Acquires or creates another not-for-profit entity which as a result of such acquisition or creation becomes a "subsidiary";
- b.** Acquires any not-for-profit entity by merger into or consolidation with the "organization";
- c.** Acquires all or substantially all of the assets of another not-for-profit entity; or
- d.** Acquires voting rights representing the present right to vote for election or to appoint more than fifty percent (50%) of the directors or trustees of a not-for-profit entity;

such entity and its "insured persons" will be covered under this Policy but only with respect to "wrongful acts" which occurred after such acquisition or creation. If the annual revenues for the most recent fiscal year of any acquired entity exceed twenty percent (20%) of the total assets of the "named organization" as reflected in the "named organization's" most recent audited consolidated financial statements prior to such acquisition, the "named organization", as a condition precedent to coverage for any new "insured", must give written notice of such acquisition or assumption to us as soon as practicable but in no event more than ninety (90) days after the effective date of such acquisition or assumption, together with such information that we may require, and must pay any additional premium required by us.

2. Acquisition Of Named Organization

If during the "policy period" the "named organization" merges into or consolidates with another organization, such that the "named organization" is not the surviving organization; or another organization, or person or group of organizations and/or persons acting in concert acquires the right to elect, appoint or designate at least fifty percent (50%) of the directors or trustees of the "named organization", then coverage under this Policy will continue until the end of the "policy period", but only with respect to "claims" arising out of "wrongful acts" which occurred prior to such merger, consolidation or acquisition.

The full annual premium for the "policy period" will be deemed fully earned immediately upon the occurrence of such merger, consolidation or acquisition of the "named organization".

The "named organization" must give written notice of such merger, consolidation or acquisition to us as soon as practicable, together with such information as we may reasonably require.

3. Cessation Of Subsidiaries

If before or during the "policy period" an organization ceases to be a "subsidiary", coverage with respect to such "subsidiary" and its "insured persons" will continue until the end of the "policy period" but only with respect to "claims" arising out of "wrongful acts" occurring prior to the date such organization ceased to be a "subsidiary".

4. Change In Named Organization Status To For-Profit

If the "named organization":

- a.** Changes its status and/or form of organization to become a for-profit entity; or
- b.** The "named organization" is deemed to be a for-profit entity by any governmental authority;

then coverage with respect to such "named organization" and its "insured persons" will continue until the end of the "policy period" but only with respect to "claims" arising out of "wrongful acts" occurring prior to the date of such change in status and/or form of organization.

The full annual premium for the "policy period" will be deemed fully earned immediately upon the effective date of such change in status and/or form of organization.

J. Territory And Valuation

1. This policy covers "wrongful acts" which occurred or "claims" made anywhere in the world.
2. All premiums, Limits of Liability, Retention Amounts, "loss" and any other monetary amounts under this Policy are expressed and payable in the currency of the United States of America. If judgment is rendered, settlement is denominated or another component of "loss" under this Policy is expressed in any currency other than United States of America dollars, payment under this Policy shall be made in United States dollars at the rate of exchange published in *The Wall Street Journal* on the date the final judgment is entered, settlement amount is agreed upon, or the other component of "loss" is due, respectively.

K. Bankruptcy

Bankruptcy or insolvency of the "organization", or of any "insured person" or of their estates shall not relieve us of any of our obligations under this Policy.

SECTION VII – DEFINITIONS

A. "Application" means all signed applications for this Policy, including any attachments and other materials submitted in conjunction with the signed application(s).

B. "Claim" means:

1. A written demand for monetary damages against any "insured";
2. A civil proceeding against any "insured" commenced by the service of a complaint or similar pleading;
3. A criminal proceeding against any "insured person" commenced by a return of an indictment; or
4. A formal administrative or regulatory proceeding against any "insured" commenced by the filing of a notice of charges, formal investigative order or similar document;

for a "wrongful act", including any appeal therefrom.

C. "Claims expenses" means that part of a "loss" consisting of reasonable and necessary fees (including attorneys' and experts' fees), expenses incurred in the defense or appeal of a "claim", and the premium for appeal, attachment or similar bonds (without any obligation on our part to provide such bonds), excluding the wages, salaries, benefits or expenses of any "insured person".

D. "ERISA" means the Employee Retirement Income Security Act of 1974, the English Pension Scheme Act 1993, the English Pensions Act 1995, all as amended, any similar common or statutory law anywhere in the world, and any rules or regulations promulgated under any such Acts or law.

E. "Financial insolvency" means the status of the "organization" resulting from:

1. The appointment of any receiver, conservator, liquidator, trustee, rehabilitator or similar official to control, supervise, manage or liquidate the "organization"; or
2. The "organization" becoming a debtor in possession.

F. "Insured" means the "organization" and the "insured persons".

G. "Insured person" means any former, present or future director, officer, trustee, employee, volunteer or member of the staff, faculty or any duly constituted committee of the "organization".

H. "Interrelated wrongful act" means all causally connected "wrongful acts".

I. "Loss" means "claims expenses", compensatory damages, settlement amounts, legal fees and costs awarded pursuant to judgments. "Loss" does not include civil or criminal fines or penalties imposed by law, punitive or exemplary damages, the multiplied portion of multiplied damages, taxes, or matters that are uninsurable pursuant to applicable law.

J. "Named organization" means the not-for-profit organization named in the Declarations as the named organization.

K. "Organization" means the "named organization" and/or any "subsidiary".

L. "Policy period" means the period of time from the inception date of this Policy shown in the Declarations to the expiration date shown in the Declarations, or its earlier cancellation or termination date.

M. "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.

N. "Subsidiary" means any organization:

1. 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 its amendments, or exempt from federal income tax; and
2. For which the "named organization" controls rights representing the present right to elect or to appoint more than fifty percent (50%) of the directors or trustees of such not-for-profit organization:
 - a. On or before the effective date of this Policy; or
 - b. After the effective date of this Policy by reason of being created or acquired by the "organization" after such date.

O. "Coverage Termination" means:

1. Cancellation or nonrenewal of this policy;
2. We renew or replace this policy with insurance that does not apply to a "wrongful act" on a claims-made basis;
3. There is a decrease in the policy's limit of liability;
4. There is a reduction in coverage, or there is a new exclusion attached to the policy, or any other change in coverage that is less favorable to the insured; or
5. There is an increase in self-insured retention.

P. "Wrongful act" means:

1. With respect to the "insured persons", any actual or alleged error, misstatement, misleading statement, neglect or breach of duty, omission or act by the "insured persons" in their insured position or capacity for the "organization"; or any matter claimed against them solely by reason of their serving in such insured position or capacity. This does not apply to a position or capacity in any entity other than the "organization", even if the "organization" directed or requested the "insured person" to serve in such other position or capacity.
2. With respect to the "organization", any actual or alleged error, misstatement, misleading statement, neglect or breach of duty, omission or act by the "organization".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW YORK AMENDATORY ENDORSEMENT

NOTICE ADDENDUM TO THE APPLICATION, DECLARATIONS AND POLICY

Pursuant to New York Law, we are required to notify you of the availability and importance of purchasing the Notfor-Profit Management Liability Coverage Part Optional Extended Reporting Period Coverage of three (3) years, for an additional premium as shown in the Declarations, upon any of the following changes:

1. cancellation or nonrenewal of the policy;
2. we renew or replace the policy with insurance that does not apply to a wrongful act on a claims-made basis;
3. increased deductible or self-insured retention;
4. any decrease in limit, reduction of coverage; new exclusion; or any other change in coverage that is less favorable to you; or
5. if we have provided you with claims-made coverage for more than one (1) year and if we cancel the policy due to your failure to pay any amounts owed to us or fraud.

It is very important that this option be considered carefully, since an extended reporting period is a designated period of time after a claims-made policy has expired during which a claim may be made and coverage triggered as if the claim had been made during the policy period. Such coverage may be purchased by an endorsement and would be attached to your Not-for-Profit Management Liability Coverage Part.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

NEW YORK CHANGES AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

NOT-FOR-PROFIT MANAGEMENT LIABILITY COVERAGE PART

A. **SECTION IV – LIMIT OF LIABILITY, COINSURANCE AND RETENTION** is amended by the addition of the following:

Our liability for any "claim" for which this Policy excludes coverage for "loss" other than "claims expenses" or limits coverage to "claims expenses" without providing coverage for other "loss" shall be limited to twenty-five percent (25%) of the per "claim" or maximum Limit of Liability set forth in the Declarations for this Coverage Section.

B. **SECTION – VI CONDITIONS** is amended by the addition of the following:

Cancellation

1. The "insured" shown in the Declarations may cancel this entire Policy by mailing or delivering to us advance written notice of cancellation.
2. Cancellation Of Policies In Effect

- a. If the Policy has been in effect 60 days or less, we may cancel this policy by mailing or delivering to the "insured" written notice of cancellation at least:
 - (1) 30 days before the effective date of cancellation if we cancel for any reason not included in Paragraph 2.a.(2) below.
 - (2) 15 days before the effective date of cancellation if we cancel for any of the following reasons:
 - (a) Nonpayment of premium, provided however, that a notice of cancellation on this ground shall inform the "insured" of the amount due;
 - (b) Conviction of a crime arising out of acts increasing the hazard insured against;
 - (c) Discovery of fraud or material misrepresentation in the obtaining of the policy or in the presentation of a "claim";
 - (d) After issuance of the Policy or after the last renewal date, discovery of an act or omission, or a violation of any policy condition, that substantially and materially increases the hazard insured against, and that occurred subsequent to inception of the current "policy period";
 - (e) Material physical change in the property insured, occurring after issuance or last annual renewal "anniversary date" of the policy, that results in the property becoming uninsurable in accordance with our objective, uniformly applied underwriting standards in effect at the time the Policy was issued or last renewed; or material change in the nature or extent of the risk, occurring after issuance or last annual renewal "anniversary date" of the Policy, that causes the risk of "loss" to be substantially and materially increased beyond that contemplated at the time the Policy was issued or last renewed;
 - (f) Required pursuant to a determination by the Superintendent that continuation of our present premium volume would jeopardize our solvency or be hazardous to the interest of our policyholders, our creditors or the public;
 - (g) A determination by the Superintendent that the continuation of the Policy would violate, or would place us in violation of, any provision of the Insurance Code; or

- (h) Where we have reason to believe, in good faith and with sufficient cause, that there is a probable risk of danger that the insured will destroy, or permit to be destroyed, the insured property for the purpose of collecting the insurance proceeds. If we cancel for this reason, you may make a written request to the Insurance Department, within 10 days of receipt of this notice, to review our cancellation decision. Also, we will simultaneously send a copy of this cancellation notice to the Insurance Department.
- b. If this Policy has been in effect for more than 60 days, or if this Policy is a renewal or continuation of a Policy we issued, we may cancel only for any of the reasons listed in Paragraph 2.a.(2) above, provided:
 - (1) We mail the "insured" written notice at least 15 days before the effective date of cancellation; and
 - (2) If we cancel for nonpayment of premium, our notice of cancellation informs the "insured" of the amount due.
- 3. We will mail or deliver our notice, including the reason for cancellation, to the "insured" at the address shown in the Policy and to the authorized agent or broker.
- 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 "insured" any premium refund due. If we cancel, the refund will be pro rata. If the "insured" cancels, the refund may be less than pro rata.

However, when the premium is advanced under a premium finance agreement, the cancellation refund will be pro rata. Under such financed policies, we will be entitled to retain a minimum earned premium of 10% of the total Policy premium or \$60, whichever is greater. 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.
- 7. If one of the reasons for cancellation in Paragraph 2.a.(2) exists, we may cancel this entire Policy, even if the reason for cancellation pertains only to a new coverage or endorsement initially effective subsequent to the original issuance of this Policy.

Nonrenewal, Conditional Renewal And Notices Of Nonrenewal And Conditional Renewal

1. Nonrenewal

If we decide not to renew this Policy we will send notice as provided in Paragraph 3. below.

2. Conditional Renewal

If we conditionally renew this Policy subject to:

- a. A change of limits;
- b. A change in type of coverage;
- c. A reduction of coverage;
- d. An increased deductible;
- e. An addition of exclusion; or
- f. Increased premiums in excess of 10%, exclusive of any premium increase due to and commensurate with insured value added or increased exposure units; or as a result of experience rating, loss rating, retrospective rating or audit;

we will send notice as provided in Paragraph 3. below.

3. Notices Of Nonrenewal And Conditional Renewal

- a.** If we decide not to renew this Policy or to conditionally renew this Policy as provided in Paragraphs **1.** and **2.** above, we will mail or deliver written notice to the "insured" shown in the Declarations at least 60 but not more than 120 days before:
 - (1)** The expiration date; or
 - (2)** The "anniversary date" if this is a continuous Policy.
- b.** Notice will be mailed or delivered to the "insured" at the address shown in the Policy and to the authorized agent or broker. If notice is mailed, proof of mailing will be sufficient proof of notice.
- c.** Notice will include the specific reason(s) for nonrenewal or conditional renewal, including the amount of any premium increase for conditional renewal and description of any other changes.
- d.** If we violate any of the provisions of Paragraph **3.a., b. or c.** above by sending the "insured" an incomplete or late conditional renewal notice or a late nonrenewal notice:
 - (1)** And if notice is provided prior to the expiration date of this Policy, coverage will remain in effect at the same terms and conditions of this Policy at the lower of the current rates or the prior period's rates until 60 days after such notice is mailed or delivered, unless the "insured", during this 60-day period, has replaced the coverage or elects to cancel;
 - (2)** And if the notice is provided on or after the expiration date of this Policy, coverage will remain in effect at the same terms and conditions of this Policy for another "policy period", at the lower of the current rates or the prior period's rates, unless the "insured", during this additional "policy period", has replaced the coverage or elects to cancel.
- e.** If you elect to renew on the basis of a late conditional renewal notice, the terms, conditions and rates set forth in such notice shall apply:
 - (1)** Upon expiration of the 60-day period, unless Subparagraph **(2)** below applies; or
 - (2)** Notwithstanding the provisions in Paragraphs **d.(1)** and **d.(2)**, as of the renewal date of the Policy if the conditional renewal notice was sent at least 30 days prior to the expiration or "anniversary date" of the Policy.
- f.** We will not send you notice of nonrenewal or conditional renewal if you, your authorized agent or broker or another insurer of yours mails or delivers notice that the Policy has been replaced or is no longer desired.

Failure To Give Timely Notice

- 1.** Notwithstanding anything to the contrary, the failure to give notice to the insurer as soon as practicable as required under this Policy will not invalidate coverage for any "claim" made by the "Insured", injured person or other claimant if it is shown that it was not reasonably possible to give such timely notice and that notice was given as soon as reasonably possible thereafter.
- 2.** The failure to give notice to the insurer as soon as practicable as required under this Policy will not invalidate coverage for any "claim" made by the "Insured", injured person or other claimant, unless the failure to provide such timely notice has prejudiced the insurer, except as provided in **1.** of this condition.

Direct Action Against The Insurer For Denial Based on Failure To Provide Timely Notice

Notwithstanding anything to the contrary, with respect to any "claim" covered by this policy arising out of death or personal injury of any person, if the insurer disclaims liability or denies coverage based upon the failure to provide timely notice, then the injured person or other claimant may maintain an action directly against the insurer, provided that the sole question is whether the insurer's disclaimer of liability or denial of coverage is based on the failure to provide timely notice, unless within 60 days of such disclaimer or denial, the insurer or the insured:

1. initiates an action to declare the rights of the parties under this Policy; and
2. names the injured person or other claimant as a party to the action.

Transfer Of Duties When A Limit of Insurance Is Used Up

1. If we conclude that, based on "claims" which have been reported to us and to which this insurance may apply, the aggregate Limit of Liability is likely to be used up in the payment of judgments or settlements, we will notify the first "named organization" shown in the Declarations, in writing, to that effect.
2. When the Limit of Liability described in paragraph 1. above has actually been used up in the payment of judgments or settlements:
 - a. We will notify the first "named organization" shown in the Declarations, in writing, as soon as practicable, that:
 - (1) Such a limit has actually been used up; and
 - (2) Our duty to defend suits seeking damages subject to that limit has also ended.
 - b. We will initiate, and cooperate, in the transfer if control, to any appropriate insured, of all "claims" seeking damages which are subject to that aggregate Limit of Liability and which are reported to us before such limit is used up. That "insured" must cooperate in the control of said claims and suits.

We agree to take such steps, as we deem appropriate, to avoid a default in, or continue the defense of, such suits until such transfer is completed, provided the appropriate "insured" is cooperating in completing such transfer.

We will take no action whatsoever with respect to any "claims" seeking damages that would have been subject to that aggregate Limit of Liability, had it not been used up, if the "claim" is reported to us after that aggregate Limit of Liability has been used up.

- c. The first "named organization" shown in the Declarations, and any other insured involved in a "claim" seeking damages subject to that aggregate Limit of Liability, must arrange for the defense of such "claim" within such time period as agreed to between the appropriate insured and us. Absent any such agreement, agreements for the defense of such "claim" must be made as soon as practicable.
3. The first "named organization" shown in the Declarations will reimburse us for expenses we incur in taking those steps we deem appropriate in accordance with 2. b. above. The duty of the first "named organization" shown in the Declarations to reimburse us will begin on:
 - a. The date on which the applicable Limit of Liability is used up, if we sent notice in accordance with 1. above; or
 - b. The date on which we sent notice in accordance with 2.a. above, if we did not get notice in accordance with 1. above.
4. The exhaustion of any Limit of Liability by the payments of judgments or settlements, and the resulting end of our duty to defend, will not be affected by our failure to comply with any of the provisions of this Condition.

- C. **SECTION VI – CONDITIONS, B. Extended Reporting Period**, 2. Optional Extended Reporting Period, Paragraph d. is deleted and replaced with the following:

- d. The Optional Extended Reporting Period applies to any "claim" which is first made during such Optional Extended Reporting Period, and which arises out of a "wrongful act" committed prior to Coverage Termination and on or after the Retroactive Date. Such Optional Extended Reporting Period shall be available by endorsement.

D. **SECTION VI – CONDITIONS, B. Extended Reporting Period, 3. Extended Reporting Period – Other Terms and Conditions, Paragraph a.** is deleted and replaced with the following:

- a. Automatic Extended Reporting Periods shall apply to any “insured” that has any other valid and collectible applicable insurance policy, provided that this Policy shall apply only in excess of any deductibles, retentions and limits of liability under such other valid and collectible applicable insurance, whether such other insurance policy is stated to be primary, contributory, excess, contingent or otherwise.

E. **SECTION VI – CONDITIONS, B. Extended Reporting Period** is amended by the addition of the following:

Notwithstanding anything to the contrary, during the claims-made relationship and any Extended Reporting Period under this Policy, a person employed or otherwise affiliated with the “insured” and covered by this Policy during such affiliation, shall continue to be covered under this Policy and any Extended Reporting Period after such affiliation has ceased for such person's covered acts or omissions during such affiliation.

F. **SECTION VII – DEFINITIONS** is amended to include the following:

“Anniversary date” means that date and time exactly one (1) year after the date and time set forth in the “policy period” of the Declarations for this Policy, and each succeeding date and time exactly one (1) year after the previous “anniversary date.”

“Policy year” means the period, within the “policy period,” from the date and time set forth in “policy period” of the Declarations for this Policy, to the first “anniversary date,” or the period from an “anniversary date” to its next succeeding “anniversary date,” subject to any prior termination in accordance with this Policy.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

**NEW YORK POLICYHOLDER NOTICE
ACKNOWLEDGEMENT CLAIM EXPENSES INCLUDED
WITHIN THE INSURER'S LIMIT OF LIABILITY**

The Limits of Liability contained in the Policy shall be reduced, and may be completely exhausted, by legal "claim expenses" and, to the extent that the Policy Limits are thereby exceeded, the Insurer shall not be liable for legal "claim expenses" or for the amount of any judgment or settlement.

This Notice forms a part of your insurance Policy.

I have read and acknowledge the above Notice and am aware that this Policy has "claim expenses" included in the Insurer's Limit of Liability.

Insured's Signature

07/09/2021

Date

COMMERCIAL CRIME COVERAGE PART DECLARATIONS

The Commercial Crime Coverage Part consists of this Declarations Form and the Commercial Crime Coverage Form.

EMPLOYEE BENEFIT PLAN(S) INCLUDED AS NAMED INSUREDS: THE 534 WEST 42ND STREET CONDO & C/O LIVING HOLDINGS, LLC 225 WEST 35TH STREET, 14TH FLOOR 534 WEST 42N New York, NY 10001

INSURING AGREEMENTS, LIMITS OF INSURANCE AND DEDUCTIBLES:

INSURING AGREEMENTS	LIMIT OF INSURANCE Per Occurrence	DEDUCTIBLE AMOUNT Per Occurrence
1. Employee Theft	\$	\$
2. Forgery Or Alteration		
3. Inside The Premises - Theft Of Money And Securities		
4. Inside The Premises - Robbery Or Safe Burglary Of Other Property		
5. Outside The Premises		
6. Computer Fraud		
7. Funds Transfer Fraud		
8. Money Orders And Counterfeit Paper Currency		

If Added by Endorsement, Insuring Agreement(s): \$ \$

If "Not Covered" is inserted above opposite any specified Insuring Agreement, such Insuring Agreement and any other reference thereto in this policy is deleted.

ENDORSEMENTS FORMING PART OF THIS COVERAGE PART WHEN ISSUED:

CANCELLATION OF PRIOR INSURANCE: By acceptance of this Coverage Part you give us notice cancelling prior policy Nos. _____

the cancellation to be effective at the time this Coverage Part becomes effective.



COUNTERSIGNED

BY:

(Date)

_____ (Authorized Representative)

COMMERCIAL CRIME COVERAGE FORM (DISCOVERY FORM)

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

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

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

A. Insuring Agreements

Coverage is provided under the following Insuring Agreements for which a Limit Of Insurance is shown in the Declarations and applies to loss that you sustain resulting directly from an "occurrence" taking place at any time which is "discovered" by you during the Policy Period shown in the Declarations or during the period of time provided in the Extended Period To Discover Loss Condition E.1.g.:

1. Employee Theft

We will pay for loss of or damage to "money", "securities" and "other property" resulting directly from "theft" committed by an "employee", whether identified or not, acting alone or in collusion with other persons.

For the purposes of this Insuring Agreement, "theft" shall also include forgery.

2. Forgery Or Alteration

a. 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:

- (1) Made or drawn by or drawn upon you; or
- (2) 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.

b. If you are sued for refusing to pay any instrument covered in Paragraph 2.a., on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount that we will pay for such legal expenses is in addition to the Limit of Insurance applicable to this Insuring Agreement.

3. Inside The Premises – Theft Of Money And Securities

We will pay for:

- a. Loss of "money" and "securities" inside the "premises" or "financial institution premises":
 - (1) Resulting directly from "theft" committed by a person present inside such "premises" or "financial institution premises"; or
 - (2) Resulting directly from disappearance or destruction.
- b. Loss from damage to the "premises" or its exterior resulting directly from an actual or attempted "theft" of "money" and "securities", if you are the owner of the "premises" or are liable for damage to it.
- c. Loss of or damage to a locked safe, vault, cash register, cash box or cash drawer located inside the "premises" resulting directly from an actual or attempted "theft" of, or unlawful entry into, those containers.

4. Inside The Premises – Robbery Or Safe Burglary Of Other Property

We will pay for:

- a. Loss of or damage to "other property":
 - (1) Inside the "premises" resulting directly from an actual or attempted "robbery" of a "custodian"; or
 - (2) Inside the "premises" in a safe or vault resulting directly from an actual or attempted "safe burglary".

- b.** Loss from damage to the "premises" or its exterior resulting directly from an actual or attempted "robbery" or "safe burglary" of "other property", if you are the owner of the "premises" or are liable for damage to it.
- c.** Loss of or damage to a locked safe or vault located inside the "premises" resulting directly from an actual or attempted "robbery" or "safe burglary".

5. Outside The Premises

We will pay for:

- a.** Loss of "money" and "securities" outside the "premises" in the care and custody of a "messenger" or an armored motor vehicle company resulting directly from "theft", disappearance or destruction.
- b.** Loss of or damage to "other property" outside the "premises" in the care and custody of a "messenger" or an armored motor vehicle company resulting directly from an actual or attempted "robbery".

6. Computer And Funds Transfer Fraud

a. We will pay for:

- (1)** Loss resulting directly from a fraudulent:
 - (a)** Entry of "electronic data" or "computer program" into; or
 - (b)** Change of "electronic data" or "computer program" within; any "computer system" owned, leased or operated by you, provided the fraudulent entry or fraudulent change causes, with regard to Paragraphs **6.a.(1)(a)** and **6.a.(1)(b)**:
 - (i)** "Money", "securities" or "other property" to be transferred, paid or delivered; or
 - (ii)** Your account at a "financial institution" to be debited or deleted.
- (2)** Loss resulting directly from a "fraudulent instruction" directing a "financial institution" to debit your "transfer account" and to transfer, pay or deliver "money" or "securities" from that account.

- b.** As used in Paragraph **6.a.(1)**, fraudulent entry or fraudulent change of "electronic data" or "computer program" shall include such entry or change made by an "employee" acting, in good faith, upon a "fraudulent instruction" received from a computer software contractor who has a written agreement with you to design, implement or service "computer programs" for a "computer system" covered under this Insuring Agreement.

7. Money Orders And Counterfeit Money

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

- a.** Money orders issued by any post office, express company or "financial institution" that are not paid upon presentation; or
- b.** "Counterfeit money" that is acquired during the regular course of business.

B. Limit Of Insurance

The most we will pay for all loss resulting directly from an "occurrence" is the applicable Limit Of Insurance shown in the Declarations.

If any loss is covered under more than one Insuring Agreement or coverage, the most we will pay for such loss shall not exceed the largest Limit of Insurance available under any one of those Insuring Agreements or coverages.

C. Deductible

We will not pay for loss resulting directly from an "occurrence" unless the amount of loss exceeds the Deductible Amount shown in the Declarations. We will then pay the amount of loss in excess of the Deductible Amount, up to the Limit of Insurance.

D. Exclusions

1. This insurance does not cover:

a. Acts Committed By You, Your Partners Or Your Members

Loss resulting from "theft" or any other dishonest act committed by:

- (1)** You; or
- (2)** Any of your partners or "members"; whether acting alone or in collusion with other persons.

b. Acts Committed By Your Employees Learned Of By You Prior To The Policy Period

Loss caused by an "employee" if the "employee" had also committed "theft" or any other dishonest act prior to the effective date of this insurance and you or any of your partners, "members", "managers", officers, directors or trustees, not in collusion with the "employee", learned of such "theft" or dishonest act prior to the Policy Period shown in the Declarations.

c. Acts Committed By Your Employees, Managers, Directors, Trustees Or Representatives

Loss resulting from "theft" or any other dishonest act committed by any of your "employees", "managers", directors, trustees or authorized representatives:

- (1) Whether acting alone or in collusion with other persons; or
- (2) While performing services for you or otherwise;

except when covered under Insuring Agreement A.1.

d. Confidential Or Personal Information

Loss resulting from:

- (1) The disclosure or use of another person's or organization's confidential or personal information; or
- (2) The disclosure of your confidential or personal information. However, this Paragraph 1.d.(2) does not apply to loss otherwise covered under this insurance that results directly from the use of your confidential or personal information.

For the purposes of this exclusion, confidential or personal information includes, but is not limited to, patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

e. Data Security Breach

Fees, costs, fines, penalties and other expenses incurred by you which are related to the access to or disclosure of another person's or organization's confidential or personal information including, but not limited to, patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

f. Governmental Action

Loss resulting from seizure or destruction of property by order of governmental authority.

g. Indirect Loss

Loss that is an indirect result of an "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 damage to "money", "securities" or "other property";
- (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 insurance; or
- (3) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.

h. Legal Fees, Costs And Expenses

Fees, costs and expenses incurred by you which are related to any legal action, except when covered under Insuring Agreement A.2.

i. Nuclear Hazard

Loss or damage resulting from nuclear reaction or radiation or radioactive contamination, however caused.

j. Pollution

Loss or damage caused by or resulting from pollution. Pollution means the discharge, dispersal, seepage, migration, release or escape of 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.

k. Virtual Currency

Loss involving virtual currency of any kind, by whatever name known, whether actual or fictitious including, but not limited to, digital currency, crypto currency or any other type of electronic currency.

l. War And Military Action

Loss or damage resulting from:

- (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. Insuring Agreement A.1. does not cover:

a. **Inventory Shortages**

Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

- (1) An inventory computation; or
- (2) A profit and loss computation.

However, where you establish wholly apart from such computations that you have sustained a loss, then you may offer your inventory records and actual physical count of inventory in support of the amount of loss claimed.

b. **Trading**

Loss resulting from trading, whether in your name or in a genuine or fictitious account.

c. **Warehouse Receipts**

Loss resulting from the fraudulent or dishonest signing, issuing, cancelling or failing to cancel, a warehouse receipt or any papers connected with it.

3. Insuring Agreements A.3., A.4. and A.5. do not cover:

a. **Accounting Or Arithmetical Errors Or Omissions**

Loss resulting from accounting or arithmetical errors or omissions.

b. **Exchanges Or Purchases**

Loss resulting from the giving or surrendering of property in any exchange or purchase.

c. **Fire**

Loss or damage resulting from fire, however caused, except:

- (1) Loss of or damage to "money" and "securities"; and
- (2) Loss from damage to a safe or vault.

d. **Money Operated Devices**

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.

e. **Motor Vehicles Or Equipment And Accessories**

Loss of or damage to motor vehicles, trailers or semitrailers or equipment and accessories attached to them.

f. **Transfer Or Surrender Of Property**

- (1) Loss of or damage to property after it has been transferred or surrendered to a person or place outside the "premises" or "financial institution premises":
 - (a) On the basis of unauthorized instructions; or
 - (b) As a result of a threat including, but not limited to:
 - (i) A threat to do bodily harm to any person;
 - (ii) A threat to do damage to any property;
 - (iii) A threat to introduce a denial of service attack into any "computer system";
 - (iv) A threat to introduce a virus or other malicious instruction into any "computer system" which is designed to damage, destroy or corrupt "electronic data" or "computer programs" stored within the "computer system";
 - (v) A threat to contaminate, pollute or render substandard your products or goods; or
 - (vi) A threat to disseminate, divulge or utilize:
 - i. Your confidential information;
 - ii. Confidential or personal information of another person or organization; or
 - iii. Weaknesses in the source code within any "computer system".

- (2) However, this exclusion does not apply under Insuring Agreement **A.5.** to loss of "money", "securities" or "other property" while outside the "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.

g. Vandalism

Loss from damage to the "premises" or its exterior, or to any safe, vault, cash register, cash box, cash drawer or "other property" by vandalism or malicious mischief.

h. Voluntary Parting Of Title To Or Possession Of Property

Loss resulting from your, or anyone else acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

4. Insuring Agreement **A.6. does not cover:**

a. Authorized Access

Loss resulting from a fraudulent:

- (1) Entry of "electronic data" or "computer program" into; or
- (2) Change of "electronic data" or "computer program" within;

any "computer system" owned, leased or operated by you by a person or organization with authorized access to that "computer system", except when covered under Insuring Agreement **A.6.b.**

b. Credit Card Transactions

Loss resulting from the use or purported use of credit, debit, charge, access, convenience, identification, stored-value or other cards or the information contained on such cards.

c. Exchanges Or Purchases

Loss resulting from the giving or surrendering of property in any exchange or purchase.

d. Fraudulent Instructions

Loss resulting from an "employee" or "financial institution" acting upon any instruction to:

- (1) Transfer, pay or deliver "money", "securities" or "other property"; or

- (2) Debit or delete your account; which instruction proves to be fraudulent, except when covered under Insuring Agreement **A.6.a.(2)** or **A.6.b.**

e. Inventory Shortages

Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

- (1) An inventory computation; or
- (2) A profit and loss computation.

E. Conditions

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

1. Conditions Applicable To All Insuring Agreements

a. Additional Premises Or Employees

If, while this insurance is in force, you establish any additional "premises" or hire additional "employees", other than through consolidation or merger with, or purchase or acquisition of assets or liabilities of, another entity, such "premises" and "employees" shall automatically be covered under this insurance. Notice to us of an increase in the number of "premises" or "employees" is not required, and no additional premium will be charged for the remainder of the Policy Period shown in the Declarations.

b. Concealment, Misrepresentation Or Fraud

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

- (1) This insurance;
- (2) The property covered under this insurance;
- (3) Your interest in the property covered under this insurance; or
- (4) A claim under this insurance.

c. Consolidation – Merger Or Acquisition

If you consolidate or merge with, or purchase or acquire the assets or liabilities of, another entity:

- (1) You must give us written notice as soon as possible and obtain our written consent to extend the coverage provided by this insurance to such consolidated or merged entity or such purchased or acquired assets or liabilities. We may condition our consent by requiring payment of an additional premium; but
- (2) For the first 90 days after the effective date of such consolidation, merger or purchase or acquisition of assets or liabilities, the coverage provided by this insurance shall apply to such consolidated or merged entity or such purchased or acquired assets or liabilities, provided that all "occurrences" causing or contributing to a loss involving such consolidation, merger or purchase or acquisition of assets or liabilities, must take place after the effective date of such consolidation, merger or purchase or acquisition of assets or liabilities.

d. Cooperation

You must cooperate with us in all matters pertaining to this insurance as stated in its terms and conditions.

e. Duties In The Event Of Loss

After you "discover" a loss or a situation that may result in loss of or damage to "money", "securities" or "other property", you must:

- (1) Notify us as soon as possible. If you have reason to believe that any loss (except for loss covered under Insuring Agreement **A.1.** or **A.2.**) involves a violation of law, you must also notify the local law enforcement authorities;
- (2) Give us a detailed, sworn proof of loss within 120 days;
- (3) Cooperate with us in the investigation and settlement of any claim;
- (4) Produce for our examination all pertinent records;
- (5) Submit to examination under oath at our request and give us a signed statement of your answers; and

- (6) Secure all of your rights of recovery against any person or organization responsible for the loss and do nothing to impair those rights.

f. Employee Benefit Plans

The "employee benefit plans" shown in the Declarations (hereafter referred to as Plan) are included as Insureds under Insuring Agreement **A.1.**, subject to the following:

- (1) If any Plan is insured jointly with any other entity under this insurance, you or the Plan Administrator is responsible for selecting a Limit of Insurance for Insuring Agreement **A.1.** that is sufficient to provide a Limit of Insurance for each Plan that is at least equal to that required under ERISA as if each Plan were separately insured.

- (2) With respect to loss sustained or "discovered" by any such Plan, Insuring Agreement **A.1.** is replaced by the following:

We will pay for loss of or damage to "money", "securities" and "other property" resulting directly from fraudulent or dishonest acts committed by an "employee", whether identified or not, acting alone or in collusion with other persons.

- (3) If the first Named Insured is an entity other than a Plan, any payment we make for loss sustained by any Plan will be made to the Plan sustaining the loss.

- (4) If two or more Plans are insured under this insurance, any payment we make for loss:

- (a) Sustained by two or more Plans; or
- (b) Of commingled "money", "securities" or "other property" of two or more Plans;

resulting directly from an "occurrence", will be made to each Plan sustaining loss in the proportion that the Limit of Insurance required under ERISA for each Plan bears to the total of those limits.

- (5) The Deductible Amount applicable to Insuring Agreement **A.1.** does not apply to loss sustained by any Plan.

g. Extended Period To Discover Loss

We will pay for loss that you sustained prior to the effective date of cancellation of this insurance, which is "discovered" by you:

- (1) No later than 60 days from the date of that cancellation. However, this extended period to "discover" loss terminates immediately upon the effective date of any other insurance obtained by you, whether from us or another insurer, replacing in whole or in part the coverage afforded under this insurance, whether or not such other insurance provides coverage for loss sustained prior to its effective date.
- (2) No later than one year from the date of that cancellation with regard to any "employee benefit plan".

h. Joint Insured

- (1) If more than one Insured is named in the Declarations, the first Named Insured will act for itself and for every other Insured for all purposes of this insurance. If the first Named Insured ceases to be covered, then the next Named Insured will become the first Named Insured.
- (2) If any Insured, or partner, "member", "manager", officer, director or trustee of that Insured has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every Insured.
- (3) An "employee" of any Insured is considered to be an "employee" of every Insured.
- (4) If this insurance or any of its coverages are cancelled as to any Insured, loss sustained by that Insured is covered only if it is "discovered" by you:
 - (a) No later than 60 days from the date of that cancellation. However, this extended period to "discover" loss terminates immediately upon the effective date of any other insurance obtained by that Insured, whether from us or another insurer, replacing in whole or in part the coverage afforded under this insurance, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

- (b) No later than one year from the date of that cancellation with regard to any "employee benefit plan".

- (5) We will not pay more for loss sustained by more than one Insured than the amount we would pay if all such loss had been sustained by one Insured.
- (6) Payment by us to the first Named Insured for loss sustained by any Insured, or payment by us to any "employee benefit plan" for loss sustained by that Plan, shall fully release us on account of such loss.

i. Legal Action Against Us

You may not bring any legal action against us involving loss:

- (1) Unless you have complied with all the terms of this insurance;
- (2) Until 90 days after you have filed proof of loss with us; and
- (3) Unless brought within two years from the date you "discovered" the loss.

If any limitation in this condition is prohibited by law, such limitation is amended so as to equal the minimum period of limitation provided by such law.

j. Liberalization

If we adopt any revision that would broaden the coverage under this insurance without additional premium within 45 days prior to or during the Policy Period shown in the Declarations, the broadened coverage will immediately apply to this insurance.

k. Other Insurance

If other valid and collectible insurance is available to you for loss covered under this insurance, our obligations are limited as follows:

(1) Primary Insurance

When this insurance is written as primary insurance, and:

- (a) You have other insurance subject to the same terms and conditions as this insurance, we will pay our share of the covered loss. Our share is the proportion that the applicable Limit Of Insurance shown in the Declarations bears to the total limit of all insurance covering the same loss.

(b) You have other insurance covering the same loss other than that described in Paragraph k.(1)(a), we will only pay for the amount of loss that exceeds:

- (i) The Limit of Insurance and Deductible Amount of that other insurance, whether you can collect on it or not; or
- (ii) The Deductible Amount shown in the Declarations;

whichever is greater. Our payment for loss is subject to the terms and conditions of this insurance.

(2) Excess Insurance

- (a) When this insurance is written excess over other insurance, we will only pay for the amount of loss that exceeds the Limit of Insurance and Deductible Amount of that other insurance, whether you can collect on it or not. Our payment for loss is subject to the terms and conditions of this insurance.
- (b) However, if loss covered under this insurance is subject to a deductible, we will reduce the Deductible Amount shown in the Declarations, by the sum total of all such other insurance plus any Deductible Amount applicable to that other insurance.

I. Ownership Of Property; Interests Covered

The property covered under this insurance is limited to property:

- (1) That you own or lease;
- (2) That is held by you in any capacity; or
- (3) For which you are legally liable, provided you were liable for the property prior to the time the loss was sustained.

However, this insurance 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 insurance must be presented by you.

m. Policy Bridge – Discovery Replacing Loss Sustained

- (1) If this insurance replaces insurance that provided you with an extended period of time after cancellation in which to discover loss and which did not terminate at the time this insurance became effective:
 - (a) We will not pay for any loss that occurred during the policy period of that prior insurance which is discovered by you during such extended period to discover loss, unless the amount of loss exceeds the Limit of Insurance and Deductible Amount of that prior insurance. In that case, we will pay for the excess loss subject to the terms and conditions of this insurance.
 - (b) However, any payment we make for the excess loss will not be greater than the difference between the Limit of Insurance and Deductible Amount of that prior insurance and the Limit of Insurance shown in the Declarations. We will not apply the Deductible Amount shown in the Declarations to this excess loss.

(2) **Other Insurance Condition E.1.k.** does not apply to this condition.

n. Records

You must keep records of all property covered under this insurance so we can verify the amount of any loss.

o. Recoveries

- (1) Any recoveries, whether effected before or after any payment under this insurance, whether made by us or by you, shall be applied net of the expense of such recovery:
 - (a) First, to you in satisfaction of your covered loss in excess of the amount paid under this insurance;
 - (b) Second, to us in satisfaction of amounts paid in settlement of your claim;
 - (c) Third, to you in satisfaction of any Deductible Amount; and
 - (d) Fourth, to you in satisfaction of any loss not covered under this insurance.

- (2)** Recoveries do not include any recovery:
 - (a)** From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or
 - (b)** Of original "securities" after duplicates of them have been issued.

p. Territory

This insurance covers loss that you sustain resulting directly from an "occurrence" taking place within the United States of America (including its territories and possessions), Puerto Rico and Canada.

q. Transfer Of Your Rights Of Recovery Against Others To Us

You must transfer to us all your rights of recovery against any person or organization for any loss you sustained and for which we have paid or settled. You must also do everything necessary to secure those rights and do nothing after loss to impair them.

r. Valuation – Settlement

The value of any loss for purposes of coverage under this insurance shall be determined as follows:

(1) Money

Loss of "money" but only up to and including its face value. We will, at your option, pay for loss of "money" issued by any country other than the United States of America:

- (a)** At face value in the "money" issued by that country; or
- (b)** In the United States of America dollar equivalent, determined by the rate of exchange published in The Wall Street Journal on the day the loss was "discovered".

(2) Securities

Loss of "securities" but only up to and including their value at the close of business on the day the loss was "discovered". We may, at our option:

- (a)** Pay the market 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"; or

- (b)** Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities". However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:
 - (i)** Market value of the "securities" at the close of business on the day the loss was "discovered"; or
 - (ii)** Limit of Insurance applicable to the "securities".

(3) Property Other Than Money And Securities

- (a)** Loss of or damage to "other property" or loss from damage to the "premises" or its exterior for the replacement cost of the property without deduction for depreciation. However, we will not pay more than the least of the following:
 - (i)** The Limit of Insurance applicable to the lost or damaged property;
 - (ii)** The cost to replace the lost or damaged property with property of comparable material and quality and used for the same purpose; or
 - (iii)** The amount you actually spend that is necessary to repair or replace the lost or damaged property.
- (b)** We will not pay on a replacement cost basis for any loss or damage to property covered under Paragraph r.(3)(a):
 - (i)** Until the lost or damaged property is actually repaired or replaced; and
 - (ii)** Unless the repair or replacement is made as soon as reasonably possible after the loss or damage.

If the lost or damaged property is not repaired or replaced, we will pay on an actual cash value basis.
- (c)** We will, at your option, pay for loss or damage to such property:
 - (i)** In the "money" of the country in which the loss or damage was sustained; or

- (ii) In the United States of America dollar equivalent of the "money" of the country in which the loss or damage was sustained, determined by the rate of exchange published in The Wall Street Journal on the day the loss was "discovered".
- (d) Any property that we pay for or replace becomes our property.

2. Conditions Applicable To Insuring Agreement A.1.

a. Termination As To Any Employee

This Insuring Agreement terminates as to any "employee":

- (1) As soon as:
 - (a) You; or
 - (b) Any of your partners, "members", "managers", officers, directors or trustees not in collusion with the "employee";
- (2) On the date specified in a notice mailed to the first Named Insured. That date will be at least 30 days after the date of mailing.

We will mail or deliver our notice to the first Named Insured's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

b. Territory

We will pay for loss caused by any "employee" while temporarily outside the territory specified in Territory Condition E.1.p. for a period of not more than 90 consecutive days.

3. Conditions Applicable To Insuring Agreement A.2.

a. Deductible Amount

The Deductible Amount does not apply to legal expenses paid under Insuring Agreement A.2.

b. Electronic And Mechanical Signatures

We will treat signatures that are produced or reproduced electronically, mechanically or by other means the same as handwritten signatures.

c. Proof Of Loss

You must include with your proof of loss any instrument involved in that loss or, if that is not possible, an affidavit setting forth the amount and cause of loss.

d. Territory

We will cover loss that you sustain resulting directly from an "occurrence" taking place anywhere in the world. Territory Condition E.1.p. does not apply to Insuring Agreement A.2.

4. Conditions Applicable To Insuring Agreements A.4. And A.5.

a. Armored Motor Vehicle Companies

Under Insuring Agreement A.5., we will only pay for the amount of loss you cannot recover:

- (1) Under your contract with the armored motor vehicle company; and
- (2) From any insurance or indemnity carried by, or for the benefit of customers of, the armored motor vehicle company.

b. Special Limit Of Insurance For Specified Property

We will only pay up to \$5,000 for any one "occurrence" of loss of or damage to:

- (1) Precious metals, precious or semiprecious stones, pearls, furs, or completed or partially completed articles made of or containing such materials that constitute the principal value of such articles; or
- (2) Manuscripts, drawings, or records of any kind, or the cost of reconstructing them or reproducing any information contained in them.

5. Conditions Applicable To Insuring Agreement A.6.

a. Special Limit Of Insurance For Specified Property

We will only pay up to \$5,000 for any one "occurrence" of loss of or damage to manuscripts, drawings, or records of any kind, or the cost of reconstructing them or reproducing any information contained in them.

b. Territory

We will cover loss that you sustain resulting directly from an "occurrence" taking place anywhere in the world. Territory Condition E.1.p. does not apply to Insuring Agreement A.6.

F. Definitions

1. "Computer program" means a set of related electronic instructions, which direct the operation and function of a computer or devices connected to it, which enable the computer or devices to receive, process, store or send "electronic data".
2. "Computer system" means:
 - a. Computers, including Personal Digital Assistants (PDAs) and other transportable or handheld devices, electronic storage devices and related peripheral components;
 - b. Systems and applications software; and
 - c. Related communications networks; by which "electronic data" is collected, transmitted, processed, stored or retrieved.
3. "Counterfeit money" means an imitation of "money" which is intended to deceive and to be taken as genuine.
4. "Custodian" means you, or any of your partners or "members", or any "employee" while having care and custody of property inside the "premises", excluding any person while acting as a "watchperson" or janitor.
5. "Discover" or "discovered" means the time when you first become aware of facts which would cause a reasonable person to assume that a loss of a type covered by this insurance has been or will be incurred, regardless of when the act or acts causing or contributing to such loss occurred, even though the exact amount or details of loss may not then be known.

"Discover" or "discovered" also means the time when you first receive notice of an actual or potential claim in which it is alleged that you are liable to a third party under circumstances which, if true, would constitute a loss under this insurance.
6. "Electronic data" means information, facts, images or sounds stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software) on data storage devices, including hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

7. "Employee":

a. Means:

- (1) Any natural person:
 - (a) While in your service and for the first 30 days immediately after termination of service, unless such termination is due to "theft" or any other dishonest act committed by the "employee";
 - (b) Whom you compensate directly by salary, wages or commissions; and
 - (c) Whom you have the right to direct and control while performing services for you;
- (2) Any natural person who is furnished temporarily to you:
 - (a) To substitute for a permanent "employee", as defined in Paragraph 7.a.(1), who is on leave; or
 - (b) To meet seasonal or short-term workload conditions; while that person is subject to your direction and control and performing services for you;
- (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 7.a.(2);
- (4) Any natural person who is:
 - (a) A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any "employee benefit plan"; or
 - (b) Your director or trustee while that person is engaged in handling "money", "securities" or "other property" of any "employee benefit plan";
- (5) Any natural person who is a former "employee", "partner", "member", "manager", director or trustee retained by you as a consultant while performing services for you;
- (6) Any natural person who is a guest student or intern pursuing studies or duties;

(7) Any natural person employed by an entity merged or consolidated with you prior to the effective date of this insurance; and

(8) Any natural person who is your "manager", director or trustee while:

- (a) Performing acts within the scope of the usual duties of an "employee"; or
- (b) Acting as a member of any committee duly elected or appointed by resolution of your board of directors or board of trustees to perform specific, as distinguished from general, directorial acts on your behalf.

b. Does not mean:

Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character not specified in Paragraph 7.a.

8. "Employee benefit plan" means any welfare or pension benefit plan shown in the Declarations that you sponsor and that is subject to the Employee Retirement Income Security Act of 1974 (ERISA) and any amendments thereto.

9. "Financial institution" means:

- a. With regard to Insuring Agreement A.3.:
 - (1) A bank, savings bank, savings and loan association, trust company, credit union or similar depository institution; or
 - (2) An insurance company.
- b. With regard to Insuring Agreement A.6.:
 - (1) A bank, savings bank, savings and loan association, trust company, credit union or similar depository institution;
 - (2) An insurance company; or
 - (3) A stock brokerage firm or investment company.
- c. Other than Insuring Agreements A.3. and A.6., any financial institution.

10. "Financial institution premises" means the interior of that portion of any building occupied by a "financial institution" as defined in Paragraph F.9.a.

11. "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.

12. "Fraudulent instruction" means:

- a. With regard to Insuring Agreement A.6.a.(2):
 - (1) A computer, telefacsimile, telephone or other electronic instruction directing a "financial institution" to debit your "transfer account" and to transfer, pay or deliver "money" or "securities" from that "transfer account", which instruction purports to have been issued by you, but which in fact was fraudulently issued by someone else without your knowledge or consent; or
 - (2) A written instruction (other than those covered under Insuring Agreement A.2.) issued to a "financial institution" directing the "financial institution" to debit your "transfer account" and to transfer, pay or deliver "money" or "securities" from that "transfer account", through an electronic funds transfer system at specified times or under specified conditions, which instruction purports to have been issued by you, but which in fact was issued, forged or altered by someone else without your knowledge or consent.
- b. With regard to Insuring Agreement A.6.b.:
 - A computer, telefacsimile, telephone or other electronic, written or voice instruction directing an "employee" to enter or change "electronic data" or "computer programs" within a "computer system" covered under the Insuring Agreement, which instruction in fact was fraudulently issued by your computer software contractor.

13. "Manager" means a natural person serving in a directorial capacity for a limited liability company.

14. "Member" means an owner of a limited liability company represented by its membership interest who, if a natural person, may also serve as a "manager".

15. "Messenger" means you, or your relative, or any of your partners or "members", or any "employee" while having care and custody of property outside the "premises".

16. "Money" means:

- a. Currency, coins and bank notes in current use and having a face value;
- b. Traveler's checks and money orders held for sale to the public; and

- c. In addition, includes:
 - (1) Under Insuring Agreements **A.1.** and **A.2.**, deposits in your account at any "financial institution"; and
 - (2) Under Insuring Agreement **A.6.**, deposits in your account at a "financial institution" as defined in Paragraph **F.9.b.**
- 17. "Occurrence" means:
 - a. Under Insuring Agreement **A.1.:**
 - (1) An individual act;
 - (2) The combined total of all separate acts whether or not related; or
 - (3) A series of acts whether or not related; committed by an "employee" acting alone or in collusion with other persons, during the Policy Period shown in the Declarations, before such Policy Period or both.
 - b. Under Insuring Agreement **A.2.:**
 - (1) An individual act;
 - (2) The combined total of all separate acts whether or not related; or
 - (3) A series of acts whether or not related; committed by a person acting alone or in collusion with other persons, involving one or more instruments, during the Policy Period shown in the Declarations, before such Policy Period or both.
 - c. Under all other Insuring Agreements:
 - (1) An individual act or event;
 - (2) The combined total of all separate acts or events whether or not related; or
 - (3) A series of acts or events whether or not related; committed by a person acting alone or in collusion with other persons, or not committed by any person, during the Policy Period shown in the Declarations, before such Policy Period or both.
- 18. "Other property" means any tangible property other than "money" and "securities" that has intrinsic value. "Other property" does not include "computer programs", "electronic data" or any property specifically excluded under this insurance.
- 19. "Premises" means the interior of that portion of any building you occupy in conducting your business.
- 20. "Robbery" means the unlawful taking of property from the care and custody of a person by one who has:
 - a. Caused or threatened to cause that person bodily harm; or
 - b. Committed an obviously unlawful act witnessed by that person.
- 21. "Safe burglary" means the unlawful taking of:
 - a. Property from within a locked safe or vault by a person unlawfully entering the safe or vault as evidenced by marks of forcible entry upon its exterior; or
 - b. A safe or vault from inside the "premises".
- 22. "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or property and includes:
 - a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include "money".
- 23. "Theft" means the unlawful taking of property to the deprivation of the Insured.
- 24. "Transfer account" means an account maintained by you at a "financial institution" from which you can initiate the transfer, payment or delivery of "money" or "securities":
 - a. By means of computer, telefacsimile, telephone or other electronic instructions; or
 - b. By means of written instructions (other than those covered under Insuring Agreement **A.2.**) establishing the conditions under which such transfers are to be initiated by such "financial institution" through an electronic funds transfer system.
- 25. "Watchperson" means any person you retain specifically to have care and custody of property inside the "premises" and who has no other duties.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW YORK CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME COVERAGE FORM
COMMERCIAL CRIME POLICY
EMPLOYEE THEFT AND FORGERY POLICY
GOVERNMENT CRIME COVERAGE FORM
GOVERNMENT CRIME POLICY
GOVERNMENT EMPLOYEE THEFT AND FORGERY POLICY

The following is added to Section **E. Conditions:**

Estimation Of Claims

Upon request, we will furnish you, or your representative, with a written estimate of damages to real property, specifying all deductions, provided such an estimate has been prepared by us or has been prepared on our behalf for our own purposes. This estimate will be provided within 30 days after your request or its preparation, whichever is later.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – CYBER INJURY, ELECTRONIC DATA, AND CONFIDENTIAL OR PERSONAL INFORMATION – WITH LIMITED BODILY INJURY EXCEPTION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. The exclusion below is added for all coverages, with the exception of any Medical Payments coverage, and replaces the existing **Electronic Data** exclusion under Paragraph 2. **Exclusions of SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY:**

This insurance does not apply to:

Cyber Injury, Electronic Data, And Confidential Or Personal Information

Damages, loss, costs and expenses, including all fines and penalties, arising out of:

- (1) "Cyber injury";
- (2) The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate "electronic data"; or
- (3) Any access to, or loss, destruction, disclosure, disruption, inspection, modification, recording, release, review, use, collection, processing, or storage of, any person's or organization's confidential or "personal information", including but not limited to patents, trade secrets, processing methods, customer lists, financial information, credit card information, biometric or health information or any other type of nonpublic information.

This includes any claim, "suit", or other legal proceeding, administrative action or hearing arising out of Paragraphs (1) through (3) above, including but not limited to those initiated prior to, or pending as of, the inception date of this policy.

However, with respect to Paragraphs (1) and (2) above, this exclusion does not apply to damages because of "bodily injury" under Section I – Coverages, Coverage A – Bodily Injury And Property Damage Liability.

B. The following definitions are added with respect to the provisions of this endorsement:

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

- a. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
- b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

"Cyber injury" means any actual, alleged or suspected, intentional or unintentional, breach of or unauthorized access to any data, software, hardware, or computer system, wherever located, that results in:

- a. Oral or written publication, in any manner, of material that violates a person's right of privacy;

- b.** Inability to access any website or any computer system;
- c.** Release, introduction, transmission or facilitation of any “malicious code”;
- d.** Forensic or investigative expenses;
- e.** Extortion;
- f.** “Certified acts of terrorism”, unless you have elected to purchase terrorism coverage;
- g.** Monitoring or notification costs or expenses;
- h.** Crisis management or public relations expenses;
- i.** Data or system recovery, repair, replacement or restoration expenses;
- j.** Business interruption-related losses or expenses; or
- k.** Losses arising out of fraudulent instructions transmitted by electronic means, including through social engineering.

“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.

“Malicious code” means, but is not limited to, any virus, Trojan horse, worm, spyware, logic bomb, adware, malware or other similar software program.

“Personal information” means any personally identifying information or data about an individual, as defined by foreign, federal, state or local laws, statutes or regulations.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

EXCLUSION- CYBER INJURY, ELECTRONIC DATA, AND CONFIDENTIAL OR PERSONAL INFORMATION

ADVISORY NOTICE TO POLICYHOLDERS

This Notice does not form part of your policy. No coverage is provided by this Notice nor can it be construed to replace any provision of your policy. You should read your policy for complete information on the coverages you are provided. If there is any conflict between the Policy and this Notice, **THE PROVISIONS OF THE POLICY SHALL PREVAIL.**

Carefully read your policy, including the endorsements attached to your policy.

This Notice provides information concerning the following new endorsements, which apply to your renewal policy being issued by us:

BS1405-0520 – EXCLUSION – CYBER INJURY, ELECTRONIC DATA, AND CONFIDENTIAL OR PERSONAL INFORMATION – WITH LIMITED BODILY INJURY EXCEPTION

When this endorsement is attached to your policy:

- Coverage is excluded for damages arising out of any access to or disclosure of confidential or personal information, or out of “cyber injury,” as defined in the endorsement. This is a reinforcement of coverage.
- If your policy covers “personal and advertising injury” liability, to the extent that any “cyber injury” results in an oral or written publication that violates a person’s right of privacy, this may result in a reduction in coverage.

BS1406-0520 – EXCLUSION – CYBER INJURY, ELECTRONIC DATA, AND CONFIDENTIAL OR PERSONAL INFORMATION

When this endorsement is attached to your policy:

- Coverage is excluded for damages arising out of any access to or disclosure of confidential or personal information, or out of “cyber injury,” as defined in the endorsement. With regards to access to or disclosure of confidential or personal information, this is a reinforcement of coverage. With regards to “cyber injury,” the attachment of this endorsement will result in a reduction of coverage due to the deletion of an exception with respect to damages because of bodily injury arising out of “cyber injury.”
- If your policy covers “personal and advertising injury” liability, to the extent that any “cyber injury” results in an oral or written publication that violates a person’s right of privacy, this may result in a reduction in coverage.

BS1407-0520 – EXCLUSION – CYBER INJURY, ELECTRONIC DATA, AND CONFIDENTIAL OR PERSONAL INFORMATION – PERSONAL AND ADVERTISING INJURY

When this endorsement is attached to your policy, coverage is excluded for “personal and advertising injury” arising out of any access to or disclosure of confidential or personal information, or out of any “cyber injury.” To the extent that any “cyber injury” results in an oral or written publication that violates a person’s right of privacy, this may result in a reduction in coverage.