

**SELECTIVE**  
INSURANCE®

POLICY DOCUMENT

**S 2565687**

**INSURED 'S COPY**

# POLICY SCHEDULE

ISSUE DATE: 08/02/2024

SELECTIVE INSURANCE  
BRANCHVILLE, NEW JERSEY 07890

<b>Policy No</b>	<b>Issued To</b>	
S 2565687	LOBO DEVELOPMENT CORPORATION	
<b>Period</b>	<b>Transaction Type</b>	<b>Agent Number</b>
08/01/2024 08/01/2025	NEW BUSINESS	00-30002-00000
<b>Billing Type</b>	<b>Transaction Eff. Date</b>	<b>Number of Remaining Installments</b>
DIRECT BILL	08/01/2024	10

BILL ACCOUNT: 254 520 463

PAYMENT WILL BE BILLED AS FOLLOWS:

SCHEDULED BILL DATE	SCHEDULED DUE DATE	PREMIUM AMOUNTS
01. 08/04/2024	08/24/2024	5,746.00
02. 09/04/2024	09/24/2024	5,746.00
03. 10/04/2024	10/24/2024	5,746.00
04. 11/04/2024	11/24/2024	5,746.00
05. 12/04/2024	12/24/2024	5,746.00
06. 01/03/2025	01/24/2025	5,746.00
07. 02/04/2025	02/24/2025	5,746.00
08. 03/04/2025	03/24/2025	5,746.00
09. 04/04/2025	04/24/2025	5,746.00
10. 05/04/2025	05/24/2025	5,737.00
TOTAL		\$57,451.00

THIS IS NOT A BILL.

Your bill will be sent under separate cover. This is a Payment Schedule of your policy premium due based on your selected installment plan. Changes made to the policy premium after the issue date listed above, will be reflected on future bills.

An installment fee of \$8.00 may be added to each installment bill. Policies not paid by the installment due date are subject to a late fee of \$30.00 for each late payment. An insufficient fund fee of \$30.00 will be charged for payments returned by your financial institution.

A reinstatement fee may be incurred when a policy is reinstated after a non-pay cancellation is processed. Fee amounts are generally \$35 for commercial line policies and will appear on the next bill.

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## **IMPORTANT NOTICE ABOUT YOUR PAYMENT PLAN AND LATE PAYMENTS UNDER YOUR PAYMENT PLAN:**

If you have selected a payment plan option to pay for Your policy or policies with Us, we will send You a bill or email notification when premium is due. Bills will show (1) the billed minimum amount due on Your account for that month, and (2) the total balance due on Your account, including late and installment fees, if any have been charged. On or before the due date We specify in Your bill, You will be required to pay Us the total billed minimum amount shown in order to stay current in your payments due to Us (excluding any policy or policies that are pending cancellation).

Any time a payment is late and You fall behind on the amount that is owed to Us for the policy premium, we will issue a policy cancellation notice for failure to pay the premium, and we may charge you a late fee. For the first two times you fall behind, if You pay the total amount due before the cancellation effective date indicated in the notice, the policy or policies will remain in effect. If, however, We issue a third cancellation notice for nonpayment of premium, We will accelerate the remaining payments due under the payment plan and require You to pay **the full outstanding policy premium (not just the total billed minimum amount in the most recent bill) on or before the cancellation effective date.** If You do not pay the full outstanding balance on or before the cancellation effective date, We will cancel Your policy. If Your policy or policies are cancelled or expired, Your enrollment in an electronic payment option will continue, despite the fact that the policy(s) have been cancelled with Selective and may remain in effect until such time as any payment for any earned premiums, audit balances or other amounts related to your account are settled. If more than one policy is subject to a payment plan, We will apply partial payments proportionately to the billed minimum amount for each policy. Any policy that is not paid in full after this allocation will be subject to cancellation for nonpayment of premium, as provided in the policy.

Selective Insurance  
Main Administrative Offices  
40 Wantage Avenue Branchville  
New Jersey 07890  
(973) 948-3000

"Selective Insurance" refers to the following affiliated insurers:

Selective Insurance Company of America, Selective Way Insurance Company, Selective Insurance Company of South Carolina, Selective Insurance Company of the Southeast, Selective Insurance Company of New York, Selective Insurance Company of New England, Selective Casualty Insurance Company, Selective Fire and Casualty Insurance Company, and Selective Auto Insurance Company of New Jersey. The declarations page of your policy identifies the insurance carrier that issued your "Selective Insurance" policy.

# IMPORTANT NOTICE REGARDING AGENT COMPENSATION

We sell our insurance products and services through appointed independent insurance agencies and agents ("Agent" or "Agents"). Because Agents also generally represent several of our competitors, our primary marketing strategy is to:

- Develop close relationships with each Agent by (i) soliciting their feedback on products and services, (ii) advising them concerning company developments, and (iii) investing significant time with them professionally and socially; and
- Develop with each Agent, and then carefully monitor, annual goals regarding (i) types and mix of risks placed with us, (ii) amounts of premium or numbers of policies placed with us, (iii) customer service levels, and (iv) profitability of business placed with us.

We pay Agents commissions and other consideration for business placed with us (and we do not authorize our Agents to receive other monies for our insurance). We seek to compensate our Agents fairly and in a way consistent with market practices.

Our Agent compensation programs may include one or more of the following depending on the Agent's overall business relationship with us:

- **Commission Payments.** We pay commission based on a percentage of the premium the policyholder pays. The amount of commission varies depending on policy type, state location of risk, and other factors.
- **Additional Commission Payments.** We may pay additional and varying percentages of premium for attainment of certain goals we set with the Agent, including:
  - **Profitability**, which we determine by comparing losses and expenses to premium;
  - **Volume**, which is the amount of premium written with us;
  - **Growth and Retention**, which we measure by comparing premium volume or number of policies for overall or specific types of policies; or
  - **Annual Plan Performance**, which we measure according to performance standards determined by us and the Agent.

In certain cases, an Agent may put additional commissions at risk and become obligated to pay us amounts if certain goals are not met.

- **Expense Reimbursement.** We may reimburse certain marketing and other expenses incurred for placing business with us.
- **Entertainment and Other Things of Value.** We may entertain or provide other things of value, including travel and gratuities, to Agents who we believe provide exceptional value to our policyholders and shareholders.
- **Business Production Incentive Programs.** We may provide Agents or their employees opportunities to receive additional compensation (cash or contest prizes) for certain activities or tasks, such as placing specific types of policies with us or inputting data through one of our technology systems.

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- **Loss Control Agreements.** We may pay Agents a flat fee or a percentage of commission for safety and loss control surveys, inspections, accident or claim investigations.
- **Agent Stock Purchase Plan.** Certain of our Agents participate in a stock purchase plan that allows those Agents to purchase common stock in Selective Insurance Group, Inc. at a 10% discount to market and requires those agents to hold the stock for at least one year before they can transfer it.

As supporters of the independent insurance agency distribution system, we may provide Agents from time-to-time with tools and programs designed to preserve and strengthen the independent agency distribution system, including assistance with producer recruitment and/or training, loans, or loan guarantees. These tools and programs, which may be experimental, are provided to assist our Agents in the perpetuation of robust independent insurance agencies and are not conditioned on the imposition of extraordinary current or future production conditions.

We also distribute our insurance products to a limited extent through select insurance brokers which we compensate with some of the same compensation tools we use for Agents. If you have engaged a broker to place insurance with us, please ask the broker if any of the above described compensation arrangements are in effect with us.

Please direct questions regarding specific compensation to your Agent.

# IMPORTANT NOTICE TO POLICYHOLDERS EQUIPMENT BREAKDOWN COVERAGE JURISDICTIONAL INSPECTION SERVICE

This notice is an advisory notice and is not a part of your policy. For complete information on all coverages, terms, conditions and exclusions, please review your policy. If there is any conflict between your policy and this notice, **THE PROVISIONS OF THE POLICY SHALL PREVAIL.**

This Selective Insurance policy includes equipment breakdown coverage. The Hartford Steam Boiler Inspection and Insurance Company (HSB) is an equipment specialist working with Selective Insurance to provide equipment related inspection services. Our combined goal is to provide the highest quality insurance program and services that will help you protect your equipment and your business.

There may be laws or regulations in your city, county or state that require periodic boiler inspections. The scope of the laws may also include air conditioning systems, refrigeration systems and pressure vessels. Most Jurisdictional Authorities charge a fee for both the inspection and the certificate. HSB will perform the inspection for you at no cost as an integral part of your insurance program. The certificate fee or any fine levied by the Jurisdiction for not complying with the laws or regulations, is not a part of this service.

If you answer yes to any of the following questions, you may require a certificate inspection. Contact the HSB Inspection Hotline and the customer service representative will assist you.

- Does my location contain any heating or process boilers?
- Does my location have any large hot water heaters (200,000+ btu/hr)?
- Does my location contain any pressure vessels (air tanks, hot water storage tanks)?
- Does my location have a central air conditioning system?

## HSB INSPECTION HOTLINE

**Telephone:** 1-800-333-4677  
**Fax:** 1-484-582-1811  
**E-mail:** [NSCINSP\\_HOTLINE@hsb.com](mailto:NSCINSP_HOTLINE@hsb.com)

**Please provide the following information:**

- Policy Number
- Insured Name
- Location Name and Address
- Contact Name and Phone Number

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# PRAESIDIUM

## WHAT YOU DON'T KNOW CAN HURT THOSE IN YOUR CARE AND YOUR ORGANIZATION.

Adopting a solid screening and selection process is your first line of defense in creating a safe environment. A thorough, consistent screening process may also discourage would-be offenders from targeting your organization. Failure to discover a known offender can affect those in your care and the organization's reputation, financial stability, and trust within the community. Who you should screen can depend on many factors, such as if the person is a new full-time hire, a season hire, or even a current employee. In determining the types of checks to utilize, organizations should follow all state, federal, and licensing regulations and consider an individual's level of access. Level of access may be influenced by:

### WHO IS PRAESIDIUM?

Praesidium is the national leader in abuse risk management. With more than two decades of experience, and serving thousands of clients, our dedicated team of researchers, psychologists, attorneys, social workers, and human resource professionals have analyzed thousands of cases of abuse in organizations and synthesized the latest scientific research. We know how abuse happens in organizations . . . and how to prevent it.

- **Frequency:** How frequently does the individual work around or interact with consumers? Is it a one-time event or every day?
- **Duration:** What is the duration of the individual's interactions? Is it a one-time, one-hour event or an entire summer?
- **Level of Supervision:** Are the individual's interactions always supervised by another adult or are they one-on-one with consumers?
- **Nature of the Relationship:** What is the nature of the relationship between the individual and the consumers in the program? Does the individual merely supervise an area during an event that has consumers, or are they getting to know individual consumers and families while counseling, tutoring, or providing personal care services?

**Selective Insurance has partnered with Praesidium to offer you discounted background screening services for your organization.**

## FOUR ELEMENTS FOR A THOROUGH BUT COST-EFFECTIVE BACKGROUND CHECK:

- **Check Facts:** Aliases, DOBs, and address history all drive research and help to paint a complete picture.
- **Search Wide:** Multi State criminal and national sex offender databases will identify the unexpected.
- **Search Deep:** Targeted county level searches will give real-time information where records are most likely to be found.
- **Ask Questions:** References can provide insights on behavior and clues to non-criminal boundary issues.

## WHO SHOULD YOU SCREEN, AND HOW OFTEN?

- **New Hires/Volunteers:** A thorough, consistently applied background screening process at the time of hire is your first and best opportunity to identify the problem.
- **Seasonal Hires/Volunteers:** Seasonal staff present a unique risk because you don't see them for months at a time, but it's often not practical to complete a full new hire process each season. An annual check-in plan is key.
- **Re-Screening:** Conducting targeted checks on your full-time employees at least every 3 years helps you identify issues before they impact your organization.

For more information go to: [selective.com/praesidium](http://selective.com/praesidium) - (800.743.6354) - [selective@praesidiuminc.com](mailto:selective@praesidiuminc.com)  
In order to receive this exclusive benefit please identify yourself as a Selective Insurance agent or insured.

**BACKGROUND SCREENING FOR SELECTIVE INSURED**

Praesidium offers a selection of background screening packages plus a la carte services to empower your organization to conduct right-sized research. Praesidium's team can help contextualize the screening process as part of an overall culture of safety and discuss how screening works in hand with other abuse prevention efforts. Praesidium's team can also help you understand who to screen, how often, and the importance of re-screening.

In addition to Background Screenings - you can now access Praesidium Academy to add further training on abuse prevention. Praesidium Academy online training includes supporting tools that enhance both the short and long-term effectiveness of the training experience and produce sustainable changes in employee and volunteer behavior. Access to this system is **free** to Selective insureds.

	<b>LOW ACCESS VOLUNTEERS</b>	<b>HIGH ACCESS VOLUNTEERS</b>	<b>EMPLOYEES</b>	<b>FINANCIAL ACCESS</b>	<b>ALA CARTE</b>
	<b>STARTING AT \$16</b>	<b>STARTING AT \$16</b>	<b>STARTING AT \$16</b>	<b>STARTING AT \$37</b>	<b>INDIVIDUAL COST PER SERVICE</b>
Employment Credit (\$60 one-time set up fee required)				X	\$10.00
Confidence Multi State Criminal and Sex Offender Database w/Alias**	X	X	X	X	\$ 9.00
7 Yr County Criminal Records Search: Current County of Residence*	X	X	X	X	\$ 7.00
Add'l Counties Added As Needed Based on 7 yr Address History*		X	X	X	\$ 5.50
County Civil Records Search (upper):1 County*				X	\$11.00
Motor Vehicle Records Search*					\$ 5.00
Employment Verification: 1 Position*					\$ 8.00
Education Verification: 1 Degree*					\$ 7.00
Personal Reference: 1 Reference					\$11.00
Professional Reference: 1 Reference					\$12.00
International Criminal Search 1 Jurisdiction*					\$50.00
Social Media Search: Basic (3 Years)					\$ 7.50
Social Media Search: Pro (7 Years)					\$12.50

\* 3rd Party keeper fees may apply and will be passed on at cost when incurred.

\*\* Criminal records found in the Multi State database check are subject to verification at the source and additional costs may apply.

**For more information go to: [selective.com/praesidium](http://selective.com/praesidium) - (800.743.6354) - [selective@praesidiuminc.com](mailto:selective@praesidiuminc.com)**

In order to receive this exclusive benefit please identify yourself as a Selective Insurance agent or insured.



# **IMPORTANT NOTICE TO POLICYHOLDERS**

## **COMMERCIAL PROPERTY INSURANCE TO VALUE**

NO COVERAGE IS PROVIDED BY THIS POLICYHOLDER NOTICE NOR CAN IT BE CONSTRUED TO REPLACE ANY PROVISION OF YOUR POLICY. YOU SHOULD READ YOUR POLICY AND REVIEW YOUR DECLARATIONS PAGE FOR COMPLETE INFORMATION ON THE COVERAGES YOU ARE PROVIDED. IF THERE IS ANY CONFLICT BETWEEN THE POLICY AND THIS NOTICE, THE PROVISION OF THE POLICY SHALL PREVAIL.

### **REGARDING BUILDING INSURANCE TO VALUE**

The replacement cost for building(s) insured on this policy is an estimated replacement cost based on general information about your building(s). It is developed from models that use estimated cost of construction materials and estimated labor rates for like buildings in the area. The actual cost to replace your building(s) may be significantly different. Selective Insurance does not guarantee that this figure will represent the actual cost to replace your building(s). You are responsible for selecting the appropriate amount of coverage and you may obtain your own insurance replacement cost appraisal. Additional information you obtain on the replacement cost of your building(s) can further assist you in making a more informed decision about the true value of your building(s). Selective Insurance will consider and accept, if reasonable, your appraisal. Any higher coverage amounts selected will result in higher premiums. You may contact your insurance agent to assist you in obtaining your own insurance replacement cost appraisal or contact one of the numerous companies providing insurance replacement cost appraisals for commercial buildings.

### **REGARDING BUSINESS PERSONAL PROPERTY INSURANCE TO VALUE**

The replacement cost for your Business Personal Property insured on this policy is based on values provided by you. You are responsible for selecting the appropriate amount of coverage to ensure adequate replacement cost values.

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# POLICYHOLDER DISCLOSURE NOTICE OFFER OF TERRORISM INSURANCE COVERAGE AND REJECTION FORM — EFFECTIVE UNTIL REVOKED

## Offer of Coverage:

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

**You may accept or reject insurance coverage for losses resulting from certified "acts of terrorism".**

- If you accept this offer of coverage simply pay your billed premium, which includes the amount shown below. You do not need to do anything else.
- If you would like to reject this coverage, please see the section of this form entitled Rejection of Terrorism Insurance Coverage and follow the instructions. **Please note that if you reject coverage for losses resulting from certified "acts of terrorism", we will not provide coverage on renewals of this policy unless you ask us for coverage in the manner set forth in our "Offer of Terrorism Insurance Coverage When Terrorism Insurance Coverage Was Previously Rejected" form, which will be attached to renewals of this policy.**

## Disclosure of Premium:

The portion of your annual premium that is attributable to coverage for "acts of terrorism" is \$1,941.00 and does not include any charges for the portion of loss that may be covered by the federal government under the Act.

Please be aware that even if you purchase coverage for losses resulting from certified "acts of terrorism", your policy will still contain other policy terms, conditions, limitations and exclusions that may impact whether coverage is available in the event of a loss resulting from a certified "act of terrorism".

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**Federal Participation in Payment of Terrorism Losses :**

You should know that where coverage is provided by this policy for losses resulting from certified "acts of terrorism", such losses may be partially reimbursed by the United States Government under a formula established by federal law. Under the formula, the United States Government generally reimburses 80% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage.

**Cap on Insurer Participation in Payment of Terrorism Losses :**

You should also know that the Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits United States Government reimbursement as well as insurers' liability for losses resulting from certified "acts of terrorism" when the amount of such losses in any one calendar year exceeds \$100 billion. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

**Rejection of Terrorism Insurance Coverage :**

You may reject this offer of coverage by checking the box, filling in the information below, signing and returning this form to your agent. If you choose to reject this offer of coverage, we will add an exclusionary endorsement to your policy to eliminate coverage for losses resulting from certified "acts of terrorism".

**Rejection of Coverage - Effective Until Revoked**



I HAVE READ THIS FORM IN ITS ENTIRETY AND DO NOT WANT TO PURCHASE COVERAGE FOR CERTIFIED "ACTS OF TERRORISM". I UNDERSTAND THAT THIS REJECTION IS EFFECTIVE UNTIL I AFFIRMATIVELY REVOKE IT IN THE MANNER SET FORTH IN SELECTIVE'S "OFFER OF TERRORISM INSURANCE COVERAGE WHEN TERRORISM INSURANCE COVERAGE WAS PREVIOUSLY REJECTED" FORM, AND THAT IF I SIGN THIS FORM THIS POLICY AND ANY RENEWALS WILL EXCLUDE COVERAGE FOR LOSSES RESULTING FROM CERTIFIED "ACTS OF TERRORISM".

SELECTIVE INSURANCE COMPANY OF SOUTH CAROLINA

\_\_\_\_\_  
Policyholder/Applicant's Signature

\_\_\_\_\_  
Insurance Company

\_\_\_\_\_  
Print Name

S 2565687  
\_\_\_\_\_

\_\_\_\_\_  
Policy or Quote Number

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

# NEW MEXICO IMPORTANT NOTICE TO POLICYHOLDERS COMMERCIAL PROPERTY NOTIFICATION OF RATE MODIFICATIONS

In accordance with New Mexico Insurance Law, the insured must be notified in writing by the insurer at the issuance of a policy of any rate modifications and the reasons for those modifications. We are advising you that rate modifications have been applied to your policy.

**Named Insured:** LOBO DEVELOPMENT CORPORATION

**Policy Number:** S 2565687

**Effective Date:** August 1, 2024

**Loss Free Credit:** 0.9700

**IRPM Credit/Debit:** 1.0200

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Risk Characteristic	Description	Rate Modifications
<b>Management</b>	Cooperation in matters of safeguarding and proper handling of the property covered.	1.0200
<b>Location</b>	Accessibility, congestion and exposures.	1.0000
<b>Building Features</b>	Age, condition and unusual structural features.	1.0000
<b>Premises And Equipment</b>	Care, condition and type.	1.0000
<b>Employees</b>	Selection, training, supervision and experience.	1.0000
<b>Protection</b>	Not otherwise recognized.	1.0000
<b>Total Rate Modification</b>		1.0200

If this policy is renewed upon its expiration and such renewal policy contains any changes to the debits and/or credits, we shall notify you of such changes and the reason(s) therefore.

# IMPORTANT NOTICE TO POLICYHOLDERS

## Asbestos Exclusion IL 89 56

### Broadenings, Reductions, and Clarifications in Coverage

Thank you for choosing Selective for your insurance needs. This notice is intended to help clarify your coverage, highlighting recent changes that include areas of broadening and/or reductions in coverage, to help keep you better informed. This notice does not reference every editorial change made in your policy.

**This notice is not part of your policy and does not IMPACT THE AVAILABILITY, OR NATURE OR SCOPE OF YOUR coverage. For complete information on all coverage, terms, conditions, LIMITATIONS and exclusions, please review your policy and its Declarations page CAREFULLY. If there is any conflict between your policy and this notice, the provisions of the policy will govern.**

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#### REDUCTIONS IN COVERAGE

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Asbestos Exclusion **IL 89 56** has been revised to include the Commercial Inland Marine coverage part. As a result, all inland marine coverage being provided by this policy does not apply to any loss or damage relating to the actual, alleged, or threatened presence of, or exposure to, "asbestos" as defined in the exclusion. This is a reduction in coverage if any of your inland marine coverage has an asbestos exposure.

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# IMPORTANT NOTICE TO POLICYHOLDERS STATEMENT OF VALUES

NO COVERAGE IS PROVIDED BY THIS POLICYHOLDER NOTICE NOR CAN IT BE CONSTRUED TO REPLACE ANY PROVISION OF YOUR POLICY. YOU SHOULD READ YOUR POLICY AND REVIEW YOUR DECLARATIONS FOR COMPLETE INFORMATION ON THE COVERAGES YOU ARE PROVIDED. IF THERE IS ANY CONFLICT BETWEEN THE POLICY AND THIS NOTICE, THE PROVISION OF THE POLICY SHALL PREVAIL.

## REGARDING YOUR COVERAGES, LIMITS, AND VALUATIONS

A Statement of Values is your official acknowledgment and agreement that all coverages, limits, and valuations provided by your policy are adequate and accurate. Selective Insurance previously required you to submit an updated Statement of Values for each renewal term. Selective Insurance is no longer requiring an annual Statement of Values.

You are responsible for selecting the appropriate amount of coverage to ensure limits are accurate and adequate. Please refer to the Quote Summary or Declarations to review your coverages, limits, and valuations which will now serve as the Statement of Values for the associated policy term. Contact your agent for any needed changes.

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Insurance is provided by the Company designated on the Declarations Page of this policy. The addresses of all Selective Insurance Companies are shown below:

Selective Insurance Company of America  
40 Wantage Avenue  
Branchville, NJ 07890

Selective Way Insurance Company  
40 Wantage Avenue  
Branchville, NJ 07890

Selective Insurance Company of South Carolina  
900 E. 96th Street, Suite 400  
Indianapolis, IN 46240

Selective Insurance Company of New York  
300 Olympic Towers  
300 Pearl Street  
Buffalo, NY 14202

Selective Insurance Company of the Southeast  
900 E. 96th Street, Suite 400  
Indianapolis, IN 46240

Selective Insurance Company of New England  
40 Wantage Avenue  
Branchville, NJ 07890

Administrative Offices of all Selective Insurance Companies are located at:  
40 Wantage Avenue  
Branchville, NJ 07890

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# NOTICE OF INFORMATION PRACTICES (LONG FORM)

MISC-798 06 01

Your application or information you provide in connection with a claim is our major source of information. However, in order to evaluate your application for insurance, to service your policy or to process a claim, we may ask for additional information about you and any person who will be insured under this policy or who is the subject of the claim. This is sometimes necessary to make certain that the statements on your application are accurate or to process the claim. We may also need more details than you have already given us.

## INFORMATION WE COLLECT

In connection with an application, the information that we may collect will enable us to make possible judgments about your character, habits, hobbies, finances, occupation, general reputation, health or other personal characteristics. In connection with a claim, the information we may collect will enable us to process the claim.

We may obtain this information from several sources. For example, we may contact any physician, clinic or hospital where any persons to be insured or making a claim have been treated. We may need information from your employer. But, before we ask for information from any of these sources, we will ask you to sign an authorization, which gives us permission to proceed, unless authorization is not required by law.

We may get information by talking or writing to other insurance companies to which you applied for a policy or with which you have made a claim, members of your family, neighbors, friends, your insurance agent and others who know you. We may also obtain information from motor vehicle reports, court records, or photographs of the property you want insured or with regard to which you have made a claim.

## CONSUMER REPORTS

It is common for an insurance company to order a report from an independent organization — a consumer reporting agency or an insurance-support organization — to verify and add to the information that you have given us. These reports are used to help us decide if you qualify for the insurance for which you have applied or to evaluate the claim you have made.

They may:

- pertain to your mode of living, character, general reputation and personal characteristics such as health, job and finances.
- contain information on your marital status, driving records, etc.
- include information on the loss history of your property.
- include information gathered by talking or writing to you or members of your family, neighbors, friends, your insurance agent and others who know you.
- include information from motor vehicle reports, court records or photographs of your property and/or the property involved in the claim.

Upon your request, the consumer reporting agency or insurance-support organization will attempt to interview you in connection with any report it prepares. The information may be kept by the reporting organization and may later be given to others who use its services. It will be given only to the extent permitted by the Federal Fair Credit Reporting Act and your local state law, if any. Upon request and identification, the consumer reporting agency or insurance-support organization will provide you with a copy of the report.

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## DISCLOSURE OF INFORMATION

Information we collect about you will not be given to anyone without your consent, except when necessary to conduct our business. There are some disclosures which may be made without your prior authorization. These include:

- \_\_\_\_\_ Persons or organizations who need the information to perform a professional, business or insurance function for us, such as businesses that assist us with data processing or marketing.
- \_\_\_\_\_ Other insurance companies, agents, or consumer reporting agencies as it may be needed in connection with any application, policy or claim involving you.
- \_\_\_\_\_ Adjusters, appraisers, investigators and attorneys who need the information to investigate or settle a claim involving you.
- \_\_\_\_\_ An insurance -support organization which is established to collect information for the purpose of detecting and preventing insurance crimes or fraudulent claims.
- \_\_\_\_\_ A medical professional or institution to verify your insurance coverage or inform you of a medical condition of which you may not be aware.
- \_\_\_\_\_ Persons or organizations that conduct scientific research, including actuarial or underwriting studies.
- \_\_\_\_\_ Persons or organizations that will use the information for sales purposes, unless you indicate in writing to us that you do not want the information disclosed for this purpose.
- \_\_\_\_\_ Our affiliated companies for auditing our operations and for marketing an insurance product or service.

In addition, we may provide information to state insurance departments in connection with their regulatory authority and to other governmental or law enforcement authorities to protect our legal interests or in cases of suspected fraud or illegal activities.

## YOUR INSURANCE POLICY FILES

Information we collect about you will be kept in our policy files. We may refer to this information if you file a claim for benefits under any policy you have with us or if you apply to us for a new policy. You have the right to know what kind of information we keep in our files about you, to have access to the information, and to receive a copy. There are some types of information; however, to which we are not required to give you access. This type of information is generally collected when we evaluate a claim or when the possibility of a lawsuit exists.

If you want information from your files, please contact us. There may be a nominal charge for copies of records. If you think your file contains incorrect information, notify us indicating what you believe is incorrect and your reasons. We will reinvestigate the matter and either correct our records or place a statement from you in our files explaining why you believe the information is incorrect. We will also notify persons or organizations to whom we previously disclosed the information of the change or your statement.

## CONFIDENTIALITY AND SECURITY OF PERSONAL INFORMATION

We restrict access to personal information to those individuals who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with legal standards and ensure the confidentiality of personal information in accordance with our policy.

## TREATMENT OF PERSONAL INFORMATION OF FORMER CUSTOMERS AND APPLICANTS

We adhere to this personal information privacy policy even when a customer relationship no longer exists. Disclosures about former applicants and customers may be made without prior authorization as permitted by law.

If you have any questions about our information practices, please contact us.



## SCHEDULE OF LOCATIONS

Policy Effective Date: August 1, 2024	Schedule Effective Date: AUGUST 1, 2024
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Prem. No.	Location	Bldg. No.	Occupancy
1	933 BRADBURY DR SE ALBUQUERQUE, NM 87106	1 2	HOPE BUILDING - MECHANICAL
2	1312 BASEHART RD SE ALBUQUERQUE, NM 87106	1	UNM PRESS
3	1721 University Blvd SE ALBUQUERQUE, NM 87106	1	CLUBHOUSE

40000FS 2565687 437

# COMMERCIAL POLICY FORMS AND ENDORSEMENT SCHEDULE

Policy Effective Date: August 1, 2024	Schedule Effective Date: AUGUST 1, 2024
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THE FOLLOWING FORMS AND ENDORSEMENTS ARE APPLICABLE TO THE COMMON COVERAGE PART:

- IL 70 25 1189 COMMERCIAL POLICY COMMON DECLARATION
- IL 70 36 0193 SCHEDULE OF LOCATIONS
- IL 00 17 1198 COMMON POLICY CONDITIONS
- IL 01 78 0907 NM CHNGS-PROP CLAIMS SET IN EVENT OF CAT
- IL 02 98 0515 NM CHANGES - CANCELLATION AND NONRENEWAL
- IL 89 56 0522 ASBESTOS EXCLUSION

THE FOLLOWING FORMS AND ENDORSEMENTS ARE APPLICABLE TO THE COMMERCIAL PROPERTY COVERAGE PART:

- CP 70 26 0617 COMMERCIAL PROP DEC
- CP 00 10 1012 BUILDING & PERSONAL PROPERTY COVERAGE FM
- CP 00 30 1012 BUSINESS INCOME COVERAGE (W/EX EXP)
- CP 00 90 0788 COMMERCIAL PROPERTY CONDITIONS
- CP 01 36 0300 NEW MEXICO CHANGES
- CP 01 40 0706 EXCL OF LOSS DUE TO VIRUS OR BACTERIA
- CP 04 11 0917 PROTECTIVE SAFEGUARDS
- CP 10 30 0917 CAUSES OF LOSS-SPECIAL FORM
- CP 15 32 0607 CIVIL AUTHORITY CHANGE(S)
- CP 75 51 0511 SYSTEMS POWER PAC
- CP 76 11 1011 GREENPAC ENHANCEMENT ENDORSEMENT
- CP 76 13 0513 CRISIS RESPONSE COVERAGE
- CP 76 23 1011 COMMERCIAL PROP MORTGAGE HOLDERS SCHED
- CP 76 30 0721 ELITEPAC PROPERTY EXT END
- CP 76 55 0116 ELITEPAC SCHEDULE - LESSORS RISK
- CP 76 60 0116 BI ACTUAL LOSS SUST - 12 MONTH LIMIT END
- CP 76 64 0116 ACCOUNTS RECEIVABLE COVERAGE ENDORSEMENT
- CP 76 67 0116 ELECTRONIC INFORMATION SYSTEMS COVER END
- CP 76 68 0116 FINE ARTS COVERAGE ENDORSEMENT
- CP 76 69 0116 INSTALLATION PROPERTY COVERAGE END
- CP 76 70 0116 MOBILE EQUIPMENT COVERAGE END
- CP 76 71 0116 PERSONAL EFFECTS COVERAGE END
- CP 76 72 0116 PROPERTY IN TRANSIT COVERAGE END
- CP 76 73 0116 SALESPERSONS SAMPLES COVERAGE END
- CP 76 74 0116 TOOLS AND EQUIPMENT COVERAGE END
- CP 76 75 0116 VALUABLE PAPERS COVERAGE END
- CP 80 14 1022 CYBER INCIDENT EXCLUSION
- IL 09 52 0115 CAP ON LOSS FROM CERT ACTS OF TERRORISM
- IL 09 85 1220 DISCL PURSUANT TO TERR RISK INS ACT

**NOTICE TO POLICYHOLDER:** All the forms and endorsements contained in this policy as of the "Schedule Effective Date" are listed above. Forms and endorsements added to the policy after this date will appear on a "Policy Changes" endorsement. Please read your policy and all "Policy Changes" carefully.

**NOTE:** All applicable "IL" endorsements will be attached in the Common Section of the policy.

40000FS 2565687 438

# DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

POLICY NUMBER: s 2565687

IL 09 85 12 20

**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.**

## SCHEDULE

### SCHEDULE — PART I

**Terrorism Premium (Certified Acts) \$1,941.00**

**This premium is the total Certified Acts premium attributable to the following Coverage Part(s), Coverage Form(s) and/or Policy(ies):**

**COMMERCIAL PROPERTY COVERAGE PART**

**Additional information, if any, concerning the terrorism premium:**

### SCHEDULE — PART II

**Federal share of terrorism losses 80 %**

**(Refer to Paragraph B. in this endorsement.)**

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

40000FS 2565687 439

**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.

# 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.

# NEW MEXICO CHANGES — PROPERTY CLAIMS SETTLEMENT IN THE EVENT OF A CATASTROPHE

IL 01 78 09 07

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

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
EQUIPMENT BREAKDOWN COVERAGE PART  
FARM COVERAGE PART

- 40000FS 2565687 442
- A.** The provisions of this endorsement apply to a claim for direct physical loss or damage to Covered Property, provided that:
    - 1.** The claim is for loss or damage that results from a catastrophe declared by the Superintendent of Insurance; and
    - 2.** The catastrophic event is a Covered Cause of Loss.
  - B.** The word loss, as used in this endorsement, includes "loss" as defined in certain coverage forms.
  - C.** The following provisions, **C.1.** and **C.2.**, are added to the policy and supersede any provisions to the contrary:
    - 1.** If you reported your claim to us:
      - a.** Before the catastrophe was declared, we will reach agreement with you on the amount of loss within 90 days after the date the catastrophe was declared;
      - b.** After the catastrophe was declared, we will reach agreement with you on the amount of loss within 90 days after the date on which you reported the claim.
  - 2.** However, the time periods specified in **C.1.** above will be extended by the period of time taken to resolve the following situations:
    - a.** We suspect the claim is fraudulent and commence an investigation to make such a determination;
    - b.** You do not provide the necessary information regarding the nature of the claim, following our request for such information; or
    - c.** You filed suit against us in connection with the claim before expiration of the applicable 90-day period.
  - D.** All other provisions of this policy continue to apply in the event of a catastrophe, including the Suit Against Us and Appraisal conditions.
  - E.** This endorsement does not invalidate our right to deny your claim, nor the right of either party to seek judgment in a court having jurisdiction.



# NEW MEXICO CHANGES — CANCELLATION AND NONRENEWAL

IL 02 98 05 15

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

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  
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
EQUIPMENT BREAKDOWN COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

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

### **2. Permissible Reasons And Notice Period**

- a.** If this Policy has been in effect less than 60 days and is not a renewal of a policy we issued, we may cancel for any reason by mailing or delivering to the first Named Insured written notice of cancellation at least 10 days before the effective date of cancellation, provided that the cancellation becomes effective before the Policy has been in effect for 60 days.
- b.** If Paragraph **a.** does not apply, we may cancel only for one or more of the following reasons:
- (1)** Nonpayment of premium.
  - (2)** There has been a substantial change in the risk assumed by us since the Policy was issued.
  - (3)** The Policy was obtained through material misrepresentation, fraudulent statements, omissions or concealment of fact material to the acceptance of the risk or to the hazard assumed by us.
  - (4)** Willful and negligent acts or omission by the insured have substantially increased the hazards insured against.
  - (5)** You presented a claim based on fraud or material misrepresentation.

**c.** If we cancel subject to **2.b.** above, we will mail or deliver to the first Named Insured written notice of cancellation at least:

- (1)** 10 days before the effective date of cancellation, for the reason set forth in **2.b.(1)**.
- (2)** 30 days before the effective date of cancellation, for the reason set forth in **2.b.(2)**.
- (3)** 15 days before the effective date of cancellation, for a reason set forth in **2.b.(3)**, **2.b.(4)** or **2.b.(5)**.

The written notice will state the reason for cancellation, except that such statement may be omitted from a notice mailed to an additional insured or lienholder under this Policy.

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

### **Nonrenewal**

If we decide not to renew this Policy, we will mail to the first Named Insured written notice of the nonrenewal not less than 30 days before the expiration date of the Policy.

Proof of mailing will be sufficient proof of notice.

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# CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

IL 09 52 01 15

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

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.

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# ASBESTOS EXCLUSION

IL 89 56 05 22

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

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE PART  
BUSINESSOWNERS COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
AUTO DEALERS COVERAGE PART  
MOTOR CARRIER COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
PRODUCT/COMPLETED OPERATIONS LIABILITY COVERAGE PART

1. It is agreed that this insurance does not apply to any loss or damage relating to the actual, alleged, or threatened presence of, or exposure to, "asbestos," including inhalation, ingestion, irritation, absorption or other similar physical exposure to "asbestos." Such presence of, or exposure to, "asbestos" includes, but is not limited to:
  - a. Structures or manufacturing processes containing "asbestos";
  - b. The disposal of "asbestos" or goods, products or materials containing "asbestos";
  - c. The storing or presence of "asbestos" or goods, products or materials containing "asbestos"; or
  - d. The removal of "asbestos" from any goods, products, materials, structures or manufacturing processes,whether or not such "asbestos" is airborne.
2. We shall have no obligation under this coverage part:
  - a. To investigate, settle or defend any claim or "suit" against any "insured" alleging actual or threatened injury or damage of any nature or kind to persons or property which arises out of or would not have occurred but for the presence of, or exposure to, "asbestos"; or
  - b. To pay any damages, judgments, settlements, losses, costs or expenses of any kind or nature that may be awarded or incurred by reason of any such claim or suit or any such actual or threatened injury or damage from "asbestos"; or
  - c. For any losses, costs or expenses arising out of any obligation, order, direction or request of or upon any insured or others, including, but not limited to, any governmental obligation, order, direction or request, to test for, monitor, clean up, remove, contain, treat, neutralize, in any way respond to, or assess the effects of "asbestos."
3. "Asbestos" includes asbestos, asbestos fibers, asbestos materials, and asbestos products, or any goods or products containing asbestos or asbestos fibers, materials, or products.

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Previous Policy Number  
NEW

Policy Number  
S 2565687

# COMMERCIAL PROPERTY COVERAGE DECLARATION

**Policy Effective Date:** August 1, 2024      **Coverage Effective Date:** AUGUST 1, 2024

**Insurance is provided only for those coverages for which a specific limit is shown in the following coverage schedule**

Coverage — Scheduled Locations									
Prem. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Cause of Loss	Coins	Deductible	Valuation	Inflation Guard	

Coverage — Blanket Locations										
Prem. No.	Bldg. No.	Coverage	Rating Value	Covered Cause of Loss	Coins	Deductible	Valuation	Inflation Guard	Blanket ID #	
001	001	BUILDING	\$27,229,323	SPECIAL	90%	\$10,000	RC		1	
001	002	BUILDING	\$700,000	SPECIAL	90%	\$10,000	RC		1	
002	001	BUILDING	\$8,143,589	SPECIAL	90%	\$10,000	RC		1	
003	001	BUILDING	\$2,927,193	SPECIAL	90%	\$10,000	RC		1	

Business Income										
Prem. No.	Bldg. No.	Coverage Type	Limit of Insurance	BI Waiting Period (hrs)	Coins	Monthly Limit of Indemnity	Max Period of Indemnity	Extended Period of Indemnity	Blanket ID #	
1	1	BI INCLUDING RV	ACTUAL LOSS	72						
1	2	BI INCLUDING RV	ACTUAL LOSS	72						
3	1	BI INCLUDING RV	ACTUAL LOSS	72						

Blanket Coverage			Blanket Group	Total Blanket Limit
Blanket ID #				
BLANKET GROUP 1			FOR BUILDING ONLY	\$39,000,105

Extra Expense										
Prem. No.	Bldg. No.	Limit of Insurance	Monthly Limitation	Prem. No.	Bldg. No.	Limit	Monthly Limitation			

Forms and Endorsements:  Refer to " <b>Commercial Policy Forms and Endorsement Schedule</b> "	Premium Amount \$57,451.00 (This premium may be subject to adjustment)
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40000FS 2565687 446



# PROTECTIVE SAFEGUARDS

POLICY NUMBER: s 2565687

COMMERCIAL PROPERTY  
CP 04 11 09 17

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

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART  
STANDARD PROPERTY POLICY

### SCHEDULE

Premises Number	Building Number	Protective Safeguards Symbols Applicable
1 2	1 1	P-1, P-5 P-5
<b>Describe Any "P-9":</b>		
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

40000FS 2565687 448

**A.** The following is added to the Commercial Property Conditions:

**Protective Safeguards**

As a condition of this insurance, you are required to:

1. Maintain the protective safeguards listed in the Schedule, and over which you have control, in complete working order;
2. Actively engage and maintain in the "on" position at all times any automatic fire alarm or other automatic system listed in the Schedule; and
3. Notify us if you know of any suspension of or impairment in any protective safeguard listed in the Schedule.

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

**B.** The following is added to the **Exclusions** section of:

- Causes Of Loss — Basic Form
  - Causes Of Loss — Broad Form
  - Causes Of Loss — Special Form
  - Mortgageholders Errors And Omissions Coverage Form
  - Standard Property Policy
- We will not pay for loss or damage caused by or resulting from fire if, prior to the fire, you failed to comply with any condition set forth in Paragraph **A**.

**C.** The protective safeguards to which this endorsement applies are identified by the following symbols:

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

Automatic Sprinkler System means:

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

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

- a. Connected to a central station; or
- b. Reporting to a public or private fire alarm station.

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

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

**"P-5" Automatic Commercial Cooking Exhaust And Extinguishing System** installed on cooking appliances and having the following components:

- a. Hood;
- b. Grease removal device;
- c. Duct system; and
- d. Wet chemical fire extinguishing equipment.

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

# CIVIL AUTHORITY CHANGE(S)

POLICY NUMBER: s 2565687

COMMERCIAL PROPERTY  
CP 15 32 06 07

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

This endorsement modifies insurance provided under the following:

- BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
- BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM
- EXTRA EXPENSE COVERAGE FORM

### SCHEDULE

Premises Number	Building Number	Schedule Part A Coverage Period (Number Of Days)	Schedule Part B Radius (Number Of Miles)
ALL	ALL		5 MILES
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.			

40000FS 2565687 450

**A. Coverage Period**

Under the Additional Coverage — Civil Authority, the four-week coverage period is replaced by the number of days indicated in Part **A** of the Schedule, subject to all other provisions of that Additional Coverage. If there is no entry in Part **A** of the Schedule, the four-week coverage period continues to apply, subject to all other provisions of the Additional Coverage — Civil Authority.

**B. Radius**

The Additional Coverage — Civil Authority includes a requirement that the described premises are not more than one mile from the damaged property. Such one-mile radius is replaced by the number of miles indicated in Part **B** of the Schedule, subject to all other provisions of that Additional Coverage. If there is no entry in Part **B** of the Schedule, the one-mile radius continues to apply, subject to all other provisions of the Additional Coverage — Civil Authority.

**C.** The coverage provided under this endorsement does not increase the applicable Limit of Insurance.



# GREENPAC® ENHANCEMENT ENDORSEMENT

POLICY NUMBER: s 2565687

COMMERICAL PROPERTY  
CP 76 11 10 11

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

This endorsement modifies insurance under the following:

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

### SCHEDULE

<b>GREEN PROPERTY - INCREASED COSTS</b>	\$25,000	Any One Loss Occurrence
	\$25,000	Any One Policy Period
<b>GREEN SOFT COSTS</b>	\$25,000	Any One Loss Occurrence
	\$25,000	Any One Policy Period

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

Coverage provided by this endorsement applies when there has been direct physical loss or damage to covered property listed in the Declarations or Supplemental Declarations from a covered cause of loss.

#### A. GREEN PROPERTY — INCREASED COSTS

The following is added under Additional Coverages in the Building and Business Personal Property, Condominium Association and Condominium Commercial Unit-Owners Coverage Forms:

##### 1. Building — Increased Cost

- a. We will pay the reasonable increased costs to repair or replace the damaged or destroyed portion or parts of the building with "green" property meeting the standards of a "green standards organization" provided it performs the same or similar function and is otherwise of like kind and quality.
- b. We will pay the reasonable increased costs to employ methods and processes of construction and debris recycling consistent with those of a "green standards organization" in the repair and replacement of the damaged or destroyed building. Any payments you receive for the recycled debris shall be deducted from the amount of the loss.

c. We will not pay under this Additional Coverage:

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

d. This Additional Coverage does not apply to:

- i. Buildings insured on other than a Replacement Cost basis; or
- ii. Vacant buildings in accordance with the meaning of Vacancy in E.6. under **LOSS CONDITIONS.**

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## 2. Tenant Improvements and Betterments — Increased Cost

- a. We will pay the reasonable increased costs to repair or replace the damaged or destroyed portion of your use interest as tenant in improvements and betterments with "green" property that meets the standards of a "green standards organization" provided it performs the same or similar function and is otherwise of like kind and quality.
- b. We will pay the reasonable increased costs to employ methods and processes of construction and debris recycling consistent with those of a "green standards organization" in the repair and replacement of the your use interest in damaged or destroyed tenant improvements and betterments. Any payments you receive for the recycled debris shall be deducted from the amount of the loss.
- c. We will not pay under this Additional Coverage:
  - i. Until the property is actually repaired or replaced, at the same, or another, premises; and
  - ii. Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the next two years.
- d. This Additional Coverage does not apply to tenant improvements and betterments at locations:
  - i. Insured on other than a Replacement Cost Basis; or
  - ii. In Vacant Buildings in accordance with the meaning of Vacancy **LOSS CONDITIONS**.

## 3. Business Personal Property (other than Tenant Improvements and Betterments) — Increased Cost

- a. We will pay reasonable increased costs to replace or repair lost or damaged business personal property other than your use interest in tenant improvements and betterments with "green" property that meets the standards of a "green standards organization" provided it performs the same or similar function and it is otherwise of like kind and quality.

- b. We will pay the reasonable increased costs to employ methods and processes of construction and debris recycling consistent with those of a "green standards organization" in the repair and replacement of the damaged or destroyed business personal property. Any payments you receive for the recycled debris shall be deducted from the amount of the loss.
- c. We will not pay under this Additional Coverage:
  - i. Until the property is actually repaired or replaced, at the same, or another, premises; and
  - ii. Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the next two years.
- d. This Additional Coverage does not apply to:
  - i. "Stock";
  - ii. Personal Property Of Others; or
  - iii. Business personal property insured on other than a replacement cost basis.

## 4. Limits of Insurance

- A. Subject to the provisions in Paragraphs **A.1.** through **3.** above, the most we will pay for loss or damage in any one occurrence is the lesser of:
  - (1) The limit of insurance in the Schedule applicable to this endorsement;
  - (2) With respect to buildings (**A.1.** above) and tenant improvements and betterments (**A.2.** above):
    - i. The additional cost for replacement of lost or damaged property with "green" property and the recycling of debris consistent with "basic green standards" of a "green standards organization"; or
    - ii. The additional cost for replacement of lost or damaged property with "green" property or the recycling of debris consistent with the same standards level of the "green standards organization" if the building or commercial interior has already met that higher level. This applies whether the building or commercial interior was certified at the time of the loss or not;

(3) With respect to Business Personal Property Other than Tenant Improvements and Betterments (**A.3.** above), the additional cost for replacement of lost or damaged property with "green" property and the recycling of debris consistent with "basic green standards" of a "green standards organization"; or

(4) Up to 15% of the amount that would have been paid had this endorsement not been included with the policy;

**B.** Subject to the provisions of Paragraph **A.** above in this Section:

(1) The limit in any one loss occurrence for Green Property Increased Cost is the most we will pay under this endorsement regardless of the number of covered buildings or locations;

(2) The limit in any one policy period for Green Property Increased Cost is the most we will pay for all covered losses under this endorsement in any one policy period regardless of the number of covered buildings, locations or losses.

(3) The limits of insurance provided by Green Property — Increased Cost are in addition to the Limits of Insurance shown in the declarations.

## **B. GREEN SOFT COSTS**

The following is added under Additional Coverages in the Building and Business Personal Property, Condominium Association and Condominium Commercial Unit-Owners Coverage Forms:

The coverages listed in this **SECTION B.** apply following total loss or damage to buildings or tenant improvements and betterments. However, if the buildings or tenant improvements and betterments were previously constructed in accordance with the standards of a "green standards organization", the coverages in **SECTION B.** apply to all losses.

### **1. LEED Accredited Green Design Professionals**

We will pay reasonable additional costs for the fees of architects or engineers granted LEED accreditation by the United States Green Building Council.

## **2. Recertification or Certification**

a. If the building or commercial interior was certified by a "green standards organization" prior to the loss, we will pay the additional reasonable and necessary fees for recertification with the same "green standards organization" for the same level of certification that existed prior to the loss.

b. If the building or commercial interior was not certified by a "green standards organization" prior to the loss, we will pay the reasonable and necessary costs to certify it for "basic green standards" level.

## **3. Testing of Building Systems**

We will pay the necessary and reasonable expenses to test building systems and building equipment to determine whether or not they are functioning in accordance with the planned specifications.

We will not pay expenses to test production equipment used in your business.

## **4. Ventilation**

We will pay for the reasonable and necessary costs you incur to flush out or ventilate the air in the repaired, replacement or reconstructed building or commercial interior in accordance with the applicable standards of the "green standards organization".

## **5. Limit of Insurance**

a. Subject to the provisions in Paragraphs **A.1.** through **4.** above, the most we will pay for Green Soft Costs is the limit of insurance in the Schedule applicable to Green Soft Costs.

b. The limit in any one loss occurrence is the most we will pay under this endorsement for Green Soft Costs regardless of the number of covered buildings or locations.

c. The limit in any one policy period is the most we will pay under this endorsement for Green Soft Costs in any one policy period regardless of the number of covered buildings, locations or losses.

d. The limit of insurance provided by Green Soft Costs is in addition to the Limits of Insurance shown in the declarations.

### C. GREEN INCREASED PERIOD OF RESTORATION

The following is added under Additional Coverages in the Business Income (and Extra Expense) Coverage Form and the Business Income (without Extra Expense) Coverage Form, or the Extra Expense Coverage Form.

1. The "period of restoration" is extended to include the increased period of time required to repair, replace or reconstruct lost or damaged building, improvements and betterments or business personal property using products, materials, design and construction methods covered by the provisions in **SECTION A.** of this endorsement.
2. This coverage applies for up to 30 days beyond the "period of restoration" that would have otherwise occurred.
3. Coverage included in this Section is included in and does not increase the limit or limits of insurance applicable to Business Income and/or Extra Expense shown in the Declarations.

### D. EXCESS ORDINANCE OR LAW COVERAGE

1. The coverage provided by this endorsement shall apply in excess of any coverage provided in this policy elsewhere for Ordinance or Law covering the repair, replacement or reconstruction of property to the standards of a "green standards organization" or for other environmentally friendly or sustainable design features mandated by the applicable building code.
2. The coverage provided in this **SECTION D.** applies to the Increased Cost of Construction part of Ordinance or Law Coverage. It does not apply to any costs to demolish property or for loss to undamaged property.
3. The coverage provided in this **SECTION D.** does not apply to additional costs for use of "green" construction materials or construction methods or processes or payment of professionals fees or other expenses covered under **SECTION C.** broader in scope than that provided in **SECTIONS A.** or **B.** of this endorsement.
4. The coverage provided in this **SECTION D.** does not apply to any costs due to an Ordinance or Law that you were required but failed to comply with before the loss.

### E. ADDITIONAL EXCLUSIONS

1. The coverages provided by this endorsement do not apply to the following:
  - a. Newly acquired property;
  - b. Property at locations not specified; or
  - c. Property at unnamed locations.

2. The coverages provided by this endorsement do not apply to any increased loss payment:
  - a. To clean up or remove "pollutants";
  - b. To clean up, remove, restore or replace property because of the presence of "fungus", wet or dry rot or bacteria; or
  - c. Attributable to any standards you did not comply with before the loss.

Paragraph **2.b.** does not apply in New York.

### F. Definitions

The following definitions are added:

1. "Green" means: building materials, components, products, equipment; and construction and design methods and technologies which reduce environmental impact through conservation of energy, water and other natural resources. This includes creation of less toxic and cleaner buildings and surrounding environments.
2. "Green Standards Organization" means a recognized authority on "green" including:
  - a. The United States Green Building Council (USGBC) with its Leadership in Energy and Environmental Development (LEED® grading system);
  - b. The Green Building Initiative with its Green Globes® assessment and rating system;
  - c. The United States Department of Energy and Environmental Protection Agency's "Energy Star®" requirements; and
  - d. Other building site use and development, water saving, energy efficiency, materials, equipment, appliances or other environmental quality designed and maintained standards.
2. "Basic Green Standards" means the first level or least rigorous level of the grading or evaluation systems applied to a building, structure, or commercial interior by a "green standards organization".

### G. Amended Condition — Coinsurance

The Coinsurance condition does not apply to the coverage provided in this endorsement.

# CRISIS RESPONSE COVERAGE

POLICY NUMBER: s 2565687

BUSINESSOWNERS  
CP 76 13 05 13

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

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

### SCHEDULE

<b>CRISIS INCIDENT BUSINESS INCOME (AND EXTRA EXPENSE)</b>	\$25,000	<b>Any One Crisis Incident At Any One Covered Location</b>
	\$25,000	<b>All Crisis Incidents At Any One Covered Location In Any One Policy Period</b>
<b>CRISIS INCIDENT COUNSELING EXPENSE</b>	\$10,000	<b>Any One Crisis Incident At Any One Covered Location</b>
	\$10,000	<b>All Crisis Incidents At Any One Covered Location In Any One Policy Period</b>

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

**A. CRISIS INCIDENT BUSINESS INCOME (AND EXTRA EXPENSE)**

**1. Crisis Incident Business Income**

- a. We will pay for the actual loss of "crisis incident business income" you sustain due to the necessary "suspension" of your "operations" during the "crisis incident period of restoration". The "suspension" must be caused by a "covered crisis incident" at a "covered location". Coverage applies to loss sustained at the "covered location" where the "covered crisis incident" occurred.
- b. If the necessary "suspension" of your "operations" caused by or resulting from the "covered crisis incident" produces a "crisis incident business income" loss payable under this policy, we will pay for the actual loss of business income you sustain during the policy period that:

- (1) Begins on the date "operations" are resumed or tenability of the covered location is returned to its pre-loss level; and

**(2) Ends on the earlier of:**

- (a) The date you could restore your "operations" with reasonable speed, to the level that would generate business income comparable to the level that would have existed had no "covered crisis incident" occurred; or
- (b) The date you could have restored the covered premises with reasonable speed to a level that would have generated the rental income that would have existed if the "covered crisis incident" had not occurred; or
- (c) Thirty (30) consecutive days after the date determined in **(2)(a)** above.

- c. Coverage will begin after a twenty-four (24) hour Waiting Period and end the earlier of the date your "operations" is restored to its pre-loss condition; or sixty (60) consecutive days after the "covered crisis incident".

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## 2. Crisis Incident Extra Expense

a. We will pay "Crisis Incident Extra Expense" (other than the expense to repair or replace property) you incur during the "crisis incident period of restoration" caused by or resulting from a "covered crisis incident" to:

(1) Avoid or minimize the "suspension" of business and to continue operations at the "covered location" or at replacement or temporary location, including relocation expenses and costs to equip and operate the replacement location or temporary location; or

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

Coverage applies to expenses incurred at the "covered location" where the "covered crisis incident" occurred.

b. This coverage will end the earlier of:

(1) The date your "operations" is restored to a condition similar to that which would have existed had there been no "covered crisis incident"; or

(2) Sixty (60) consecutive days after the "covered crisis incident".

c. We will not pay for the following under "Crisis Incident Extra Expense":

(1) The base salary of employees responsible for public relations or communications functions for you;

(2) Retainers or other on-going contracted fees from a Public Relations or Communications Organization in effect at the time of the "covered crisis incident";

(3) Ransom payments; or

(4) Fines or penalties.

d. No deductible applies to "Crisis Incident Extra Expense".

### e. Limits for Crisis Incident Business Income (And Extra Expense)

The most we will pay for loss:

(1) In any one "covered crisis incident" at any one "covered location"; and

(2) In any one policy year for All Crisis Incidents at any one "covered location",

is the applicable Limit of insurance in the Schedule.

If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss sustained during the policy period. With respect to an incident which begins in one policy period and continues or results in additional loss in subsequent policy period(s), all loss is deemed to be sustained in the policy period in which it occurs.

## B. OFF-PREMISES CRISIS INCIDENT EXTRA EXPENSE

1. We will pay "Off-Premises Crisis Incident Extra Expense" you incur because of "covered crisis incidents" away from the "covered location" for up to sixty (60) consecutive days after the "covered crisis incident".

2. The most we will pay for "Off-Premises Crisis Incident Extra Expense" in any one policy year is \$15,000, regardless of the number of "covered crisis incidents" or "covered locations". This limit is in addition to the Limits of Insurance shown in the Schedule of this endorsement.

3. We will not pay for the following under "Off-Premises Crisis Incident Expense":

a. The base salary of your employees responsible for public relations or communications functions;

b. Retainers or other on-going contracted fees from a Public Relations or Communications Organization in effect at the time of the "Covered Crisis Incident";

c. Ransom payments; or

d. Fines or penalties.

4. No deductible applies to "Off-Premises Crisis Incident Extra Expense".

### C. CRISIS INCIDENT COUNSELING EXPENSE

1. We will pay reasonable and necessary expenses incurred by you for group crisis counseling services you provide following a "covered crisis incident" at a "covered location". Coverage applies to expenses incurred at the "covered location" where the "covered crisis incident" occurred. Expense payments apply for up to sixty (60) days from the date the "covered crisis incident" occurs. We will not pay for expenses occurring after this sixty (60) day period, even if they are related to other expenses which began during the sixty (60) day coverage period.
2. Crisis Incident Counseling Expense does not apply to loss caused by or resulting from food contamination shutdown
3. Coverage does not apply to individuals who participated in or were responsible for the "covered crisis incident."
4. The most we will pay under Crisis Incident Counseling Expense:
  - a. In any one "covered crisis incident" at any one "covered location" is the Crisis Incident Counseling Expense Any One Crisis Incident At Any One Covered Location limit in the Schedule; and
  - b. For all expenses for "covered crisis incidents" in any one policy period is the Crisis Incident Counseling Expense All Crisis Incidents Any One Policy Period limit in the Schedule.
5. No deductible applies to this coverage.

### D. CONDITIONS

1. The Other Insurance Condition is replaced by the following:
  - a. Other Insurance
    - (1) If the loss is also covered elsewhere under this policy or in a separate policy, we will pay only for the amount of the loss in excess of the amount due from the other insurance, whether collectible or not.
    - (2) If the other insurance coverage has a higher deductible, we will pay for the difference between the deductible applicable to the coverage in this endorsement and the deductible applicable to the other coverage.

- (3) With respect to Crisis Incident Counseling Expense, other insurance includes insurance coverage or non-insurance services from an Employee Assistance Plan or similar service for mental health counseling or crisis intervention for your employees.

### E. LOSS CONDITIONS

The following conditions apply in addition to the General Conditions, Property Loss Conditions and Property General Conditions.

#### 1. Appraisal

If we and you disagree on the amount of the Net Income and operating expense or the amount of loss, either may make a 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 twenty (20) days of such demand.

The two appraisers will select an umpire. If they cannot agree within fifteen (15) days upon such umpire, either may request the selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense amount of loss. If they fail to agree, they will submit the difference 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

In the event of a "covered crisis incident" you must:

- a. Notify law enforcement if a law may have been broken.
- b. Notify us as soon as practicable that a "covered crisis incident" has taken place or that another incident or incidents possibly leading to a "covered crisis incident" or "covered crisis incidents" has or have taken place.
- c. Upon our request, submit written notification if the initial notification was made verbally.

- d. Include the following in the notice:
    - (1) The how, when and where of the "covered crisis incident";
    - (2) Names, addresses and other pertinent information pertaining to injured persons or witnesses; and
    - (3) The nature and location of injuries and damages arising out of the "covered crisis incident".
  - e. Notify us as soon as practicable if you intend to provide crisis counseling services.
  - f. Take all reasonable steps to protect the "covered location" from further loss or damage and the individuals from further injury. These steps will not increase the limits of insurance, but will be included for consideration in the settlement of the claim.
  - g. As often as may be reasonably required, permit us to inspect the property to prove the injury, damage or loss and to examine your books and records.
  - h. Send us a signed, sworn proof of loss containing the information we request to investigate the claims within sixty (60) days of our request. We will supply you with the necessary forms.
  - i. Cooperate with us in the investigation or settlement of the claim.
  - j. If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.
3. 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.

## F. LOSS DETERMINATION

- 1. The amount of Crisis Incident Business Income loss will be determined based on:
  - a. The Net Income of the business before the "covered crisis incident" occurred;

- b. The likely Net Income of the business if no "covered crisis incident" 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 crisis incident" on customers or on other businesses
  - c. The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the "covered crisis incident"; and
  - d. Other relevant sources of information, including:
    - (1) Your financial records and accounting procedures;
    - (2) Bills, invoices and other vouchers; and
    - (3) Deeds, liens or contracts.
2. The amount of Crisis Incident Extra Expense will be determined based on:
- a. All expenses, including "crisis incident communications expenses", that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if the "covered crisis incident" had not occurred.

We will deduct from the total of such expenses:

- (1) The salvage value that remains of any property bought for temporary use during the "crisis incident period of restoration", once "operations" are resumed; and
  - (2) 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
- b. Necessary expenses that reduce the Business Income loss that otherwise would have been incurred.



### 3. Resumption Of Operations

We will reduce the amount of your:

- a. Crisis Incident Business Income Loss, other than Crisis Incident Extra Expense, to the extent you can resume your normal "operations", in whole or in part at the described premises or elsewhere.
- b. Crisis Incident Extra Expense loss to the extent you can return "operations" to normal and discontinue such Crisis Incident Extra Expense.
4. 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.

### G. DEFINITIONS

1. "Communicable disease" means bacterial micro organism transmitted through human contact to food.
2. "Covered crisis incident" means.

a. Violent Act.

A physical act or attempted act done with malice and intent to cause injury or death to person or persons.

This excludes acts committed, threatened or attempted by you, or any of your partners, directors, officers or trustees.

b. The following threatened, attempted or committed acts:

(1) Abduction or kidnapping. The wrongful and illegal seizure of a person. This does not apply to abduction or kidnapping of the person by a parent, spouse, other relative, boyfriend, girlfriend or life partner.

(2) Stalking of employees or customers;

(3) Sexual assault; or

(4) Use of a firearm.

This excludes acts committed, threatened or attempted by you, or any of your partners, directors, managers (if you are a limited liability company), officers or trustees.

c. Food Contamination Shutdown or the shutdown of a business or location by the Board of Health or other governmental body because of the discovery of, or suspicion of, "food contamination".

3. "Covered location" means any location or premises you own or occupy, including the area within 1,000 feet of the building at which these are located, where building or business personal property is insured under this policy. However, a location or premises with more than one building or business personal property in more than one building is considered one "covered location" with respect to the coverages provided by this endorsement, even if the distance between buildings is less than 1,000 feet.

4. "Crisis Incident 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, this includes the net sales value of production.

For all risks, this includes "rental value".

5. "Crisis Incident Communication Expense" means:

a. Reasonable and necessary expenses for the services of a Public Relations or Other Crisis Communications Firm to guide, advise or assist you in internal and external crisis communications; and

b. Reasonable and necessary expenses incurred by your own Communications Department beyond those of its normal communications activities for you to guide, advise or assist you in internal and external crisis communications.

6. "Crisis Incident Extra Expense" means necessary expenses, including "Crisis Incident Communication Expense" you incur during the "crisis incident period of restoration" that you would not have incurred if there had been no loss at your "covered premises" resulting from a "covered crisis incident".

7. "Crisis incident period of restoration" means the period that begins after the Waiting Period Deductible and ends on the earlier of:
  - a. The date when business is resumed or the "covered location" can be reoccupied by a tenant; or
  - b. Sixty (60) consecutive days after the "covered crisis incident" occurred.
8. "Food contamination" means the occurrence of food poisoning, or suspected food poisoning, of one or more of your patrons resulting from tainted food purchased by you or "communicable disease" transmitted by one or more of your employees.
9. "Off-Premises Crisis Incident Extra Expense" means necessary extra expense such as the additional cost of lodging, food, transportation and "Crisis Incident Communication Expense" you incur as a result of a "covered crisis incident" away from a "covered location".
10. "Operations" means:
  - a. Your business activities occurring at the described premises; and
  - b. The tenantability of the "covered location", if you receive rental income from the "covered location".
11. "Suspension" means:
  - a. The slowdown or cessation of your business activities; or
  - b. That a part or all of the "covered location" is rendered untenable, if you receive rental income from the "covered location".

Previous Policy Number

Policy Number

**ElitePac® Schedule — Lessors Risk**

<b>COVERAGE</b>	<b>LIMIT</b>
Additional Costs	\$250,000
Additional Property Covered:	
The cost of excavations, grading, backfilling or filling	Included in Bldg Limit
Foundations of buildings, structures, machinery or boilers	Included in Bldg Limit
Personal property while airborne or waterborne	Included in BPP Limit
Underground pipes, flues or drains	Included in Bldg Limit
Arson, Theft and Vandalism Rewards (not applicable in New York)	\$25,000
Back Up Of Sewer, Drain Or Sump - Direct Damage	\$100,000
Brands and Labels	Included in BPP Limit
Building Owner - Tenant Move Back Expenses	\$25,000
Business Income/Extra Expense Related Additional Coverages	
Auto Physical Damage Business Income	\$25,000
Back Up Of Sewer, Drain Or Sump - Business Income	\$100,000
Building Owner - Lessor's Leasehold Interest	\$25,000
Contractual Penalty	\$25,000
Denial of Service	\$25,000
Dependent Properties	\$100,000
Extended Period of Indemnity	365 Days
Extra Expense (applies if no Business Income - ALS coverage)	\$50,000
Food Contamination Shutdown	\$25,000
Increased Realty Tax Assessment	\$50,000
Ingress or Egress	\$50,000
Newly Acquired Locations - Business Income	\$250,000
Pollutant Clean-up and Removal - Business Income	\$25,000
Project R & D Documentation and Prototypes Business Income	Included in BI Limit
Transit Business Income	\$25,000
Unnamed Premises - Business Income	\$10,000
Utility Services - Time Element	\$25,000
Business Personal Property Seasonal Increase	10%

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<b>COVERAGE</b>	<b>LIMIT</b>
Change of Temperature and Humidity	Included
Claim Expenses	\$25,000
Consequential Loss to Stock	Included in Valuation
Debris Removal - Additional Limit	\$250,000
Deductible (waiver of multiple property deductibles)	Included
Deferred Payments	\$25,000
Fire Department Service Charge	\$10,000
Fire Extinguishing Equipment	Actual Loss Sustained
Inland Marine Related Coverages	
Accounts Receivable	\$100,000
Electronic Information Systems (aka Computer Equipment and Electronic Data)	\$100,000
Fine Arts	\$25,000
Installation Property	\$25,000
Mobile Equipment	\$25,000
Personal Effects - Within the Coverage Territory	\$5,000 Per Person \$25,000 Per Occurrence
Personal Effects - Outside the Coverage Territory	\$5,000 Per Person \$25,000 Per Occurrence
Property in Transit - Within the Coverage Territory	\$50,000
Property in Transit - Outside The Coverage Territory	\$10,000
Refrigerated Property - In Transit	\$25,000
Salesperson's Samples - Within the Coverage Territory	\$25,000
Salesperson's Samples - Outside the Coverage Territory	\$10,000
Tools and Equipment	\$10,000
Valuable Papers and Records	\$100,000
Lock Replacement	\$10,000
Marring and Scratching	Included
Members and Guests Property	\$1,000 Per Person \$25,000 Per Occurrence
Newly Acquired or Constructed Property - Building Per Location	\$1,000,000
Newly Acquired or Constructed Property - Business Personal Property Per Location	\$500,000

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<b>COVERAGE</b>	<b>LIMIT</b>
Non-Owned Detached Trailers	\$10,000
Ordinance or Law Coverage	
Coverage A - Undamaged Parts of a Building	Included in Bldg Limit
Coverage B - Demolition Cost	\$500,000
Coverage C - Increased Cost of Construction	\$500,000
Coverage D - Tenants Improvements and Betterments	\$25,000
Outdoor Property	\$100,000
Outdoor Trees, Shrubs and Plants (\$2,500 any one item)	\$25,000
Personal Property At Unnamed Premises - Within The Coverage Territory	\$50,000
Personal Property At Unnamed Premises - Outside The Coverage Territory	\$10,000
Personal Property of Others	Included in BPP Limit
Pollutant Clean-up and Removal	\$25,000
Premises Boundary Increased Distance	1,000 Feet
Preservation of Property	60 Days
Replacement Cost Valuation for Personal Property of Others	Included
Selling Price Valuation	Included
Spoilage (formerly Refrigerated Property)	\$25,000
Tenant Building and Business Personal Property Coverage Required By Lease	\$25,000
Tenant's Building Glass Liability	Included in BPP Limit
Tenant Lease Assessment	\$5,000
Tenant Leasehold Improvements	\$25,000
Theft Damage to Building	Included in BPP Limit
Theft Limitation Amendments	
Furs	\$5,000
Patterns, Dies, Molds and Forms	Included in BPP Limit
Precious Metals	\$10,000
Utility Service - Direct Damage	\$25,000
Voluntary Parting by Trick, Scheme or Device	Included

# BUILDING AND PERSONAL PROPERTY COVERAGE FORM

COMMERCIAL PROPERTY  
CP 00 10 10 12

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

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

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

## A. Coverage

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

### 1. Covered Property

Covered Property, as used in this Coverage Part, means the type of property described in this section, **A.1.**, and limited in **A.2.** Property Not Covered, if a Limit of Insurance is shown in the Declarations for that type of property.

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

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

### b. Your Business Personal Property

consists of the following property located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of the building or structure or within 100 feet of the premises described in the Declarations, whichever distance is greater:

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

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

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

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

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## 2. Property Not Covered

Covered Property does not include:

- a. Accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;
- b. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavations, grading, backfilling or filling;
- g. Foundations of buildings, structures, machinery or boilers if their foundations are below:
  - (1) The lowest basement floor; or
  - (2) The surface of the ground, if there is no basement;
- h. Land (including land on which the property is located), water, growing crops or lawns (other than lawns which are part of a vegetated roof);
- i. Personal property while airborne or waterborne;
- j. Bulkheads, pilings, piers, wharves or docks;
- k. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- l. Retaining walls that are not part of a building;
- m. Underground pipes, flues or drains;
- n. Electronic data, except as provided under the Additional Coverage, Electronic Data. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This Paragraph, n., does not apply to your "stock" of prepackaged software, or to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system;
- o. The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data;
- p. Vehicles or self-propelled machines (including aircraft or watercraft) that:
  - (1) Are licensed for use on public roads; or
  - (2) Are operated principally away from the described premises.

This paragraph does not apply to:

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

q. The following property while outside of buildings:

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

### 3. Covered Causes Of Loss

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

### 4. Additional Coverages

#### a. Debris Removal

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

(f) Extract "pollutants" from land or water; or

(g) Remove, restore or replace polluted land or water.

(3) Subject to the exceptions in Paragraph (4), the following provisions apply:

(a) The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.

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

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

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

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

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



## (5) Examples

The following examples assume that there is no Coinsurance penalty.

### Example 1

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

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

### Example 2

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

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

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

## b. Preservation Of Property

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

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

## c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000 for service at each premises described in the Declarations, unless a higher limit is shown in the Declarations. Such limit is the most we will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed.

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

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

No Deductible applies to this Additional Coverage.

## d. Pollutant Clean-up And Removal

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

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

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

**e. Increased Cost Of Construction**

- (1) This Additional Coverage applies only to buildings to which the Replacement Cost Optional Coverage applies.
- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with the minimum standards of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in **e.(3)** through **e.(9)** of this Additional Coverage.
- (3) The ordinance or law referred to in **e.(2)** of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises and is in force at the time of loss.
- (4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:
  - (a) You were required to comply with before the loss, even when the building was undamaged; and
  - (b) You failed to comply with.
- (5) Under this Additional Coverage, we will not pay for:
  - (a) The enforcement of or compliance with any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
  - (b) Any costs associated with the enforcement of or compliance with an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

- (6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is \$10,000 or 5% of the Limit of Insurance applicable to that building, whichever is less. If a damaged building is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for that damaged building, is the lesser of \$10,000 or 5% times the value of the damaged building as of the time of loss times the applicable Coinsurance percentage.

The amount payable under this Additional Coverage is additional insurance.

- (7) With respect to this Additional Coverage:
  - (a) We will not pay for the Increased Cost of Construction:
    - (i) Until the property is actually repaired or replaced at the same or another premises; and
    - (ii) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
  - (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of **e.(6)** of this Additional Coverage, is the increased cost of construction at the same premises.
  - (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of **e.(6)** of this Additional Coverage, is the increased cost of construction at the new premises.
- (8) This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.

(9) The costs addressed in the Loss Payment and Valuation Conditions and the Replacement Cost Optional Coverage, in this Coverage Form, do not include the increased cost attributable to enforcement of or compliance with an ordinance or law. The amount payable under this Additional Coverage, as stated in e.(6) of this Additional Coverage, is not subject to such limitation.

**f. Electronic Data**

(1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered, Electronic Data. This Additional Coverage does not apply to your "stock" of prepackaged software, or to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system.

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

(3) The Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage, Electronic Data, subject to the following:

(a) If the Causes Of Loss - Special Form applies, coverage under this Additional Coverage, Electronic Data, is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.

(b) If the Causes Of Loss - Broad Form applies, coverage under this Additional Coverage, Electronic Data, includes Collapse as set forth in that form.

(c) If the Causes Of Loss form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Electronic Data.

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

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

**5. Coverage Extensions**

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

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

**a. Newly Acquired Or Constructed Property**

**(1) Buildings**

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

(a) Your new buildings while being built on the described premises; and

(b) Buildings you acquire at locations, other than the described premises, intended for:

- (i) Similar use as the building described in the Declarations; or
- (ii) Use as a warehouse.

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

## (2) Your Business Personal Property

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

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

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

(b) This Extension does not apply to:

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

## (3) Period Of Coverage

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

(a) This policy expires;

(b) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or

(c) You report values to us.

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

## b. Personal Effects And Property Of Others

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

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

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

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

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered, Electronic Data.
- (2) If the Causes Of Loss - Special Form applies, coverage under this Extension is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
- (3) If the Causes Of Loss - Broad Form applies, coverage under this Extension includes Collapse as set forth in that form.

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

**d. Property Off-premises**

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

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

(2) This Extension does not apply to property:

- (a) In or on a vehicle; or
- (b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.

(3) The most we will pay for loss or damage under this Extension is \$10,000.

**e. Outdoor Property**

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

(1) Fire;

(2) Lightning;

(3) Explosion;

(4) Riot or Civil Commotion; or

(5) Aircraft.

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

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

**f. Non-owned Detached Trailers**

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

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

(2) We will not pay for any loss or damage that occurs:

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

(3) The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown in the Declarations.

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

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

(1) You may extend the insurance that applies to Your Business Personal Property to apply to such property while temporarily stored in a portable storage unit (including a detached trailer) located within 100 feet of the building or structure described in the Declarations or within 100 feet of the premises described in the Declarations, whichever distance is greater.

(2) If the applicable Covered Causes of Loss form or endorsement contains a limitation or exclusion concerning loss or damage from sand, dust, sleet, snow, ice or rain to property in a structure, such limitation or exclusion also applies to property in a portable storage unit.

(3) Coverage under this Extension:

(a) Will end 90 days after the business personal property has been placed in the storage unit;

(b) Does not apply if the storage unit itself has been in use at the described premises for more than 90 consecutive days, even if the business personal property has been stored there for 90 or fewer days as of the time of loss or damage.

(4) Under this Extension, the most we will pay for the total of all loss or damage to business personal property is \$10,000 (unless a higher limit is indicated in the Declarations for such Extension) regardless of the number of storage units. Such limit is part of, not in addition to, the applicable Limit of Insurance on Your Business Personal Property. Therefore, payment under this Extension will not increase the applicable Limit of Insurance on Your Business Personal Property.

(5) This Extension does not apply to loss or damage otherwise covered under this Coverage Form or any endorsement to this Coverage Form or policy, and does not apply to loss or damage to the storage unit itself.

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

**B. Exclusions And Limitations**

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

**C. Limits Of Insurance**

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

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

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

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

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

**D. Deductible**

In any one occurrence of loss or damage (hereinafter referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss and will pay the resulting amount or the Limit of Insurance, whichever is less.

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

### Example 1

(This example assumes there is no Coinsurance penalty.)

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

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

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

\$ 60,100
- 250

\$ 59,850 Loss Payable - Building 1

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

Total amount of loss payable:

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

### Example 2

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

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

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

### E. Loss Conditions

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

#### 1. Abandonment

There can be no abandonment of any property to us.

### 2. Appraisal

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

- Pay its chosen appraiser; and
- 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

- You must see that the following are done in the event of loss or damage to Covered Property:
  - Notify the police if a law may have been broken.
  - Give us prompt notice of the loss or damage. Include a description of the property involved.
  - As soon as possible, give us a description of how, when and where the loss or damage occurred.
  - 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.
  - At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.

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

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

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

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

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

#### 4. Loss Payment

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

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

- b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.
- c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.

- d. We will not pay you more than your financial interest in the Covered Property.

- e. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.

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

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

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

(2) An appraisal award has been made.

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

#### 5. Recovered Property

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



## 6. Vacancy

### a. Description Of Terms

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

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

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

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

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

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

### b. Vacancy Provisions

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

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

(a) Vandalism;

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

(c) Building glass breakage;

(d) Water damage;

(e) Theft; or

(f) Attempted theft.

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

## 7. Valuation

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

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

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

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

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

(1) Awnings or floor coverings;

(2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or

(3) Outdoor equipment or furniture.

c. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.

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

e. Tenants' Improvements and Betterments at:

(1) Actual cash value of the lost or damaged property if you make repairs promptly.

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

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

(b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

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

**F. Additional Conditions**

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

**1. Coinsurance**

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

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

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

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

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

**Example 1 (Underinsurance)**

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

Step (1):  $\$250,000 \times 80\% = \$200,000$

(the minimum amount of insurance to meet your Coinsurance requirements)

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

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

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

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

**Example 2 (Adequate Insurance)**

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

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

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

**Example 3**

When: The value of the property is:  
 Building at Location 1: \$ 75,000  
 Building at Location 2: \$ 100,000  
 Personal Property at Location 2: \$ 75,000  
 \$ 250,000

The Coinsurance percentage for it is: 90%

The Limit of Insurance for Buildings and Personal Property at Locations 1 and 2 is: \$ 180,000  
 The Deductible is: \$ 1,000

The amount of loss is:  
 Building at Location 2: \$ 30,000  
 Personal Property at Location 2: \$ 20,000  
 \$ 50,000

Step (1):  $\$250,000 \times 90\% = \$225,000$

(the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

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

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

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

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

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## 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 of this Coverage Form.
- b. This Optional Coverage does not apply to:
  - (1) Personal property of others;
  - (2) Contents of a residence;
  - (3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or
  - (4) "Stock", unless the Including "Stock" option is shown in the Declarations.

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

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

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

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

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

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

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

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

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

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

#### H. Definitions

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
3. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

# BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

COMMERCIAL PROPERTY  
CP 00 30 10 12

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".

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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 for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption

which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.

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

## 6. Coverage Extension

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

### Newly Acquired Locations

- a. You may extend your Business Income and Extra Expense Coverages to apply to property at any location you acquire other than fairs or exhibitions.
- b. The most we will pay under this Extension, for the sum of Business Income loss and Extra Expense incurred, is \$100,000 at each location, 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:

(6) Cost of raw stock and factory supplies

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;

#### Example 2 (Adequate Insurance)

- 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.

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:	\$ 30,000
		<hr/>
		\$ 90,000
	We will pay:	
	Days 1-30:	\$ 30,000
	Days 31-60:	\$ 20,000
	Days 61-90:	\$ 30,000
		<hr/>
		\$ 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):  $\$100,000 \div \$200,000 = .50$

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

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

### 4. Extended Period Of Indemnity

Under Paragraph 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.

# COMMERCIAL PROPERTY CONDITIONS

## COMMERCIAL PROPERTY

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.

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**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.



# NEW MEXICO CHANGES

COMMERCIAL PROPERTY  
CP 01 36 03 00

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

This endorsement modifies insurance provided under the following:

### COMMERCIAL PROPERTY COVERAGE PART

- A.** With respect to coverage provided under this Coverage Part for one through four family residential buildings which you own and lease to others for use as a residence the Replacement Cost Optional Coverage applies. For such one through four family residential buildings, Paragraphs **c.** and **d.** of the Replacement Cost Optional Coverage are replaced by the following:
- c.** We will pay, subject to the Limit of Insurance, no more than the actual cash value of the damaged residential building until the actual repair or replacement is complete. However, if the actual cash value amount is insufficient to initiate repair or replacement of the damaged residential building, we will advance to you the amount necessary for you to initiate such repair or replacement. After the payment of actual cash value or such greater amount as described above, we will advance further amounts as necessary to continue the repair or replacement. The total of all advances and other payments hereunder will not exceed the amount allowed under Paragraph **e.** of the Replacement Cost Optional Coverage, nor will that total exceed the amount of loss payment we agree upon.
- Under this loss settlement procedure, the following special provisions apply:
- (1) You shall promptly forward to us evidence of the agreement with the party repairing or replacing the damaged residential building showing the cost and estimated completion date of the repairs to the building;
- (2) We will send to you the balance, if any, of the loss payment previously agreed upon when you forward to us evidence of the completion of the repairs to the damaged residential building.
- d.** You may disregard the replacement cost optional coverage provisions and make claim under this policy, for loss or damage to a residential building, on an actual cash value basis. You may then make claim within 180 days after loss for any additional liability according to the provisions stated in **c.** above.
- B.** The following exclusion and related provisions are added to the Causes Of Loss Forms and to any Coverage Form to which a Causes Of Loss Form is not attached:
1. We will not pay for loss or damage arising out of any act committed:
    - a. By or at the direction of any insured; and
    - b. With the intent to cause a loss.
  2. However, this exclusion will not apply to deny coverage to an innocent coinsured victim of domestic abuse who did not cooperate in or contribute to the creation of the loss provided that the loss is otherwise covered under this Coverage Part and is proximately related to and in furtherance of domestic abuse.
  3. If we pay a claim pursuant to Paragraph **B.2.** of this endorsement, our payment to the insured is limited to the extent of that person's interest in the property. In no event will we pay more than the Limit of Insurance.
- C.** The following is added to the **Transfer Of Rights Of Recovery Against Others To Us** Condition in the Commercial Property Conditions:
- If we pay an innocent coinsured victim of domestic abuse for loss arising out of an act of domestic abuse by another insured, the rights of the innocent coinsured to recover damages from the perpetrator of the domestic abuse are transferred to us to the extent of our payment. Following the loss, the innocent coinsured may not waive such rights to recover against the perpetrator of the domestic abuse.
- D.** In Paragraphs **B.** and **C.** of this endorsement, domestic abuse means attempting to cause or intentionally, knowingly or recklessly causing damage to property for the purpose of intimidating or attempting to control the behavior of another person, including a minor.

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# EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

COMMERCIAL PROPERTY  
CP 01 40 07 06

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

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART  
STANDARD PROPERTY POLICY

- A.** The exclusion set forth in Paragraph **B.** applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
- B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.  
  
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 or Policy.
- C.** With respect to any loss or damage subject to the exclusion in Paragraph **B.**, such exclusion supersedes any exclusion relating to "pollutants".
- D.** The following provisions in this Coverage Part or Policy are hereby amended to remove reference to bacteria:
  - 1.** Exclusion of "Fungus", Wet Rot, Dry Rot And Bacteria; and
  - 2.** Additional Coverage — Limited Coverage for "Fungus", Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.
- E.** The terms of the exclusion in Paragraph **B.**, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.

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# CAUSES OF LOSS — SPECIAL FORM

COMMERCIAL PROPERTY  
CP 10 30 09 17

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

## A. Covered Causes Of Loss

When Special is shown in the Declarations, Covered Causes of Loss means direct physical loss unless the loss is excluded or limited in this policy.

## B. Exclusions

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

### a. Ordinance Or Law

The enforcement of or compliance with any ordinance or law:

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

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

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

### b. Earth Movement

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

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

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

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

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

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

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

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

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

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**c. Governmental Action**

Seizure or destruction of property by order of governmental authority.

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

**d. Nuclear Hazard**

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

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

**e. Utility Services**

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

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

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

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

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

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

**f. War And Military Action**

- (1) War, including undeclared or civil war;

- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**g. Water**

- (1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);

- (2) Mudslide or mudflow;

- (3) Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;

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

- (a) Foundations, walls, floors or paved surfaces;

- (b) Basements, whether paved or not; or

- (c) Doors, windows or other openings; or

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

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

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

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

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

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

This exclusion does not apply:

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

Exclusions **B.1.a.** through **B.1.h.** apply whether or not the loss event results in widespread damage or affects a substantial area.

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

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

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

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

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

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

- b.** Delay, loss of use or loss of market.
- c.** Smoke, vapor or gas from agricultural smudging or industrial operations.

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

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

- e.** Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- f.** Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.

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

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

**h.** Dishonest or criminal act (including theft) by you, any of your partners, members, officers, managers, employees (including temporary employees and leased workers), directors, trustees or authorized representatives, whether acting alone or in collusion with each other or with any other party; or theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion:

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

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

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

**k.** Collapse, including any of the following conditions of property or any part of the property:

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

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

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

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

**l.** Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion, **l.**, does not apply to damage to glass caused by chemicals applied to the glass.

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

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

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

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

**c.** Faulty, inadequate or defective:

- (1)** Planning, zoning, development, surveying, siting;

- (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- (3) Materials used in repair, construction, renovation or remodeling; or
- (4) Maintenance;

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

#### 4. Special Exclusions

The following provisions apply only to the specified Coverage Forms.

##### a. Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Or Extra Expense Coverage Form

We will not pay for:

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

This exclusion does not apply to Extra Expense.

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

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

- (5) Any other consequential loss.

##### b. Leasehold Interest Coverage Form

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

##### c. Legal Liability Coverage Form

- (1) The following exclusions do not apply to insurance under this Coverage Form:
  - (a) Paragraph B.1.a., Ordinance Or Law;
  - (b) Paragraph B.1.c., Governmental Action;
  - (c) Paragraph B.1.d., Nuclear Hazard;
  - (d) Paragraph B.1.e., Utility Services; and
  - (e) Paragraph B.1.f., War And Military Action.
- (2) The following additional exclusions apply to insurance under this Coverage Form:

##### (a) Contractual Liability

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

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

**(b) Nuclear Hazard**

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

**5. Additional Exclusion**

The following provisions apply only to the specified property.

**Loss Or Damage To Products**

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

**C. Limitations**

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

1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.

- a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.

c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:

- (1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
- (2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

d. Building materials and supplies not attached as part of the building or structure, caused by or resulting from theft.

However, this limitation does not apply to:

- (1) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or
- (2) Business Income Coverage or Extra Expense Coverage.

e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.

f. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.

g. Lawns, trees, shrubs or plants which are part of a vegetated roof, caused by or resulting from:

- (1) Dampness or dryness of atmosphere or of soil supporting the vegetation;
- (2) Changes in or extremes of temperature;
- (3) Disease;
- (4) Frost or hail; or
- (5) Rain, snow, ice or sleet.

2. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:

- a. Animals, and then only if they are killed or their destruction is made necessary.



- b. Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:

- (1) Glass; or
- (2) Containers of property held for sale.

- c. Builders' machinery, tools and equipment owned by you or entrusted to you, provided such property is Covered Property.

However, this limitation does not apply:

- (1) If the property is located on or within 100 feet of the described premises, unless the premises is insured under the Builders Risk Coverage Form; or

- (2) To Business Income Coverage or to Extra Expense Coverage.

3. The special limit shown for each category, **a.** through **d.**, is the total limit for loss of or damage to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are (unless a higher limit is shown in the Declarations):

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

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

This limitation, **C.3.**, does not apply to Business Income Coverage or to Extra Expense Coverage.

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

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

#### D. Additional Coverage — Collapse

The coverage provided under this Additional Coverage, Collapse applies only to an abrupt collapse as described and limited in **D.1.** through **D.7.**

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

- c. A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
4. With respect to the following property:
- a. Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;
  - b. Awnings, gutters and downspouts;
  - c. Yard fixtures;
  - d. Outdoor swimming pools;
  - e. Fences;
  - f. Piers, wharves and docks;
  - g. Beach or diving platforms or appurtenances;
  - h. Retaining walls; and
  - i. Walks, roadways and other paved surfaces;
- if an abrupt collapse is caused by a cause of loss listed in **2.a.** through **2.d.**, we will pay for loss or damage to that property only if:
- (1) Such loss or damage is a direct result of the abrupt collapse of a building insured under this Coverage Form; and
  - (2) The property is Covered Property under this Coverage Form.
5. If personal property abruptly falls down or caves in and such collapse is **not** the result of abrupt collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:
- a. The collapse of personal property was caused by a cause of loss listed in **2.a.** through **2.d.**;
  - b. The personal property which collapses is inside a building; and
  - c. The property which collapses is not of a kind listed in **4.**, regardless of whether that kind of property is considered to be personal property or real property.

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

6. This Additional Coverage, Collapse, does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

7. This Additional Coverage, Collapse will not increase the Limits of Insurance provided in this Coverage Part.
8. The term Covered Cause of Loss includes the Additional Coverage, Collapse as described and limited in **D.1.** through **D.7.**

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

1. The coverage described in **E.2.** and **E.6.** only applies when the "fungus", wet or dry rot or bacteria are the result of one or more of the following causes that occur during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.

- a. A "specified cause of loss" other than fire or lightning; or
- b. Flood, if the Flood Coverage Endorsement applies to the affected premises.

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

2. We will pay for loss or damage by "fungus", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:
- a. Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;
  - b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and
  - c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.
3. The coverage described under **E.2.** of this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) and Flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the "fungus", wet or dry rot or bacteria continue to be present or active, or recur, in a later policy period.

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

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

5. The terms of this Limited Coverage do not increase or reduce the coverage provided under Paragraph **F.2.** (Water Damage, Other Liquids, Powder Or Molten Material Damage) of this Causes Of Loss form or under the Additional Coverage, Collapse.
6. The following, **6.a.** or **6.b.**, applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense Coverage Form.
- a. If the loss which resulted in "fungus", wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to loss or damage to property caused by "fungus", wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
- b. If a covered "suspension" of "operations" was caused by loss or damage other than "fungus", wet or dry rot or bacteria but remediation of "fungus", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

## F. Additional Coverage Extensions

### 1. Property In Transit

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

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

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

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

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

### 3. Glass

- a. We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.

- b. We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

This Coverage Extension, **F.3.**, does not increase the Limit of Insurance.

#### **G. Definitions**

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

- (2) Accidental discharge or leakage of water or waterborne material as the direct result of the breaking apart or cracking of a water or sewer pipe caused by wear and tear, when the pipe is located off the described premises and is connected to or is part of a potable water supply system or sanitary sewer system operated by a public or private utility service provider pursuant to authority granted by the state or governmental subdivision where the described premises are located.

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

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

# SYSTEMS POWER PAC

COMMERCIAL PROPERTY  
CP 75 51 05 11

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

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

### SECTION — I

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

#### A. ADDITIONAL COVERAGE — EQUIPMENT BREAKDOWN.

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

1. We will pay for direct physical damage to Covered Property that is the direct result of an "accident." As used in this Additional Coverage, "accident" means a fortuitous event that causes direct physical damage to "covered equipment." The event must be one of the following:

- a. Mechanical breakdown, including rupture or bursting caused by centrifugal force;
- b. Artificially generated electrical, magnetic or electromagnetic energy, including electric arcing, that damages, disturbs, disrupts or otherwise interferes with any electrical or electronic wire, device, appliance, system or network;
- c. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
- d. Loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
- e. Loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.

2. Unless otherwise shown in a Schedule, the following coverages also apply to the direct result of an "accident." These coverages do not provide additional amounts of insurance.

#### a. Expediting Expenses

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

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

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

#### b. Hazardous Substances

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

This does not include contamination of "perishable goods" by refrigerant, including but not limited to ammonia, which is addressed in **2.c.(1)(b)** below.

As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no "hazardous substance" been involved.

The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$250,000 unless otherwise shown in a Schedule.

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**c. Spoilage**

**(1) We will pay:**

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

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

The most we will pay for loss, damage or expense under this coverage is \$250,000 unless otherwise shown in a Schedule or the Spoilage Limit endorsement.

**d. Service Interruption**

**(1) Any insurance provided for Business Income, Extra Expense or Spoilage is extended to apply to your loss, damage or expense caused by the interruption of utility services. The interruption must result from an "accident" to equipment, including overhead transmission lines, that is owned by a utility, landlord, a landlord's utility or other supplier who provides you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, propane gas, compressed air, water, steam, internet access, telecommunications services, wide area networks or data transmission. The equipment must meet the definition of "covered equipment" except that it is not Covered Property.**

**(2) Unless otherwise shown in a Schedule, we will not pay for any loss of Business Income you sustain that results from the interruption of utility services during the first 24 hours following the "accident." However, if a deductible is shown in the Systems Power Pac Deductible Endorsement as provided for in SECTION — II, Paragraph A., or if the "period of restoration" begins more than 24 hours after the time of the direct physical damage for Business Income, then that deductible or time period will apply instead of the 24 hours provided for in this paragraph.**

**(3) The most we will pay in any "one accident" for loss, damage or expense under this coverage is the applicable limit for Business Income, Extra Expense or Spoilage, except that if a limit is shown in a Schedule for Service Interruption, that limit will apply to Business Income and Extra Expense loss under this coverage.**

**e. 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. However, if a Business Income deductible is shown in the Systems Power Pac Deductible Endorsement as provided for in SECTION — II, Paragraph A., then as respects Equipment Breakdown coverage, the "period of restoration" will begin immediately after the "accident," and the deductible shown in the Deductible Endorsement will apply.

The most we will pay for loss or expense under this coverage is the applicable limit for Business Income and Extra Expense, unless otherwise shown in a Schedule.

**f. Animals**

We will pay for the loss of or damage to animals owned by others and boarded by you, or if owned by you, only as "stock" while inside of the building and then only if they are killed or their destruction is made necessary.

The most we will pay for loss under this coverage is \$250,000 unless otherwise shown in a Schedule.

## B. EXCLUSIONS

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

### 1. The following exclusions are modified:

- a. If the **Causes of Loss — Basic Form** or **Causes of Loss — Broad Form** applies, the following is added to Exclusion **B.2.:**

Depletion, deterioration, corrosion, erosion, wear and tear, or other gradually developing conditions. But if an "accident" results, we will pay for the resulting loss, damage or expense.

- b. The following is added to Exclusion **B.1.g.:**

However, if electrical "covered equipment" 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.

- c. If the **Causes of Loss — Special Form** applies, as respects this endorsement only, the last paragraph of Exclusion **B.2.d.** is deleted and replaced with the following:

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

### 2. The following exclusions are added:

- a. We will not pay under this endorsement for loss, damage or expense caused by or resulting from:

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

(2) Any of the following:

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

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

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

3. With respect to Service Interruption coverage, we will also not pay for an "accident" caused by or resulting from: fire; lightning; windstorm or hail; explosion (except as specifically provided in **A.1.c.** above); smoke; aircraft or vehicles; riot or civil commotion; vandalism; sprinkler leakage; falling objects; weight of snow, ice or sleet; freezing; collapse; flood or earth movement.

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

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

6. We will not pay under this endorsement for any loss or damage to animals, except as provided under **A.2.f. Animals.**

## C. DEFINITIONS

The following are added to **G. DEFINITIONS:**

### 1. "Boilers and vessels" means:

- a. Any boiler, including attached steam, condensate and feedwater piping; and
- b. Any fired or unfired pressure vessel subject to vacuum or internal pressure other than the static pressure of its contents.

This term does not appear elsewhere in this endorsement, but may appear in a Schedule.

## 2. "Covered equipment"

a. **"Covered equipment"** means unless otherwise specified in a Schedule, Covered Property:

- (1) That generates, transmits or utilizes energy; or
- (2) Which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.

b. None of the following is "covered equipment":

- (1) Structure, foundation, cabinet, compartment or air supported structure or building;
- (2) Insulating or refractory material;
- (3) Sewer piping, buried vessels or piping, or piping forming a part of a sprinkler system;
- (4) Water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
- (5) "Vehicle" or any equipment mounted on a "vehicle";
- (6) Satellite, spacecraft or any equipment mounted on a satellite or spacecraft;
- (7) Dragline, excavation or construction equipment;
- (8) Equipment manufactured by you for sale; or
- (9) Electronic data processing equipment, unless used to operate or control "covered equipment." Electronic Data Processing Equipment includes programmable electronic equipment that is used to store, retrieve and process data; and associated peripheral equipment.

3. **"Data"** means information or instructions stored in digital code capable of being processed by machinery.

4. **"Hazardous substance"** means any substance that is hazardous to health or has been declared to be hazardous to health by a governmental agency.

5. **"Media"** means material on which "data" is recorded, such as magnetic tapes, hard disks, optical disks or floppy disks.

6. **"One accident"** means: If an initial "accident" causes other "accidents," all will be considered "one accident." All "accidents" that are the result of the same event will be considered "one accident."

7. **"Perishable goods"** means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.

8. **"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.

This term does not appear elsewhere in this endorsement, but may appear in a Schedule.

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

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

## SECTION — II

The Building and Personal Property Coverage Form is amended as follows.

The definitions stated above also apply to Section II. of this endorsement.

### A. DEDUCTIBLE

The deductible in the Declarations applies unless a separate Equipment Breakdown deductible is shown on the Systems Power Pac Deductible Endorsement. 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:



## 1. Deductibles for Each Coverage

- a. Unless the Deductible Endorsement indicates that your deductible is combined for all coverages, multiple deductibles may apply to any "one accident."
- b. 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 indicated for that coverage in the Deductible Endorsement. We will then pay the amount of loss, damage or expense in excess of the applicable deductible amount, subject to the applicable limit.
- c. If deductibles vary by type of "covered equipment" and more than one type of "covered equipment" is involved in any "one accident," only the highest deductible for each coverage will apply.

## 2. Direct and Indirect Coverages

- a. Direct Coverages Deductibles and Indirect Coverages Deductibles may be indicated in the Deductible Endorsement.
- b. Unless more specifically indicated in the Deductible Endorsement:
  - (1) Indirect Coverages Deductibles apply to Business Income and Extra Expense loss; and
  - (2) Direct Coverages Deductibles apply to all remaining loss, damage or expense covered by this endorsement.

## 3. Application of Deductibles

### a. Dollar Deductibles

We will not pay for loss, damage or expense resulting from any "one accident" until the amount of loss, damage or expense exceeds the applicable Deductible shown in the Deductible Endorsement. 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.

### b. Time Deductible

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

### c. Multiple of Average Daily Value (ADV)

If a deductible is expressed as a number times ADV, that amount will be calculated as follows:

The ADV (Average Daily Value) will be the Business Income (as defined in any Business Income coverage that is part of this policy) that would have been earned during the period of interruption of business had no "accident" occurred, divided by the number of working days in that period. No reduction shall be made for the Business Income not being earned, or in the number of working days, because of the "accident" or any other scheduled or unscheduled shutdowns during the period of interruption. The ADV applies to the Business Income value of the entire location, whether or not the loss affects the entire location. If more than one location is included in the valuation of the loss, the ADV will be the combined value of all affected locations. For purposes of this calculation, the period of interruption may not extend beyond the "period of restoration."

The number indicated in the Deductible Endorsement will be multiplied by the ADV as determined above. The result shall be used as the applicable deductible.

### d. Percentage of Loss Deductibles

If a deductible is expressed as a percentage of loss, we will not be liable for the indicated percentage of the gross amount of loss, damage or expense (prior to any applicable deductible or coinsurance) insured under the applicable coverage. If the dollar amount of such percentage is less than the indicated minimum deductible, the minimum deductible will be the applicable deductible.

## **B. CONDITIONS**

The Building and Personal Property Coverage Form and the Common Policy Conditions are amended as follows:

### **1. Suspension**

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

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

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

### **2. Jurisdictional Inspections**

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

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

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

However, we will not pay more than 125% 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.

The most we will pay for loss, damage or expense under this endorsement arising from any "one accident" 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.

# ElitePac® Property Extension Endorsement

COMMERCIAL PROPERTY  
CP 76 30 07 21

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

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CAUSES OF LOSS - SPECIAL FORM  
BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM  
BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM

1. All references in the above forms to 100 feet are changed to 1,000 feet.
2. If we or any of our affiliates issue other insurance to you and more than one limit of insurance applies to loss or damage sustained by you, the following limitations will apply:
  - a. Your recovery under all such insurance will not exceed the actual amount of loss or damage sustained; and
  - b. The insurance provided by this endorsement applies in excess of and, except as to premium, limits and notice, follows the terms, conditions, limitations and exclusions of other applicable insurance issued to you by us or any of our affiliates.
3. With respect to coverage provided by this endorsement, the provisions of the applicable Coverage Form apply unless modified by the endorsement.

### SECTION I

The **BUILDING AND PERSONAL PROPERTY COVERAGE FORM** is amended as follows:

#### COVERED PROPERTY - BUILDING

Under **Section A. Coverage**, Paragraph **1.a. Building**, the following is added to subparagraph **(4)**:

- (e) Lobby and hallway furnishings owned by you.

#### PROPERTY NOT COVERED

Under **Section A. Coverage**, Paragraph **2. Property Not Covered**, subparagraphs **f.**, **g.**, **i.**, and **m.** are deleted.

#### ADDITIONAL COVERAGES

##### Debris Removal

Under **Section A.4. Additional Coverages**, Paragraph **a. Debris Removal**, the following are amended:

Subparagraph **(1)** is deleted and replaced by the following:

- (1) Subject to Paragraphs **(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.

The \$10,000 limit shown in paragraph **(4)** is deleted and replaced by the limit shown in the ElitePac Schedule.

##### Preservation Of Property

Under **Section A.4. Additional Coverages**, Paragraph **b. Preservation Of Property**, subparagraph **b.(2)** is deleted and replaced by the following:

- (2) Only if the loss or damage occurs within the number of days shown in the ElitePac Schedule after the property is first moved.

##### Fire Department Service Charge

Under **Section A.4. Additional Coverages**, Paragraph **c. Fire Department Service Charge**, the \$1,000 limit is deleted and replaced by the limit shown in the ElitePac Schedule.

##### Pollutant Clean-Up And Removal

Under **Section A.4. Additional Coverages**, Paragraph **d. Pollutant Clean-up and Removal**, the \$10,000 limit is deleted and replaced by the limit shown in the ElitePac Schedule.

#### COVERAGE EXTENSIONS

**Section A.5. Coverage Extensions** is deleted and replaced by the following:

Unless otherwise stated in this endorsement or in a specific Coverage Extension, Coverage Extensions:

1. Are subject to the Deductible shown in the Commercial Property Coverage Declarations or \$500 per occurrence, whichever is less;
2. Are not subject to the **Additional Condition Coinsurance**;
3. Are in addition to the Limits of Insurance shown in the Declarations;
4. Apply to each described premises on a per occurrence basis; and

5. Are stand-alone Coverage Extensions that do not:
  - a. Impact the coverage scope or limits applicable to any Covered Property, Business Personal Property, Personal Property of Others or any other Coverage Extension; or
  - b. Otherwise modify this policy's coverage scope or limits.

**Accounts Receivable**

You may extend the insurance provided by this Coverage Form as set forth in the Accounts Receivable Coverage Endorsement **CP 76 64** which is made part of this policy.

The most we will pay under this Coverage Extension is the limit shown in the ElitePac Schedule.

No deductible applies to this Coverage Extension.

**Additional Costs**

You may extend the insurance provided by this Coverage Form to pay for Additional Costs as a result of direct physical loss or damage to Buildings at described premises caused by or resulting from a Covered Cause of Loss.

1. Additional Costs mean only the following necessary additional expenses you have paid over and above the estimated completed cost of any building or structure covered by this Coverage Extension:
  - a. Additional real estate broker fees or commission;
  - b. Additional architect, engineering and consulting fees other than fees and costs billed by and payable to independent or public adjusters or any of their affiliated entities;
  - c. Additional legal or accounting fees; and
  - d. Additional advertising and promotional expenses.
2. This Coverage Extension does not apply to:
  - a. Claim Expenses; or
  - b. Ordinance Or Law.
3. We will pay any covered loss of Additional Costs only for that period of time that:
  - a. Begins on the date of the Covered Cause of Loss; and
  - b. Ends on the date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality.

The most we will pay under this Coverage Extension is the limit shown in the ElitePac Schedule.

**Arson, Theft And Vandalism Rewards**

**(This Provision Does Not Apply In New York)**

You may extend the insurance provided by this Coverage Form to apply to reimbursement for payment of rewards given to any person or persons other than you, your officers, your partners, your employees, public police, or fire officials who provide(s) information leading to a conviction in connection with:

1. A covered fire loss to the described premises caused by arson;
2. An actual or attempted theft of money or Covered Property; or
3. A covered vandalism loss to the described premises.

The most we will pay under this Coverage Extension for any one occurrence is the limit shown in the ElitePac Schedule. This is the most we will pay regardless of the number of persons who provided information.

No deductible applies to this Coverage Extension.

**Back Up Of Sewer, Drain Or Sump - Direct Damage**

You may extend the insurance provided by this Coverage Form to pay for direct physical loss or damage to Covered Property at described premises caused by or resulting from:

1. Water or waterborne material that backs up or overflows or is otherwise discharged from the described premises sewer, drain, sump, sump pump or related equipment; or
2. Water under the ground surface pressing on, or flowing or seeping through foundations, walls, floors or paved surfaces.

However, we will not pay the cost of repairing or replacing a sump pump or its related equipment in the event of mechanical breakdown.

This Coverage Extension does not apply to loss or damage caused by or resulting from your 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.

The most we will pay under this Coverage Extension is the limit shown in the ElitePac Schedule or the Building and/or the Business Personal Property Limit of Insurance shown in the Declarations, whichever is less.

**This Coverage Extension is not flood insurance.** We will not pay for direct physical loss or damage from water or waterborne material that backs up or overflows from a sewer, drain, sump, sump pump or related equipment caused by any flood whether or not the flood contributes concurrently or in any sequence to the loss. Flood includes the accumulation of surface water, waves, tides, tidal waves, overflow of streams or other bodies of water, or their spray, all whether driven by wind or not, that enters the sewer or drain system.

### Brands And Labels

If Your Business Personal Property that has a brand or label is damaged by a Covered Cause of Loss and we elect to take all or any part of the damaged property at an agreed or appraised value, you may extend the insurance that applies to Your Business Personal Property to:

1. Pay expenses you incur to:
  - a. Label or stamp the damaged property as salvage, if doing so will not physically damage the property; or
  - b. Remove the brand or label and then re-label the damaged property to comply with applicable law.
2. Cover any reduction in the salvage value of the damaged property as a result of the removal of the brand or label.

The most we will pay under this Coverage Extension is the applicable Limit of Insurance for Your Business Personal Property shown in the Declarations.

This Coverage Extension is not in addition to the limits shown in the Declarations and is included within Your Business Personal Property Limit of Insurance.

### Building Owner - Tenant Move Back Expenses

You may extend the insurance provided by this Coverage Form to apply to expenses you incur as building owner to move tenants back into a described premises rendered temporarily untenable by direct physical loss or damage to that premises caused by a Covered Cause of Loss.

We will pay only for the following expenses that are documented, reasonable and necessary:

1. Packing, insuring and transporting Business Personal Property;
2. Re-establishing electric utility and communication services, less any refunds due tenants from discontinued services;
3. Assembly and setting up fixtures and equipment; and/or
4. Unpacking and re-shelving stock and supplies.

We will pay only for such expenses incurred within 60 days of the date that the portion of the building

rented by your tenant has been repaired or rebuilt and is ready for occupancy.

If your tenants have valid and collectible insurance for move back expenses, we will pay only for the documented, reasonable and necessary amount in excess of the amount payable from such other insurance.

The most we will pay under this Coverage Extension is the limit shown in the ElitePac Schedule.

### Claim Expenses

You may extend the insurance provided by this Coverage Form to apply to all reasonable expenses that you incur at our request to assist us in the:

1. Investigation of a claim;
2. Determination of the amount of loss, such as taking inventory or making appraisals; and/or
3. Cost of preparing specific loss documents and other supporting exhibits.

We will not pay for expenses:

1. Incurred to perform your duties under Section **E. Loss Conditions**, Paragraph **2. Appraisal**;
2. Incurred to prove that loss or damage is covered;
3. Billed by and payable to independent or public adjusters, attorneys or any of their affiliated entities; and/or
4. To prepare claims not covered by this policy.

The most we will pay under this Coverage Extension is the limit shown in the ElitePac Schedule.

### Deferred Payments

You may extend the insurance provided by Your Business Personal Property to protect your interest in lost or damaged Covered Property sold by you under a conditional sale or trust agreement or any installment or deferred plan when such loss or damage results from direct physical loss to that Covered Property after delivery to buyers caused by or resulting from a Covered Cause of Loss.

When a loss occurs and the buyer continues to pay you, there will be no loss payment.

The most we will pay under this Coverage Extension is the limit shown in the ElitePac Schedule.

### Electronic Information Systems

You may extend the insurance provided by this Coverage Form as set forth in the Electronic Information Systems Coverage Endorsement **CP 76 67** which is made part of this policy.

The most we will pay under this Coverage Extension is the limit shown in the ElitePac Schedule.

The per occurrence deductible shown in the Declarations applies to this Coverage Extension.

## Extra Expense

You may extend the insurance provided by this Coverage Form to apply to the actual and necessary Extra Expense you sustain due to direct physical loss or damage to Covered Property at the premises described in the Declarations caused by or resulting from a Covered Cause of Loss.

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.

1. We will pay any Extra Expense to:
  - a. Avoid or minimize the "suspension" of business and to continue "operations" at the described premises or at replacement premises or temporary locations including:
    - (1) Relocation expenses; and
    - (2) Costs to equip and operate the replacement or temporary locations.
  - b. Minimize the "suspension" of business if you cannot continue "operations".
2. 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.

This Coverage Extension does not apply if Business Income - Actual Loss Sustained coverage is made part of this policy.

The following definitions apply to the coverage provided by this Coverage Extension:

1. "Operations" means:
  - a. Your business activities occurring at the described premises; and
  - b. The tenantability of the described premises.
2. "Period of Restoration" means the period of time that:
  - a. Begins immediately after the time of direct physical loss or damage to Covered Property caused by or resulting from a 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:

- a. Regulates the construction, use or repair, or

requires the tearing down of any property; or

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

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

3. "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.

The most we will pay under this Coverage Extension is the limit shown in the ElitePac Schedule.

No deductible applies to this Coverage Extension.

## Fine Arts

You may extend the insurance provided by this Coverage Form as set forth in the Fine Arts Coverage Endorsement **CP 76 68** which is made part of this policy.

The most we will pay under this Coverage Extension is the limit shown in the ElitePac Schedule.

## Fire Extinguishing Equipment

You may extend the insurance provided by this Coverage Form to:

1. Apply to direct physical loss or damage to Covered Property;
2. Pay for the cost to recharge or refill any "fire extinguishing equipment"; and
3. Pay the cost you incur to clean up the released extinguishing agent;

when "fire extinguishing equipment" is discharged:

1. Due to a Covered Cause of Loss;
2. As a result of the intended operation of such equipment to prevent or control a Covered Cause of Loss;
3. Accidentally; or
4. Resulting from a malfunction of the "fire extinguishing equipment."

We will not pay for loss or damage, recharge and clean-up costs if:

1. You fail to maintain the "fire extinguishing equipment" in proper operating condition; or
2. The discharge occurs while servicing, refilling or testing the "fire extinguishing equipment".

If it is less expensive to do so, we will pay your costs to replace your "fire extinguishing equipment" rather than recharge it.

The following definition applies to this Coverage Extension:

"Fire extinguishing equipment" means portable fire extinguishers and automatic extinguishing systems protecting cooking equipment that are intended to protect described premises. "Fire extinguishing equipment" does not include automatic sprinkler systems.

The most we will pay under this Coverage Extension is the limit shown in the ElitePac Schedule.

No deductible applies to this Coverage Extension.

#### **Installation Property**

You may extend the insurance provided by Your Business Personal Property as set forth in the Installation Property Coverage Endorsement **CP 76 69** which is made part of this policy.

The most we will pay under this Coverage Extension is the limit shown in the ElitePac Schedule.

#### **Lock Replacement Coverage**

You may extend the insurance provided by this Coverage Form to apply to necessary replacement of locks because keys to your described premises have been lost, stolen or damaged by a Covered Cause of Loss.

The most we will pay under this Coverage Extension is the limit shown in the ElitePac Schedule.

No deductible applies to this Coverage Extension.

#### **Members and Guests Property**

You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to property belonging to your members or guests while it is in your care, custody or control caused by or resulting from a Covered Cause of Loss.

The most we will pay under this Coverage Extension are the:

1. Any one individual; and
2. Per occurrence

limits shown in the ElitePac Schedule.

Our payment under this Coverage Extension will only be for the account of the owner of the property.

No deductible applies to this Coverage Extension.

#### **Mobile Equipment**

You may extend the insurance provided by this Coverage Form as set forth in the Mobile Equipment Coverage Endorsement **CP 76 70** which is made a part of this policy.

The most we will pay under this Coverage Extension is the limit shown in the ElitePac Schedule.

### **Newly Acquired Or Constructed Property**

#### **1. Building**

If this policy covers Building, you may extend that insurance to apply to direct physical loss or damage to the following when caused by or resulting from a Covered Cause of Loss:

- 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:
  - (1) Similar use as the building described in the Declarations; or
  - (2) Use as a warehouse.

The most we will pay under this Coverage Extension is the Building Per Location limit shown in the ElitePac Schedule.

#### **2. Your Business Personal Property**

If this policy covers Your Business Personal Property, you may extend that insurance to apply to direct physical loss or damage to the following when caused by or resulting from a Covered Cause of Loss:

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

This Extension does not apply to:

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

The most we will pay under this Coverage Extension is the Your Business Personal Property Per Location limit shown in the ElitePac Schedule.

#### **3. Period Of Coverage**

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

- a. This policy expires;
- b. 180 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or

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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.

The per occurrence deductible shown in the Declarations applies to this Coverage Extension.

#### **Non-Owned Detached Trailers**

You may extend the insurance that applies to Your Business Personal Property to apply to direct physical loss or damage to trailers that you do not own caused by or resulting from a Covered Cause of Loss provided that:

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

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

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

The most we will pay under this Coverage Extension is the limit shown in the ElitePac Schedule.

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

#### **Ordinance Or Law**

The **Increased Cost of Construction Additional Coverage** is deleted and replaced by the following Ordinance Or Law Coverage Extension:

You may extend the insurance that applies to Building as follows:

1. If there is direct physical loss or damage to described premises caused by or resulting from a Covered Cause of Loss we will pay the following to the extent it results from enforcement of an ordinance or law:
  - a. **Coverage A.** The loss in value of the undamaged portion of the building that requires demolition of undamaged parts of the same building.
  - b. **Coverage B.** The cost to demolish and clear the site of undamaged parts of the same building.
  - c. **Coverage C.** The increased cost to:
    - (1) Repair or reconstruct damaged portions of the same building; and/or

- (2) Reconstruct or remodel undamaged portions of the same building, whether or not demolition is required.

However:

- (1) This coverage applies only if the restored or remodeled building is intended for similar occupancy as the current building, 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.

- d. **Coverage D.** The increased cost to repair, rebuild or reconstruct tenant's improvements and betterments.
2. The ordinance or law must:
    - a. Regulate the demolition, construction or repair of buildings or establishes zoning or land use requirements at the described premises; and
    - b. Be in force at the time of loss.
  3. We will not pay under this Coverage Extension for:
    - a. Loss due to any ordinance or law with which:
      - (1) You were required to comply before the loss, even if the building was undamaged; and
      - (2) You failed to comply.
    - b. The enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
    - c. The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.
  4. We will not pay for increased construction costs under this endorsement:
    - a. Until the property is actually repaired or replaced, at that same premises or elsewhere; and
    - b. Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed 2 years. We may extend this period in writing during the 2 years.



5. This Coverage Extension is not subject to the terms of the Ordinance or Law Exclusion found in the Causes of Loss - Special Form, to the extent such Exclusion conflicts with this Coverage Extension.
6. The most we will pay under this Coverage Extension for:
  - a. **Coverage A.** The loss to undamaged portion of the building:
    - (1) If the property is repaired or replaced on the same or another premises is the lesser of:
      - (a) The amount you actually spend to repair, rebuild or reconstruct the undamaged portion of the building;
      - (b) The amount it would cost to restore the undamaged portion to the same height, floor area, style and comparable quality of the original undamaged portion of the building; or
      - (c) The limit of insurance applicable to the covered building property shown in the Declarations.
    - (2) If the property is not repaired or replaced or if Replacement Cost does not apply is the lesser of:
      - (a) The actual cash value of the undamaged portion of the building at the time of loss; or
      - (b) The limit of insurance applicable to the covered Building property shown in the Declarations.
    - (3) Coverage **A.** is not in addition to the Building Limits of Insurance shown in the Declarations and is included within the covered Building Limit of Insurance.
  - b. **Coverage B.** The cost to demolish and clear the site of undamaged part of the same building is the limit shown in the ElitePac Schedule.
  - c. **Coverage C.** The increased cost to repair, rebuild, or construct the same building is the limit shown in the ElitePac Schedule.
  - d. **Coverage D.** The increased cost to repair, rebuild or reconstruct tenant's improvements and betterments is the limit shown in the ElitePac Schedule.

The per occurrence deductible shown in the Declarations applies to this Coverage Extension.

#### **Outdoor Property**

You may extend the insurance provided by this Coverage Form to apply to direct physical loss or damage, including debris removal expense, to the following outdoor property owned or leased by you caused by or resulting from a Covered Cause of

Loss:

1. Outdoor fences;
2. Outdoor signs, whether or not attached to buildings;
3. Outdoor storage sheds and garages used to store your business supplies or equipment;
4. Outdoor lights, whether or not attached to buildings;
5. Paved surfaces, including but not limited to bridges, roads, walks, foot and cart bridges, patios, parking lots, running tracks, playgrounds and athletic fields both artificial and natural turf;
6. Playground equipment;
7. Radio and television receiving equipment including loss or damage to your radio and television antennas, satellite dishes and similar audio/visual receiving equipment, their lead-in wiring, masts or towers;
8. Outdoor tents, canopies, and awnings of fabric or slate construction not attached to a building and located on or off your described premises;
9. Ornamental Gardens. However, loss or damage caused by weight of ice, snow or sleet is not covered;
10. Hardscape landscaping consisting of masonry or stone bridges, walks, patios, retaining walls or similar surfaces or wooden landscaping bridges, permanent objects whose primary function is decoration, benches, statues, fountains, monuments and gazeboes or similar structures; and
11. Outdoor artwork and decorative objects.

When you are a governmental entity:

1. Outdoor Property also includes water hydrants, street lights, street signs, traffic lights, utility poles and related equipment owned by you;
2. Outdoor Property is covered within the jurisdictional boundaries of your governmental entity on a per occurrence basis instead of an each described premises basis.

However, this Coverage Extension does not apply to loss or damage caused by freezing or thawing.

The most we will pay, including debris removal expense, under this Coverage Extension is the limit shown in the ElitePac Schedule.

#### **Outdoor Trees, Shrubs And Plants**

You may extend the insurance provided by this Coverage Form to apply to direct physical loss or damage to your outdoor trees, shrubs and plants (other than "stock" of trees, shrubs or plants) including debris removal expense, caused by or resulting from a Covered Cause of Loss.

This Coverage Extension does not apply to loss or damage to property covered under the Outdoor Property Coverage Extension.

The most we will pay under this Coverage Extension is the limit shown in the ElitePac Schedule but not more than \$2,500 for any one tree, shrub or plant.

For schools and governmental entities, the most we will pay in any one policy year is \$100,000.

#### **Personal Effects**

You may extend the insurance that applies to Your Business Personal Property as set forth in the Personal Effects Coverage Endorsement **CP 76 71** which is made part of this policy.

The most we will pay under this Coverage Extension are the:

1. Per person; and
2. Per occurrence

limits shown in the ElitePac Schedule.

This Coverage Extension does not apply to property covered under the Members and Guest Property Coverage Extension.

No deductible applies to this Coverage Extension.

#### **Personal Property At Unnamed Premises - Within the Coverage Territory**

You may extend the insurance provided by Your Business Personal Property to apply to direct physical loss or damage to Business Personal Property and Personal Property of Others in your care, custody or control while at an "unnamed premises" caused by or resulting from a Covered Cause of Loss.

For this Coverage Extension, "unnamed premises" means locations:

1. Owned, leased or operated by you; or
2. Not owned, leased or operated by you, where Your Business Personal Property or Personal Property of Others in your care, custody or control is located, including fairs, trade shows or exhibitions;

that are within the Coverage Territory and not described in the Declarations.

This Coverage Extension does not apply to:

1. Installation property;
2. Personal effects;
3. "Portable computers";
4. Property in the care, custody or control of your salesperson;
5. Property in transit;
6. Tools and Equipment;
7. Property covered under the Newly Acquired Or Constructed Property Coverage Extension; or
8. Property outside of the Coverage Territory.

The most we will pay under this Coverage Extension is the limit shown in the ElitePac Schedule.

#### **Personal Property At Unnamed Premises - Outside the Coverage Territory**

You may extend the insurance provided by Your Business Personal Property to apply to direct physical loss or damage to Business Personal Property and Personal Property of Others in your care, custody and control while at an "unnamed premises" caused by or resulting from a Covered Cause of Loss.

For this Coverage Extension, "unnamed premises" means locations:

1. Owned, leased or operated by you; or
2. Not owned, leased or operated by you, where Your Business Personal Property or Personal Property of Others in your care, custody or control is located including fairs, trade shows or exhibitions;

that are at worldwide locations outside the Coverage Territory except within any country upon which the United States government has imposed sanctions, embargoes or any similar prohibition.

This Coverage Extension does not apply to:

1. Installation property;
2. Personal effects;
3. "Portable computers";
4. Property in the care, custody or control of your salesperson;
5. Property in transit;
6. Tools and Equipment; and
7. Property within the Coverage Territory.

The most we will pay under this Coverage Extension is the limit shown in the ElitePac Schedule.

#### **Personal Property Of Others**

You may extend the insurance that applies to Your Business Personal Property to apply to direct physical loss or damage to Personal Property of Others in your care, custody or control caused by or resulting from a Covered Cause of Loss.

This Coverage Extension does not apply to:

1. Installation property;
2. Members' and guests' property;
3. Personal effects;
4. Property in the care, custody or control of your salesperson;
5. Property In transit;
6. Tools and Equipment;
7. Business Personal Property of a golf club professional(s) working at your club; and

8. Property of others for which you are legally liable as:
- A carrier for hire; or
  - An arranger of transportation, including car loaders, consolidators, brokers, freight forwarders or shipping associates.

The most we will pay under this Coverage Extension is the applicable Limit of Insurance for Your Business Personal Property shown in the Declarations.

This Coverage Extension is not in addition to the limits shown in the Declarations and is included within Your Business Personal Property Limit of Insurance.

Our payment for loss of or damage to Personal Property of Others will only be for the account of the owner of the property.

The per occurrence deductible shown in the Declarations applies to this Coverage Extension.

### Property In Transit

You may extend the insurance provided by Your Business Personal Property as set forth in the Property In Transit Coverage Endorsement **CP 76 72** which is made part of this policy.

The most we will pay under this Coverage Extension is the limit shown in the ElitePac Schedule.

### Salesperson's Samples

You may extend the insurance provided by Your Business Personal Property as set forth in the Salesperson's Samples Coverage Endorsement **CP 76 73** which is made part of this policy.

The most we will pay under this Coverage Extension is the limit shown in the ElitePac Schedule.

### Spoilage

You may extend the insurance provided by Your Business Personal Property to apply to direct physical loss or damage to Covered Property caused by or resulting from the following:

- Breakdown or Contamination, meaning:
  - Change in temperature or humidity resulting from mechanical breakdown or mechanical failure of refrigerating, cooling or humidity control apparatus or equipment, only while such equipment or apparatus is at the described premises; and
  - Contamination by the refrigerant.
- Power Outage, meaning change in temperature or humidity resulting from complete or partial interruption of electrical power, either on or off the described premises, due to conditions beyond your control.

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

Only the following Exclusions contained in Paragraph **B.1.** of the **Causes of Loss - Special Form** apply to this Coverage Extension:

- Earth Movement;
- Governmental Action;
- Nuclear Hazard;
- War and Military Action; and
- Water.

The following additional exclusions apply to this Coverage Extension:

- The disconnection of any refrigerating, cooling or humidity control system from the source of power.
- The deactivation of electrical power caused by the manipulation of any switch or other device used to control the flow of electrical power or current.
- The inability of an electrical utility company or other power source to provide sufficient power due to:
  - Lack of fuel; or
  - Governmental order.
- The inability of a power source at the described premises to provide sufficient power due to lack of generating capacity to meet demand.
- Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit.

"Perishable stock" means personal property:

- Maintained under controlled conditions for its preservation; and
- Susceptible to loss or damage if the controlled conditions change.

The most we will pay under this Coverage Extension is the limit shown in the ElitePac Schedule.

### Tenant Building and Business Personal Property Coverage Required By Lease

You may extend the insurance provided by this Coverage Form to apply to direct physical loss or damage to Building and Business Personal Property you do not own that you have a contractual responsibility to insure caused by or resulting from a Covered Cause of Loss. This includes building fixtures, machinery and equipment.

The most we will pay under the Coverage Extension is the limit shown in the ElitePac Schedule.

## Tenant's Building Glass Liability

If you are a tenant and no Limit of Insurance is shown in the Declarations for Building coverage, you may extend the insurance provided for Your Business Personal Property to cover direct physical loss or damage to building glass that is part of the exterior or interior walls, floors or ceilings of the building or structure occupied by you at the described premises caused by or resulting from a Covered Cause of Loss.

We will also pay for necessary:

1. Expenses incurred to put up temporary plates or board up openings;
2. Repair or replacement of encasing frames;
3. Expenses incurred to remove or replace obstructions; and
4. Repair or replace alarm tapes.

This Coverage Extension only applies to glass owned by you, or by others which is in your care, custody or control, and for which you are legally, or have contractually agreed to be, responsible.

Our payment for glass owned by others will only be for the account of the owner of the glass.

This Coverage Extension is not in addition to the limits shown in the Declarations and is included within Your Business Personal Property Limit of Insurance.

The per occurrence deductible shown in the Declarations applies to this Coverage Extension.

## Tenant Lease Assessment

You may extend your Business Personal Property to apply to your share of any assessment charged to all tenants by the building owner as agreed to in your written lease agreement as a result of direct physical loss or damage to building property you occupy caused by or resulting from a Covered Cause of Loss.

The most we will pay under this Coverage Extension is the limit shown in the ElitePac Schedule.

## Tenant Leasehold Improvements

You may extend the insurance provided by Your Business Personal Property or, if written under a separate limit of insurance, Your Tenant's Improvements and Betterments to apply to the unamortized value of tenant's improvements and betterments that remain, and that you were forced to abandon, if your lease is cancelled in accordance with a valid lease provision as the direct result of a Covered Cause of Loss to property at the location in which you are a tenant.

The most we will pay under this Coverage Extension is the limit shown in the ElitePac Schedule.

This Coverage Extension is not in addition to the limits shown in the Declarations and is included within Your

Business Personal Property Limit of Insurance or if written separately, the Tenant's Improvements and Betterments Limit of Insurance shown in the Declarations.

## Theft Damage To Building

You may extend the insurance that applies to Your Business Personal Property to apply to damage to that part of any building containing Covered Property caused directly by theft or attempted theft.

We will not pay for damage to glass or to lettering or artwork on glass.

This Coverage Extension applies only to described premises where you are a tenant and are responsible for such damage by the provisions of a written lease agreement.

This Coverage Extension is not in addition to the limits shown in the Declarations and is included within Your Business Personal Property Limit of Insurance.

The per occurrence deductible shown in the Declarations applies to this Coverage Extension.

## Tools and Equipment

You may extend the insurance provided by Your Business Personal Property as set forth in the Tools and Equipment Coverage Endorsement **CP 76 74** which is made part of this policy.

The most we will pay for loss or damage under this Coverage Extension is the limit shown in the ElitePac Schedule.

## Utility Services - Direct Damage

You may extend the insurance provided by this Coverage Form to apply to loss or damage to Covered Property caused by the interruption of service to the described premises. The interruption must result from direct physical loss or damage to the following property located outside of a covered building described in the Declarations and be caused by or result from a Covered Cause of Loss:

1. Water Supply Services, meaning pumping stations and water mains supplying water to the described premises.
2. Communication Supply Services, meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:
  - a. Communication transmission lines, including optic fiber transmission lines;
  - b. Coaxial cables; or
  - c. Microwave radio relays, excepting satellites.

Overhead communication transmission lines are excluded.

3. Power Supply Services, meaning utility generating plants, switching stations, substations, transformers and transmission lines supplying electricity, steam or gas to the described premises.

Overhead power transmission lines are excluded.

As used in this endorsement, the term transmission lines includes all lines which serve to transmit communication service or power, including lines which may be identified as distribution lines.

The Utility Services Exclusion does not apply to the extent that coverage is provided under this Coverage Extension.

The most we will pay under this Coverage Extension is the limit shown in the ElitePac Schedule.

The per occurrence deductible shown in the Declarations applies to this Coverage Extension.

#### **Valuable Papers And Records**

You may extend the insurance provided by Your Business Personal Property as set forth in the Valuable Papers Coverage Endorsement **CP 76 75** which is made part of this policy.

The most we will pay for loss or damage under this Coverage Extension is the limit shown in the ElitePac Schedule.

#### **LIMITS OF INSURANCE**

The following is added to Section **C. LIMITS OF INSURANCE:**

##### **Business Personal Property Seasonal Increase**

The Limit of Insurance for Business Personal Property will increase by the percentage shown in the ElitePac Schedule to provide for seasonal variations in your business. This percentage increase will apply only if the limit shown for Your Business Personal Property in the Declarations is at least 100% of your average monthly values during the lesser of:

1. The 12 months immediately preceding the date the loss or damage occurs; or
2. The period of time you have been in business as of the date the loss or damage occurs.

For operations that include the seasonal sale of plants, trees and shrubs, the Limit of Insurance for Business Personal Property will increase by 50%.

The per occurrence deductible shown in the Declarations applies to this Coverage Extension.

#### **DEDUCTIBLE**

The following is added to Section **D. DEDUCTIBLE:**

If multiple deductibles apply to loss covered under this Coverage Form, the most we will deduct from the loss is the single largest deductible involved. Furthermore, each deductible will only be applied against its applicable coverage and, any deductible amount(s)

actually taken will be applied toward any remaining larger deductible(s).

If a loss covered under this Coverage Form also involves a loss covered under an Inland Marine Coverage Form or the Physical Damage Section of a Business Auto Coverage Form issued to you by us or any of our affiliates, the most we will deduct from the loss is the single largest deductible involved. Furthermore, each deductible will only be applied against its applicable coverage and, any deductible amount(s) actually taken will be applied toward any remaining larger deductible(s).

#### **LOSS CONDITIONS**

The following are added to **Valuation** under **Loss Conditions:**

1. Finished "stock" you fabricated, manufactured or hold for sale including "stock" you have sold but not delivered, at the selling price less discounts and expenses you otherwise would have had.
2. **Consequential Loss To Stock.** We will pay the reduction in value of the remaining parts of "stock" when the reduction is caused by direct physical loss of or damage to other parts of "stock" at the described premises caused by or resulting from a Covered Cause of Loss.
3. Personal Property of Others at the amount for which you are liable, not to exceed the replacement cost.
4. Members and guests property at the amount for which you are liable, not to exceed the replacement cost.

#### **ADDITIONAL CONDITIONS**

The following is added to **Additional Condition F.1. Coinsurance:**

Do not include the values of the following Covered Property types in determining the most we will pay:

1. The cost of excavations, grading, backfilling or filling;
2. Foundations of buildings, structures, machinery or boilers if their foundations are below:
  - a. The lowest basement floor; or
  - b. The surface of the ground, if there is no basement;
3. Personal property while airborne or waterborne; and
4. Underground pipes, flues or drains.

#### **SECTION II**

The **CAUSES OF LOSS - SPECIAL FORM** is amended as follows:

#### **EXCLUSIONS**

Under Section **B. Exclusions:**

Exclusions **2.d.(7)** and **2.i.** are deleted and do not apply.

## LIMITATIONS

Under Section **C. Limitations**:

1. Paragraphs **1.d.**, **1.f.**, **2.**, and **3.c.** are deleted and do not apply.
2. Paragraph **3.a.** is deleted and replaced by the following:
  - a. For furs, fur garments and garments trimmed with fur, the most we will pay is the limit shown in the ElitePac Schedule.
3. The following is added to Paragraph **3.b.**:

For gold, silver, platinum, and other precious alloys or metals used as a raw material in your manufacturing process the most we will pay is the limit shown in the ElitePac Schedule.

## ADDITIONAL COVERAGE EXTENSIONS

**Property in Transit** Additional Coverage Extension does not apply.

### SECTION III

When a **BUSINESS INCOME COVERAGE FORM** is made a part of this policy, that form is amended as follows:

## ADDITIONAL COVERAGES

The following is added to Section **5. Additional Coverages**:

Unless otherwise stated in this endorsement or in a specific Additional Coverage, Additional Coverages:

1. Are in addition to the Limits of Insurance shown in the Declarations;
2. Apply to each described premises on a per occurrence basis;
3. Do not have a waiting period under the definition of "period of restoration"; and
4. Are stand-alone Additional Coverages that do not:
  - a. Impact the coverage scope or limits applicable to any Business Income and Extra Expense or any other Additional Coverage; or
  - b. Otherwise modify this policy's coverage scope or limits.

The following **Additional Coverages** are added:

### **Auto Physical Damage Business Income**

We will pay for the 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 or damage to a "covered motor vehicle". The loss or damage must be caused by or resulting from a Covered Cause of Loss.

"Covered motor vehicle" means a vehicle:

1. Owned by you; or

2. Leased to you for a period greater than 6 months; and
3. Insured by us or any of our affiliates under an Automobile or Garage Coverage Part:
  - a. Covered for direct physical loss or damage; and
  - b. Maintains rental reimbursement coverage; and
4. Used to transport your business personal property.

For this Additional Coverage only:

1. "Operations" also means your business activities involving the use of a "covered motor vehicle".
2. "Period of restoration" applies to the "covered motor vehicle" rather than the described premises.

Payment for Extra Expense does not apply under this Additional Coverage.

This Additional Coverage does not apply to "private passenger type vehicles".

"Private passenger type vehicle" means a four-wheel auto of the private passenger or station wagon type.

The most we will pay under this Additional Coverage is the limit shown in the ElitePac Schedule.

### **Back Up Of Sewer, Drain Or Sump - Business Income**

We will pay for the 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 or damage to Covered Property at described premises. The loss or damage must be caused by or result from:

1. Water or waterborne material that backs up or overflows or is otherwise discharged from the described premises sewer, drain, sump, sump pump or its related equipment; or
2. Water under the ground surface pressing on, or flowing or seeping through foundations, walls, floors or paved surfaces.

However, we will not pay for the loss of Business Income you sustain in the event of mechanical breakdown to a sump, sump pump or its related equipment.

This Additional Coverage does not apply to loss of Business Income caused by or 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.

The most we will pay for loss of Business Income under this Additional Coverage is the limit shown in the ElitePac Schedule or the Business Income Limit of Insurance shown in the Declarations, whichever is less.

**This coverage extension is not flood insurance.** We will not pay for direct physical loss or damage from water or waterborne material that backs up or overflows from a sewer, drain, sump, sump pump or related equipment caused by any flood whether or not the flood contributes concurrently or in any sequence to the loss. Flood includes the accumulation of surface water, waves, tides, tidal waves, overflow of streams or other bodies of water, or their spray, all whether driven by wind or not, that enters the sewer or drain system.

#### **Building Owner - Lessor's Leasehold Interest**

We will pay for loss of "leasehold interest" in the event that your tenant(s) cancel their lease(s) in a described premises, due to untenability as a result of direct physical loss or damage to the described premises caused by or resulting from a Covered Cause of Loss.

"Leasehold interest" means the difference between the:

1. Rent you were collecting at the described premises prior to the loss; and
2. Rental Value of the described premises after loss or damage has been repaired or rebuilt. Rental Value for this Additional Coverage means:
  - a. Total anticipated rental income from tenant occupancy of the described premises as furnished and equipped by you; and
  - b. Amounts of all charges which are the legal obligations of the tenants which would otherwise be your obligations.

Loss of "leasehold interest" does not include:

1. Prepaid rent;
2. Security and other deposits made by tenants; or
3. Insurance, taxes or other payments you made on behalf of the tenants.

We will pay only for loss of "leasehold interest" that you sustain after tenant ability is restored and until the earlier of:

1. The date you lease the premises to another tenant;
2. 12 months immediately following the "period of restoration"; or
3. The normal expiration date of the cancelled lease(s).

The most we will pay under this Additional Coverage is the limit shown in the ElitePac Schedule.

#### **Contractual Penalties**

We will pay for contractual penalties you are legally liable to pay under a written contract between you and your customers. These penalties must result from your failure to deliver your product or service within the time required by contract and is caused by direct physical loss or damage to Covered Property. The loss or damage must be caused by or result from a Covered Cause of Loss.

The most we will pay under this Additional Coverage is the limit shown in the ElitePac Schedule.

#### **Denial of Service**

We will pay for the loss of Business Income you sustain caused by or resulting from a "denial of service attack".

"Denial of service attack" means the malicious direction of a high volume of worthless inquiries to web site or email destinations, effectively denying or limiting legitimate access.

This Additional Coverage applies to "denial of service attacks":

1. That originate anywhere in the world; and
2. Whether or not there has been any physical damage to data or software.

Denial of Service does not include loss of Business Income from the theft of telephone services or the theft of any property.

We will not pay for any loss of Business Income that you sustain during the 12 hours that immediately follow the time when you first discovered the "denial of service attack".

The most we will pay under this Additional Coverage is the limit shown in the ElitePac Schedule.

#### **Dependent Properties**

We will pay for the 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 or damage to "dependent property" caused by or resulting from a Covered Cause of Loss.

For this Additional Coverage only, "period of restoration" means the period of time that:

1. Begins 72 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the premises of the "dependent property"; and
2. Ends on the date when the property at the premises of the "dependent property" should be repaired, rebuilt or replaced with reasonable speed and similar quality.

"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".

The most we will pay under this Additional Coverage is the limit shown in the ElitePac Schedule.

This Additional Coverage does not apply to "dependent properties" for which you have more specific insurance either under this policy or another.

#### **Extended Business Income**

The 30 consecutive days restriction under Extended Business Income is changed to the number of consecutive days shown in the ElitePac Schedule.

#### **Food Contamination Shutdown**

We will pay for the:

1. Loss of Business Income you sustain; and
2. Extra Expense you incur

from the necessary "suspension" of your "operations" because the Board of Health, or another government authority, has issued an order to you in connection with the discovery of or suspicion of "food contamination."

Extra Expense coverage is limited to the following:

1. Your costs to clean and sanitize your equipment as required by the government authority;
2. Your costs to replace consumable goods declared or suspected by the government authority to be contaminated;
3. Reimbursement to infected patrons for doctor's care, hospitalization and necessary blood work;
4. Necessary medical tests and vaccines for affected employees as required by government authority. However, we will not pay for any expense that is otherwise covered under a Workers' Compensation policy; and
5. Your additional advertising expenses you incur following the notification by the government authority to resume "operations" and regain customers.

We will not pay for fines or penalties of any kind. Such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

We will not pay for any expense that is covered elsewhere under this policy or any other policy issued to you by us or any of our affiliates.

This Additional Coverage also does not apply to any "food contamination" arising out of, or directly or indirectly related to an epidemic, a pandemic or any other wide-spread outbreak of communicable disease. For purposes of this Additional Coverage, an epidemic means an outbreak of communicable disease that simultaneously affects persons over a localized geographic area. A pandemic means an outbreak of

communicable disease that typically affects a significant portion of the population over a wide geographic area, such as a country, multiple countries or multiple continents.

In the event of a loss you must:

1. Give us prompt notice of the "suspension" declaration;
2. Notify any government authority that may have jurisdiction over the incident; and
3. As soon as possible, give us a description of how, when and where the "food contamination" was first discovered.

For this Additional Coverage, "food contamination" means an outbreak of food poisoning or food-related illness of one or more persons arising out of:

1. Tainted food you distributed or purchased except where such food has been contaminated by virus or bacteria and results in the outbreak of food poisoning or food-related illness at more than one location, regardless of whether the other location(s) is owned or operated by you or in any way related to your business "operations"; or
2. Food which has been improperly processed, stored, handled or prepared in the course of your business "operations".

The most we will pay under this Additional Coverage is the limit shown in the ElitePac Schedule.

#### **Increased Realty Tax Assessment Coverage**

We will pay for the additional realty tax assessment you incur after the "period of restoration" due to repair, rebuilding or reconstruction of a damaged building or structure at a described premises that exceeds the realty tax assessment you would have incurred if there had been no direct physical loss or damage caused by or resulting from a Covered Cause of Loss.

However, we will not pay for any of the following:

1. Realty tax assessments made more than:
  - a. One year after the end of the "period of restoration"; or
  - b. Two years after the date of the damage to the covered building or structure from a covered loss;whichever is sooner.
2. Realty tax assessments made due to physical loss or physical damage that does not cause a suspension of payments of base (monthly) rent by one or more of your tenants.
3. Realty tax assessments paid on your behalf.



4. That part of the realty tax assessment increase due to increases in the mill rate, the assessment level or similar ratios by which the relation of property value to realty tax is expressed, since the latest assessment prior to the loss or damage. The mill rate is the amount of realty tax paid per dollar of assessed property value. The assessment level is the ratio of assessed values to fair market value.
5. A realty tax assessment increase that is due to your decision to rebuild the building:
  - a. With a different building configuration;
  - b. With a larger building area;
  - c. With better building material or quality;
  - d. With a different purpose; or
  - e. At a different location.

The most we will pay in any one occurrence is the lesser of:

1. All related increases in realty tax assessments during the 12 months immediately following the assessment; or
2. The limit shown in the ElitePac Schedule.

#### **Ingress Or Egress**

We will pay for:

1. The loss of Business Income you sustain due to the necessary "suspension" of your "operations"; and
2. Extra Expense you incur

when ingress to or egress from the described premises is prevented, other than as provided in the Civil Authority Additional Coverage. The prevention of ingress to or egress from the described premises must be caused by direct physical loss or damage to property that is away from, but within 5 miles of the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss.

This Additional Coverage will begin after a waiting period of 24 hours from the date when the ingress or egress is first prevented and apply for up to 30 consecutive days.

The most we will pay under this Additional Coverage is the limit shown in the ElitePac Schedule.

#### **Pollutant Clean-Up And Removal - Business Income**

We will pay for the 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 the discharge, dispersal, seepage, migration, release or escape of "pollutants" to land or water at the described premises. Such discharge, dispersal, seepage, migration, release or escape must be caused by or result from a Covered Cause of Loss that occurs during the policy period.

The most we will pay under this Additional Coverage is the limit shown in the ElitePac Schedule.

#### **Project Research And Development Documentation And Prototypes Business Income**

We will pay for the loss of Business Income you sustain due to direct physical loss or damage to "project research and development documentation" and "prototypes", caused by or resulting from a Covered Cause of Loss.

The following definitions apply to this Additional Coverage:

1. "Project Research and Development Documentation" means written, printed or inscribed documents, plans and records directly associated with your research and development operations.
2. "Prototypes" means the first or original model of a new design.

This Additional Coverage is not in addition to the limits shown in the Declarations and is included within the Business Income Limit of Insurance.

#### **Unnamed Premises - Business Income**

We will pay for:

1. The loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration"; and
2. The reasonable and necessary Extra Expense you incur during the "period of restoration";

as a result of direct physical loss or damage to property at "unnamed premises" caused by or resulting from a Covered Cause of Loss.

For this Additional Coverage, "unnamed premises" means locations:

1. Owned, leased or operated by you; or
2. Not owned, leased or operated by you, where Your Business Personal Property or Personal Property of Others in your care, custody or control is located;

that are within the Coverage Territory and not described in the Declarations.

This Additional Coverage does not apply to loss of Business Income caused by or resulting from loss or damage to:

1. A "dependent property";
2. Any location to which the Newly Acquired Locations Coverage Extension applies; or
3. Property in the due course of transit.

The most we will pay under this Additional Coverage is the limit shown in the ElitePac Schedule.

## Utility Services - Time Element

We will pay for the 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 the interruption of service to the described premises due to direct physical loss or damage to the following property located outside of a covered building described in the Declarations. The loss or damage must be caused by a Covered Cause of Loss:

1. Water Supply Services, meaning pumping stations and water mains supplying water to the described premises.
2. Communication Supply Services, meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:
  - a. Communication transmission lines, including optic fiber transmission lines;
  - b. Coaxial cables; or
  - c. Microwave radio relays, excepting satellites.Overhead communication transmission lines are excluded.
3. Power Supply Services, meaning utility generating plants, switching stations, substations, transformers and transmission lines supplying electricity, steam or gas to the described premises.

Overhead power transmission lines are excluded.

As used in this endorsement, the term transmission lines includes all lines which serve to transmit communication service or power, including lines which may be identified as distribution lines.

The Utility Services Exclusion does not apply to the extent that coverage is provided under this Additional Coverage.

The **Additional Condition, Coinsurance**, does not apply to this Additional Coverage.

The most we will pay under this Additional Coverage is the limit shown in the ElitePac Schedule, but we will not pay for the loss of Business Income you sustain during the first 24 hours immediately following the direct physical loss or damage.

## COVERAGE EXTENSION

### Newly Acquired Locations - Business Income

Under Section **A.6., Coverage Extension, Newly Acquired Locations:**

1. Paragraph **b.** is deleted and replaced by the following:
  - b. The most we will pay under this Coverage Extension for the sum of Business Income loss and Extra Expense incurred is the limit shown in the ElitePac Schedule.
2. Paragraph **c.(2)** is deleted and replaced by the following:
  - (2) 180 days expire after you acquire or begin to construct the property: or

## DEFINITIONS

The following definition is added to Section **F. Definitions:**

"Dependent Property" means property operated by others you depend on to:

- a. Deliver materials or services (other than water, communications, or power supply) to you, or to others for your account (Contributing Locations);
- b. Accept your products or services (Recipient Locations);
- c. Manufacture products for delivery to your customers under contract of sale (Manufacturing Locations); or
- d. Attract customers to your business (Leader Locations).

# BUSINESS INCOME ACTUAL LOSS SUSTAINED — 12 MONTH LIMITATION ENDORSEMENT

COMMERCIAL PROPERTY  
CP 76 60 01 16

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

This endorsement modifies insurance provided under the following:

### BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

For covered loss of Business Income and Extra Expense incurred during this policy's effective period, the 12 consecutive month time period will not terminate upon expiration of this policy.

#### A. Under Paragraph A.5. Additional Coverages:

1. Subparagraph (1)(b)(ii) of c. **Extended Business Income** is deleted and replaced with the following:

ii. 90 consecutive days after the date determined in (1)(a) above.

2. Subparagraph (2)(b)(ii) of c. **Extended Business Income** is deleted and replaced with the following:

ii. 90 consecutive days after the date determined in (2)(a) above.

Any Additional Coverages and Coverage Extensions subject to a specific limit contained in that Additional Coverage and Coverage Extension remain subject to that specific limit.

C. Section D. **Additional Condition COINSURANCE** is deleted and does not apply.

D. Section E. **Optional Coverages** is deleted and does not apply.

B. Section B. **Limits of Insurance** is deleted and replaced by the following:

#### B. Limits of Insurance

The most we will pay for any one occurrence of loss covered under Section A.1. **Business Income** and A.2. **Extra Expense** of this form is the actual loss of Business Income you sustain and Extra Expense you incur during the 12 consecutive month period following the date of direct physical loss or damage at described premises shown in the Declarations.

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# ACCOUNTS RECEIVABLE COVERAGE ENDORSEMENT

COMMERCIAL PROPERTY  
CP 76 64 01 16

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

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CAUSES OF LOSS - SPECIAL FORM

With respect to coverage provided by this endorsement, the provisions of the applicable Coverage Form apply unless modified by the endorsement.

With respect only to this endorsement, Sections **A. Coverage** and **B. Exclusions and Limitations** of the **Building And Personal Property Coverage Form** and the **Causes of Loss - Special Form** are deleted in their entirety and replaced with the following provisions.

### A. COVERAGE

#### 1. We will pay:

- a. All amounts due from your customers that you are unable to collect;
- b. Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
- c. Collection expenses in excess of your normal collection expenses that are made necessary by the loss; and
- d. Other reasonable expenses that you incur to reestablish your records of accounts receivable;

that result from any Covered Cause of Loss to your records of accounts receivable.

#### 2. PROPERTY NOT COVERED

Coverage does not apply to:

- a. Records of accounts receivable in storage away from the "premises" shown in the Declarations except as provided in the Away From Your "Premises" Coverage Extension of this endorsement; or
- b. Contraband or property in the course of illegal transportation or trade.

#### 3. COVERED CAUSES OF LOSS

Covered Causes of Loss means risks of direct physical loss or damage to your records of accounts receivable except those causes of loss listed in the Exclusions.

#### 4. ADDITIONAL COVERAGE - COLLAPSE

We will pay for direct loss caused by or resulting from risks of direct physical loss involving collapse of all or part of a building or structure caused by one or more of the following:

- a. Fire; lightning; windstorm; hail; explosion; smoke; aircraft; vehicles; riot; civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; breakage of building glass; falling objects; weight of snow, ice or sleet; water damage; all only as insured against in this endorsement;
- b. Hidden decay;
- c. Hidden insect or vermin damage;
- d. Weight of people or personal property;
- e. Weight of rain that collects on a roof;
- f. Use of defective materials or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

This Additional Coverage does not increase the Limits of Insurance provided in the ElitePac Schedule.

#### 5. Coverage Extension

##### a. Removal

If you give us written notice within 10 days of removal of your records of accounts receivable because of imminent danger of loss or damage, we will pay for loss or damage while they are:

- (1) At a safe place away from your "premises"; or
- (2) Being taken to and returned from that place.

This Coverage Extension is included within the Accounts Receivable Limit of Insurance shown in the ElitePac Schedule and is not in addition to the limits shown in the ElitePac Schedule.

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**b. Away From Your "Premises"**

We will pay up to \$25,000 for loss to Covered Property while it is away from your "premises".

The limit for this Coverage Extension is in addition to the limits shown in the ElitePac Schedule.

**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. GOVERNMENTAL ACTION**

Seizure or destruction of property by order of governmental authority.

But we will pay for loss caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire caused by a Covered Cause of Loss to prevent its spread.

**b. NUCLEAR HAZARD**

(1) Any weapon employing atomic fission or fusion; or

(2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But we will pay for direct loss caused by a resulting fire if the fire would be covered under this endorsement.

**c. 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.

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

- a. Delay, loss of use, loss of market or any other consequential loss.

- b. Dishonest or criminal act committed by:

(1) You, any of your partners, your employees, directors, trustees or authorized representatives;

(2) Anyone else with an interest in the property, or their employees or authorized representatives; or

(3) Anyone else to whom the property is entrusted for any purpose.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

But this exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire or to acts of destruction by your employees. But theft by employees is not covered.

- c. Alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of money, securities or other property.

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

- d. Bookkeeping, accounting or billing errors or omissions.

- e. Electrical or magnetic injury, disturbance or erasure of electronic recordings that is caused by or results from:

(1) Programming errors or faulty machine instructions;

(2) Faulty installation or maintenance of data processing equipment or component parts;

(3) An occurrence that took place more than 100 feet from your "premises"; or

(4) Interruption of electrical power supply, power surge, blackout or brownout if the cause of such occurrence took place more than 1,000 feet from your "premises".

But we will pay for direct loss caused by lightning.

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

- g. Unauthorized instructions to transfer property to any person or to any place.
- 3. We will not pay for loss that requires any audit of records or any inventory computation to prove its factual existence.
- 4. We will not pay for loss caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting 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.
  - 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 wherever located.
  - d. Collapse except as provided in the **Additional Coverage - Collapse** section of this endorsement.

## C. ADDITIONAL CONDITIONS

### 1. Determination of Receivables

Property Loss Condition **E.7. Valuation** is replaced by the following:

- a. If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage, the following method will be used:
  - (1) Determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss occurs; and

- (2) Adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss occurred or for any demonstrated variance from the average for that month.

- b. The following will be deducted from the total amount of accounts receivable, however that amount is established:

- (1) The amount of the accounts for which there is no loss;
- (2) The amount of the accounts that you are able to reestablish or collect;
- (3) An amount to allow for probable bad debts that you are normally unable to collect; and
- (4) All unearned interest and service charges.

## 2. RECOVERIES

The following is added to the Commercial Property Conditions:

You will pay us the amount of all recoveries you receive for a loss paid by us. But any recoveries in excess of the amount we have paid belong to you.

## 3. COVERAGE TERRITORY

The Coverage Territory contained in the Commercial Property Conditions is deleted and replaced by the following:

We cover record of accounts receivable:

- (1) Within your "premises"; and
- (2) Away from your "premises" while in transit or within premises of others if those premises are located or the transit is within:
  - (a) The United States of America including its territories and possessions;
  - (b) Puerto Rico; and
  - (c) Canada.

## D. ADDITIONAL DEFINITIONS

- 1. "Premises" means that interior portion of the building at the address shown in the Declarations that you occupy for your business.

# ELECTRONIC INFORMATION SYSTEMS COVERAGE ENDORSEMENT

COMMERCIAL PROPERTY  
CP 76 67 01 16

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

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CAUSES OF LOSS - SPECIAL FORM  
BUSINESS INCOME COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the applicable Coverage Form apply unless modified by the endorsement.

With respect only to this endorsement, Sections **A. Coverage** and **B. Exclusions and Limitations** of the **Building And Personal Property Coverage Form** and the **Causes of Loss - Special Form** are deleted in their entirety and replaced with the following provisions.

### A. COVERAGE

We will pay for direct physical loss or damage to Covered Property from any Covered Cause of Loss.

#### 1. COVERED PROPERTY

- a. "Equipment"; and
- b. "Data"

while at the described premises, while in transit, or while at any unnamed premises.

#### 2. PROPERTY NOT COVERED

Covered Property does not include:

- a. "Equipment" rented, leased or sold to others;
- b. Program support documentation, flowcharts, record formats, or narrative descriptions, unless this property has been converted to "data" form;
- c. Accounts, bills, evidences of debt, valuable papers, abstracts, records, deeds, manuscripts or other documents, unless converted to "data" and then only in that form;
- d. Contraband or property in the course of illegal transportation or trade;
- e. Stock in trade; or
- f. Theft or disappearance of "portable computers" while in transit as checked luggage.

#### 3. COVERED CAUSES OF LOSS

Covered Causes of Loss means risk of direct physical loss to Covered Property except those causes of loss listed in the Exclusions.

#### 4. COVERAGE EXTENSIONS

##### a. Debris Removal Coverage

- (1) We will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss.
- (2) This coverage extension does not include the cost to:
  - (a) Extract pollutants from land or water; or
  - (b) Remove, restore, or replace polluted land or water.
- (3) The most we will pay under this coverage extension is:
  - (a) 25% of the amount we pay for the direct physical loss. However, we will not pay more for loss to Covered Property and debris removal combined than the limit shown in the ElitePac Schedule; and
  - (b) Up to \$10,000 for debris removal expense when the debris removal expense exceeds 25% of the amount we pay for direct physical loss or when the loss to Covered Property and debris removal combined exceeds the limit shown in the ElitePac Schedule.
- (4) We will not pay any expenses unless they are reported to us in writing within 180 days from the date of direct physical loss to Covered Property.

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**b. Emergency Removal**

We will pay for loss to Covered Property that has been moved because of the imminent danger of loss while it is:

- (1) At a safe place away from your premises; or
- (2) Being taken to and returned from that place.

This Coverage Extension is:

- (1) Included within the Limit shown in the ElitePac Schedule applicable to the premises from which the Covered Property is removed.
- (2) Applies for up to 365 days after the Covered Property is first moved, but not beyond the policy expiration.

We will also pay up to \$5,000 of the expense to move or store Covered Property to prevent loss or damage from a Covered Cause of Loss. This is in addition to the Limit shown in the ElitePac Schedule.

**c. Duplicate "Electronic Data" Coverage**

We will cover duplicate or back-up copies of "data" while stored away from your described premises at a data storage warehouse or like facility specifically designed for storage of this type of property.

The most we will pay for loss or damage under this Coverage Extension is \$10,000.

**d. Fire Protection System Recharge**

We will pay up to \$5,000 for costs you actually incur in recharging any automatic fire protection system, even if discharged accidentally. The Deductible will not apply to this Coverage Extension.

**e. Virus or Harmful Code**

- (1) We will pay the cost to replace or restore "electronic data":

- (a) Which has been destroyed or corrupted by 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; or

- (b) Which has been scanned, copied or observed by an unauthorized person's access into a computer system (including "electronic data") or a network to which it is connected.

- (2) If a Business Income Limit of Insurance is shown in the Declarations, we will pay the loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration" caused by an interruption in computer operation due to the:

- (a) Destruction or corruption of "electronic data" due to a virus, harmful code or similar instruction; or
  - (b) Scanning, copying or observation of "electronic data" by an unauthorized person.

This does not apply to loss sustained after the end of the "period of restoration", even if the Limit of Insurance for this Coverage Extension has not been exhausted.

This Coverage Extension does not apply to:

- (1) Loss of exclusive use of any "data";
- (2) Reduction in the economic or market value of any "data";
- (3) Loss, damage, expense or loss of Business Income 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; or
- (4) Theft of personal or proprietary information.

The most we will pay under this Coverage Extension is:

- (1) \$25,000 in any one occurrence; and
- (2) \$75,000 in any one policy year.

With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.



**f. Fraud and Deceit**

We will pay for loss by theft of Covered Property when you, your employees, agents, customers, and/or consignees are fraudulently induced to part with the Covered Property:

- (1) To persons who falsely represent themselves as the proper persons to receive the property; or
- (2) By the acceptance of fraudulent bills of lading or shipping receipts.

The most we will pay in any one occurrence for theft of Covered Property under this Coverage Extension is \$5,000.

**g. Incompatible Equipment and Data**

In the event of loss or damage to Covered Property from a Covered Cause of Loss, we will pay the cost to modify or replace undamaged Covered Property when it:

- (1) Was dependent on the damaged Covered Property prior to the covered loss; and
- (2) Is not compatible with the Covered Property that is replacing the property that was involved in the covered loss.

We will only pay for your costs to modify or replace undamaged property if the incompatible property is at a described premises.

The most we will pay in any one occurrence for your costs to modify or replace incompatible Covered Property is \$5,000.

This Coverage Extension is in addition to the limit shown in the ElitePac schedule.

**h. Foreign Transit and Location Coverage**

- (1) We will pay for direct physical loss caused by a Covered Cause of Loss to "portable computers", including pre-installed programs and applications, while temporarily at a foreign location outside of the boundaries described under the Coverage Territory.

- (2) In addition to the property described under **A.2. Property Not Covered**, this coverage does not include:

- (a) Property that is shipped via mail;
- (b) Property where you are required to provide a negotiable ocean cargo policy or certificate to any seller, buyer, or bank;
- (c) Property shipped to or located in a country subject of a trade embargo, economic sanctions, or other trade restrictions by the government of the United States of America; or
- (d) Property while in transit as checked baggage.

- (3) The most we will pay under this Coverage Extension in any one occurrence is \$10,000.

**B. EXCLUSIONS**

1. We will not pay for loss or damage caused directly 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. GOVERNMENTAL ACTION**

Seizure or destruction of property by order of governmental authority. But we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to pre-vent its spread if the fire would be covered under this coverage form.

**b. 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 direct loss or damage caused by that fire if the fire would be covered under this endorsement.

**c. 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.

Exclusions 1.a. through 1.c. 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. Delay, loss of use, loss of market or any other consequential loss.
- b. Dishonest acts by:
  - (1) You, any of your partners, employees or authorized representatives;
  - (2) A manager or a member if you are a limited liability company;
  - (3) Anyone else with an interest in the property, or their employees or authorized representatives; or
  - (4) Anyone else to whom the property is entrusted.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

But this exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire or to acts of destruction by your employees. But theft by employees is not covered.

- c. Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense except as provided by the Coverage Extension for Fraud and Deceit.
- d. Unauthorized instructions to transfer property to any person or to any place.
- e. Errors or omissions in programming.
- f. Unexplained disappearance.
- g. Shortage found upon taking inventory.
- h. Lapse, suspension or cancellation of any lease, license, contract or order.
- i. Enforcement of any ordinance or law regulating or restricting the construction, use or repair of any property.

- j. Virus, harmful code or similar instructions as outlined below, except as provided by the Coverage Extension for Virus or Harmful Code:

- (1) The introduction into your computer systems of a virus, harmful code or similar instruction enacted on a computer system (including "electronic data") or network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation; and

- (2) The unauthorized intrusion into your computer system (including "electronic data") or network to which it is connected, designed to:

- (a) Damage or destroy any part of the system or disrupt its normal operation; or

- (b) Observe, scan or copy "data".

- 3. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for the loss or damage caused by that Covered Cause of Loss:

- a. Wear and tear, depreciation.
- b. Any quality in the property that causes it to damage or destroy itself, hidden or latent defect, gradual deterioration.
- c. Insects, vermin or rodents.
- d. Corrosion or rust.
- e. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

## C. ADDITIONAL CONDITIONS

### 1. Valuation

Property Loss Condition **E.7. Valuation** is replaced by the following:

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

- a. "Data"

The value of "data" will be the actual cost to reproduce. If the "data" is not replaced or reproduced, we will pay the cost of the value of the "media" with no stored "data".

**b. "Equipment"**

The value of "equipment" will be its replacement cost without deduction for depreciation. We will not pay more for any loss on a replacement cost basis than the least of:

- (1) The limit shown in the ElitePac Schedule.
- (2) The cost to replace the "equipment" with other "equipment":
  - (a) Of comparable material and quality; and
  - (b) Used for the same purpose; or
- (3) The amount you actually spend that is necessary to repair or replace the "equipment".

We will not pay on a replacement cost basis for any loss:

- (1) Until the "equipment" is actually repaired or replaced; and
- (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss.

In the event of loss, the value of the "equipment" will be determined as of the time of loss.

**c. Media**

The value of "media" will be based on the cost to repair or replace the "media" with material of the same kind or quality.

**D. ADDITIONAL DEFINITIONS****1. "Data" means:**

- a. Records, information and files stored on magnetic tapes, disk packs, drums, paper tapes and cards;
- b. Programming records used for electronic data processing or electronically controlled equipment; and
- c. "Media".

2. "Electronic data" means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of "electronic data", means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.
3. "Equipment" means a network of machine components that accepts information, processes it according to a plan and produces a desired result. This includes programmable electronic devices that can store, retrieve and process data and associated peripheral devices that provide communication including input and output functions such as printing, or auxiliary functions such as data transmission. It includes air conditioning, fire suppression equipment and electrical equipment used exclusively in your computer operations.
4. "Media" means the material on which data is recorded, such as magnetic tapes, disk packs, drums, paper tapes, cards and programs. This includes the data stored on the "media".
5. "Portable computers" means computers used in your "operations" easily transported by one person such as laptops, notebooks and personal digital assistants. This includes portable electronic accessories used with the "portable computer" such as multimedia projectors.

# FINE ARTS COVERAGE ENDORSEMENT

COMMERCIAL PROPERTY  
CP 76 68 01 16

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

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CAUSES OF LOSS - SPECIAL FORM

With respect to coverage provided by this endorsement, the provisions of the applicable Coverage Form apply unless modified by the endorsement.

With respect only to this endorsement, Sections **A. Coverage** and **B. Exclusions and Limitations** of the **Building And Personal Property Coverage Form** and the **Causes of Loss - Special Form** are deleted in their entirety and replaced with the following provisions.

### A. COVERAGE

We will pay for direct physical loss or damage to Covered Property from any Covered Cause of Loss.

#### 1. COVERED PROPERTY

- a. Your "fine arts"; and
- b. "Fine arts" of others that are in your care, custody or control.

#### 2. PROPERTY NOT COVERED

Covered Property does not include:

- a. Property while on exhibition at fair grounds or on the premises of any national or international exposition; or
- b. Contraband, or property in the course of illegal transportation or trade.

#### 3. COVERED CAUSES OF LOSS

Covered Causes of Loss means risk of direct physical loss to Covered Property except those causes of loss listed in the Exclusions.

### B. EXCLUSIONS

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

#### a. GOVERNMENTAL ACTION

Seizure or destruction of property by order of governmental authority.

But we will pay for loss caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire caused by a Covered Cause of Loss to prevent its spread.

#### b. NUCLEAR HAZARD

- (1) Any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But we will pay for direct loss caused by a resulting fire if the fire would be covered under this endorsement.

#### c. 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.
2. We will not pay for loss caused by or resulting from any of the following:
    - a. Delay, loss of use, loss of market or any other consequential loss.
    - b. Dishonest acts by:
      - (1) You, your employees or authorized representatives;
      - (2) Anyone else with an interest in the property, or their employees or authorized representatives; or
      - (3) Anyone else to whom the property is entrusted.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

But this exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire.

- c. Breakage of art glass windows, statuary, glassware, bric-a-brac, marble, porcelain and similar fragile property.

But we will pay for such loss caused directly by fire, lightning, explosion, windstorm, earthquake, flood, vandalism, aircraft, rioters, strikers, theft or attempted theft, or by accident to the vehicle carrying the property, if these causes of loss would be covered under this endorsement.

- d. Any repairing, restoration or retouching of the Covered Property.
  - e. Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
  - f. Unauthorized instructions to transfer property to any person or to any place.
3. We will not pay for loss caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting 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.
  - b. Wear and tear, any quality in the property that causes it to damage or destroy itself, gradual deterioration, insects, vermin or rodents.

## C. ADDITIONAL CONDITIONS

### 1. Valuation

Property Loss Condition **E.7. Valuation** is replaced by the following:

The value of Covered Property will be at the fair market value at the time of loss or damage.

## 2. Coverage Territory

The Coverage Territory contained in the Commercial Property Conditions is deleted and replaced with the following:

We cover property wherever located within:

- a. The United States of America including its territories and possessions;
- b. Puerto Rico; and
- c. Canada.

## 3. Packing and Unpacking

You agree that Covered Property will be packed and unpacked by competent packers.

## 4. Pair or Sets

In case of total loss of any items that are part of a pair or set, we may:

- a. Repair or replace any part to restore the pair or set to its value before the loss; or
- b. Pay the difference between the value of the pair or set before the loss.

## D. ADDITIONAL DEFINITIONS

- 1. "Fine arts" means paintings, etchings, pictures, tapestries, art glass windows, valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass, bric-a-brac, and similar property of rarity, historical value or artistic merit.

# INSTALLATION PROPERTY COVERAGE ENDORSEMENT

COMMERCIAL PROPERTY  
CP 76 69 01 16

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

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CAUSES OF LOSS - SPECIAL FORM

With respect to coverage provided by this endorsement, the provisions of the applicable Coverage Form apply unless modified by the endorsement.

With respect only to this endorsement, Sections **A. Coverage** and **B. Exclusions and Limitations** of the **Building And Personal Property Coverage Form** and the **Causes of Loss - Special Form** are deleted in their entirety and replaced with the following provisions.

### A. COVERAGE

We will pay for direct physical loss or damage to Covered Property from any Covered Cause of Loss.

#### 1. COVERED PROPERTY, as used in this endorsement, means:

All materials, supplies, fixtures, machinery and equipment of any nature whatsoever intended for installation while:

- a. At the "job site";
- b. At any temporary storage location; or
- c. In transit.

#### 2. PROPERTY NOT COVERED

Covered Property does not include:

- a. Property on your premises unless intended to be installed at any described "job site";
- b. Contractors or subcontractors machinery, tools, equipment and property of a similar nature not intended for installation;
- c. Property that has been sold under a deferred payment sales agreement after installation is complete;
- d. Land (including land on which the property is located) or water;
- e. Trees, shrubs, lawns or plants;
- f. Plans, blueprints, designs, specifications or any other similar property; or
- g. Contraband or property in the course of illegal transportation or trade.

### 3. COVERED CAUSES OF LOSS

Covered Causes of Loss means direct physical loss or damage to Covered Property, except those causes of loss or damage listed in Section **B. EXCLUSIONS**.

### B. EXCLUSIONS

1. We will not pay for a 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 or damage.

#### a. ORDINANCE OR LAW

- (1) The enforcement of any ordinance or law:

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

- (2) This exclusion applies whether the loss or damage 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 or damage to that property.

#### b. 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 endorsement.

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**c. 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 direct loss or damage caused by that fire if the fire would be covered under this endorsement.

**d. 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.

**e. "FUNGUS", WET ROT AND DRY ROT**

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

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

This exclusion does not apply:

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

**f. VIRUS, BACTERIUM OR OTHER MICROORGANISM**

Any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.

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

The terms of this exclusion, or the inapplicability of this exclusion to a particular loss or damage, does not serve to create coverage for any loss or damage that would otherwise be excluded under this endorsement.

Exclusions **B.1.a.** through **B.1.f.** apply whether or not the loss or damage 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. Delay, loss of use, loss of market or any other consequential loss.
  - b. Unexplained disappearance.
  - c. Shortage found upon taking inventory.
  - d. Dishonest or criminal act committed by:
    - (1) You, any of your partners, employees (including leased and temporary employees), directors, trustees, or authorized representatives;
    - (2) A "manager" or a "member" if you are a limited liability company;
    - (3) Anyone else with an interest in the property, or their employees or authorized representatives; or
    - (4) Anyone else to whom the property is entrusted for any purpose.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

This exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire or to acts of destruction by your employees (including leased employees or temporary employees). But theft by employees (including leased employees or temporary employees) is not covered.

- e. 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, electrical current, including arcing; electrical charge produced or conducted by a magnetic or electromagnetic field; pulse or electromagnetic energy; electromagnetic waves or microwaves.

But if artificially generated electrical, magnetic or electromagnetic energy, as described above, results in fire, we will pay the direct loss or damage caused by that fire if the fire would be covered under this endorsement.

- f. Unauthorized instructions to transfer property to any person or to any place.
  - g. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss or damage.
3. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for the loss or damage caused by that Covered Cause of Loss.
- a. Wear and tear.
  - b. Any quality in the property that causes it to damage or destroy itself, hidden or latent defect, gradual deterioration.
  - c. Mechanical breakdown.
  - d. Insects, vermin or rodents.
  - e. Rust or other corrosion, dampness or extremes of temperature.

## C. ADDITIONAL CONDITIONS

### 1. VALUATION

Property Loss Condition **E.7. Valuation** is replaced by the following:

The value of Covered Property will be based on replacement cost.

Replacement cost is limited to the cost of repair or replacement with similar materials on the same "job site" and used for the same purpose. It does not include costs you incur over and above the costs you would have incurred had there been no loss, including:

- a. Additional interest payments on money borrowed to finance construction, remodeling, renovation, or repair including increased interest payments due to a rise in interest rates;

- b. Additional insurance premiums, real estate and property taxes, and assessments which you incur for the period of time covered by this endorsement that construction extends beyond the estimated completion date;
- c. Additional construction permit, architect, engineering and consulting fees which become necessary due to the direct physical loss or damage;
- d. Additional legal, lease administration or accounting fees;
- e. Additional advertising and promotional expenses which become necessary due to the direct physical loss or damage; and
- f. The additional cost to extend leases for construction equipment and temporary office space.

If the part of the covered property that sustains direct physical loss or damage is repaired or replaced, the payment will not exceed the amount you spend to repair or replace the damaged or destroyed property.

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

Property Condition **I. Transfer of Rights of Recovery Against Others To Us** is replaced by the following:

We will waive any rights of recovery we may have against a person or organization because of payments we make for loss or damage to Covered Property if you have agreed to waive any right of recovery against that person or organization in a written contract or written agreement, but only if the loss or damage occurs subsequent to the execution of the written contract or written agreement. However, this does not apply to:

- a. Any architect, engineer or other party or entity responsible for any design, specification or plans for the fabrication, erection or completion of the property insured with respect to any loss or damage that may be caused by:
  - (1) Fault, defect, error or omission in such design, specifications or plans; or
  - (2) Performance of, or failure to perform, supervisory or management functions related to the construction project(s).
- b. Any contractor, manufacturer or supplier of Covered Property that has agreed to make good any loss or damage under a guarantee or warranty.



### 3. COVERAGE TERRITORY

The Coverage Territory contained in the Commercial Property Conditions is deleted and replaced with the following:

We cover property wherever located within:

- a. The United States of America including its territories and possessions;
- b. Puerto Rico; and
- c. Canada.

### 4. LOSS PAYABLE

For Covered Property in which both you and a Loss Payee shown on the Loss Payee Schedule have an insurable interest, we will:

- a. Adjust losses or damages with you; and
- b. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.

### 5. WHEN COVERAGE WILL END

The insurance provided by this endorsement will end when one of the following first occurs:

- a. This policy expires or is cancelled;
- b. The property is accepted by the owner or buyer;
- c. Your interest in the property ceases; or
- d. 30 days after installation is complete.

### D. ADDITIONAL DEFINITIONS

1. "Job site" means the premises where you or subcontractors working on your behalf are currently performing operations and where the "installation property" will be permanently located at the completion of the construction, erection, fabrication or installation.
2. "Specified causes of loss or damage" 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.
3. "Manager" means a person serving in a directorial capacity for a limited liability company.
4. "Member" means an owner of a limited liability company represented by its membership interest, who also may serve as a "manager".

# MOBILE EQUIPMENT COVERAGE ENDORSEMENT

COMMERCIAL PROPERTY  
CP 76 70 01 16

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

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CAUSES OF LOSS - SPECIAL FORM

With respect to coverage provided by this endorsement, the provisions of the applicable Coverage Form apply unless modified by the endorsement.

With respect only to this endorsement, Sections **A. Coverage** and **B. Exclusions and Limitations** of the **Building And Personal Property Coverage Form** and the **Causes of Loss - Special Form** are deleted in their entirety and replaced with the following provisions.

### A. COVERAGE

We will pay for direct physical loss or damage to Covered Property from any Covered Cause of Loss.

#### 1. COVERED PROPERTY

- a. Your mobile equipment; and
- b. Mobile equipment of others in your care, custody or control.

#### 2. PROPERTY NOT COVERED

Covered Property does not include:

- a. Automobiles, motor trucks, motorcycles, trailers, semi-trailers or any other vehicles designed and principally used for highway transportation unless unlicensed and not operated on public roads;
- b. Aircraft or watercraft;
- c. Property while waterborne, except while in transit by carriers for hire;
- d. Property while stored or operated underground in connection with any mining or drilling operations; or
- e. Contraband or property in the course of illegal transportation or trade.

#### 3. COVERED CAUSES OF LOSS

Covered Causes of Loss means risks of direct physical loss to Covered Property except those causes of loss listed in the Exclusions.

### B. EXCLUSIONS

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

#### a. GOVERNMENTAL ACTION

Seizure or destruction of property by order of governmental authority.

But we will pay for loss caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire caused by a Covered Cause of Loss to prevent its spread.

#### b. NUCLEAR HAZARD

- (1) Any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But we will pay for direct loss caused by a resulting fire if the fire would be covered under this endorsement.

#### c. 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.

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

a. Dishonest acts by:

- (1) You, your employees or authorized representatives;
- (2) Anyone else with an interest in the property, or their employees or authorized representatives; or
- (3) Anyone else to whom the property is entrusted.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons and without regard to whether such acts occur during the hours of employment.

This exclusion does not apply to Covered Property in the custody of a carrier for hire.

b. Missing property where the only proof of loss is unexplained or mysterious disappearance of Covered Property, or shortage of property discovered on taking inventory, or any other instance where there is no physical evidence to show what happened to the Covered Property.

This exclusion does not apply to Covered Property in the custody of a carrier for hire.

c. Discharge, dispersal, seepage, migration, release or escape of "pollutants":

- (1) Unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "Specified Causes of Loss"; or
- (2) Except as provided for in the Pollutant Clean Up and Removal Coverage Extension.

But if loss by any of the "Specified Causes of Loss" results from the discharge, dispersal, seepage, migration, release or escape of "pollutants", we will pay for the resulting loss caused by the "Specified Causes of Loss".

d. Processing or work upon the Covered Property.

But we will pay for direct loss to Covered Property caused by resulting fire or explosion, if these causes of loss would be covered under this endorsement.

e. Artificially generated current creating a short circuit or other electric disturbance within an item covered under this endorsement.

But we will pay for direct loss to Covered Property caused by resulting fire or explosion, if these causes of loss would be covered under this endorsement.

This exclusion only applies to loss to that item in which the disturbance occurs.

f. Weight of a load which under the operating conditions at the time of loss exceeds the registered lifting capacity of the equipment.

g. Delay, loss of use, loss of market or any other cause of consequential loss.

h. Voluntary parting with any Covered Property whether or not induced to do so by any fraudulent scheme, trick, device or false pretense.

3. We will not pay for loss caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting 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.

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 wherever located.

d. Wear and tear, any quality in the property that causes it to damage or destroy itself, hidden or latent defect, gradual deterioration, mechanical breakdown, corrosion, rust, dampness, cold or heat.

**C. ADDITIONAL CONDITIONS**

**1. COVERAGE TERRITORY**

The Coverage Territory contained in the Commercial Property Conditions is deleted and replaced with the following:

We cover property wherever located within:

- a. The United States of America including its territories and possessions;
- b. Puerto Rico; and
- c. Canada.

**D. ADDITIONAL DEFINITIONS**

- 1. "Specified Causes of Loss" means fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; sonic boom; volcanic action; falling objects; weight of snow, ice or sleet or water damage.
  - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
    - (1) The cost of filling sinkholes; or
    - (2) Sinking or collapse of land into man-made underground cavities.

- b. Falling objects does not include loss or damage to:
  - (1) Personal property in the open; or
  - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
- c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a part of a system or appliance containing water or steam.

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# PERSONAL EFFECTS COVERAGE ENDORSEMENT

COMMERCIAL PROPERTY  
CP 76 71 01 16

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

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CAUSES OF LOSS - SPECIAL FORM

With respect to coverage provided by this endorsement, the provisions of the applicable Coverage Form apply unless modified by the endorsement.

With respect only to this endorsement, Sections **A. Coverage** and **B. Exclusions and Limitations** of the **Building And Personal Property Coverage Form** and the **Causes of Loss - Special Form** are deleted in their entirety and replaced with the following provisions.

### A. COVERAGE

We will pay for direct physical loss or damage to Covered Property from any Covered Cause of Loss.

#### 1. COVERED PROPERTY

- a. Personal effects owned by:
- (1) You, any of your partners, members, officers or your managers;
  - (2) Your employees;
  - (3) Non-compensated officer, member or volunteer of your non-profit organization; and
  - (4) Member, cleric or volunteer of your religious organization.
- b. Personal effects of others in your care, custody or control.

#### 2. PROPERTY NOT COVERED

Covered Property does not include:

- a. Automobiles, motor trucks, motorcycles, aircraft or watercraft;
- b. Accounts, bills, currency, deeds, money, notes, securities and evidence of debt; or
- c. Contraband or property in the course of illegal transportation or trade.

#### 3. COVERED CAUSES OF LOSS

Covered Causes of Loss means risk of direct physical loss to Covered Property except those causes of loss listed in the Exclusions.

### 4. COVERAGE EXTENSIONS

#### a. Personal Effects Outside the Coverage Territory

- (1) We will pay for direct physical loss to Covered Property while temporarily at a location outside of the Coverage Territory.
- (2) This Coverage Extension does not include, in addition to the property described under Paragraph **A.2. Property Not Covered**:
  - (a) Property that is shipped via mail;
  - (b) Property where you are required to provide a negotiable ocean cargo policy or certificate to any seller, buyer or bank; or
  - (c) Property shipped to or located in a country subject of a trade embargo, economic sanctions, or other trade restrictions by the government of the United States of America.
- (3) The most we will pay under this Coverage Extension is:
  - (a) \$5,000 per person; and
  - (b) \$25,000 per occurrence.

### B. EXCLUSIONS

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

#### a. GOVERNMENTAL ACTION

Seizure or destruction of property by order of governmental authority.

But we will pay for loss caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire caused by a Covered Cause of Loss to prevent its spread.

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**b. NUCLEAR HAZARD**

- (1) Any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But we will pay for direct loss caused by a resulting fire if the fire would be covered under this endorsement.

**c. 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.

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

- a. Delay, loss of use, loss of market, or any other consequential loss.
- b. Dishonest acts by:
  - (1) You, your employees or authorized representatives;
  - (2) Anyone else with an interest in the property, or their employees or authorized representatives; or
  - (3) Anyone else to whom the property is entrusted.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons and without regard to whether such acts occur during the hours of employment.

This exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire.

- c. Missing property where the only proof of loss is unexplained or mysterious disappearance of Covered Property, or shortage of property discovered on taking inventory, or any other instance where there is no physical evidence to show what happened to the Covered Property.

This exclusion does not apply to Covered Property in the custody of a carrier for hire.

- d. Unexplained disappearance.
- e. Shortage found upon taking inventory.
- f. Processing or work upon the Covered Property.

But we will pay for direct loss to Covered Property caused by resulting fire or explosion, if these causes of loss would be covered under this endorsement.

- g. Artificially generated current creating a short circuit or other electric disturbance within an item covered under this endorsement.

But we will pay for direct loss to Covered Property caused by resulting fire or explosion, if these causes of loss would be covered under this endorsement.

This exclusion only applies to loss to that item in which the disturbance occurs.

- 3. We will not pay for loss caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting 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.
- 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 wherever located.
- d. Wear and tear, any quality in the property that causes it to damage or destroy itself, hidden or latent defect, gradual deterioration, mechanical breakdown, corrosion, rust, dampness, cold or heat.

**C. ADDITIONAL CONDITIONS**

**1. COVERAGE TERRITORY**

The Coverage Territory contained in the Commercial Property Conditions is deleted and replaced with the following:

We cover property wherever located within:

- a. The United States of America including its territories and possessions;
- b. Puerto Rico; and
- c. Canada.

**2. Loss Payment**

The following is added to Section **E. Loss Conditions**, Paragraph **4. Loss Payments**:

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

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# PROPERTY IN TRANSIT COVERAGE ENDORSEMENT

COMMERCIAL PROPERTY  
CP 76 72 01 16

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

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CAUSES OF LOSS - SPECIAL FORM  
BUSINESS INCOME COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the applicable Coverage Form apply unless modified by the endorsement.

With respect only to this endorsement, Sections **A. Coverage** and **B. Exclusions and Limitations** of the **Building And Personal Property Coverage Form** and the **Causes of Loss - Special Form** are deleted in their entirety and replaced with the following provisions.

### A. COVERAGE

We will pay for direct physical loss or damage to Covered Property from any Covered Cause of Loss.

#### 1. COVERED PROPERTY

a. Covered Property, as used in this endorsement, means:

- (1) Your personal property; or
- (2) Personal property of others in your care, custody or control;

used in your business that is in transit by any carrier or messenger for hire at your risk.

b. We cover property shipped:

- (1) By any type of carrier or vehicle; or
- (2) In or on any land vehicle you own or operate.

#### 2. PROPERTY NOT COVERED

Covered Property does not include:

- a. Accounts, bills, currency, deeds, evidences of debt, money, notes or securities;
- b. Bullion, gold or other precious metals, jewelry, watches, precious or semiprecious stones;
- c. Furs;
- d. Coins or stamps;
- e. Live animals;
- f. The vehicle(s) carrying the property;

g. Property in the custody of a government postal service;

h. Property you accept while acting as a common or contract carrier;

i. Property while waterborne. However, we cover property while aboard vessels on inland waterways when the waterborne transportation is incidental to the land portion of the journey;

j. Import shipments:

(1) Until discharged from the import conveyance; or

(2) Until Ocean Marine insurance ceases; whichever occurs last;

k. Export shipments:

(1) After placed on the outbound conveyance; or

(2) When Ocean Marine insurance applies to the shipment; whichever occurs first;

l. Works of art;

m. Contraband or property in the course of illegal transportation or trade;

n. Salesperson's samples; or

o. Installation property.

#### 3. WHEN COVERAGE APPLIES

We cover property only:

a. While in the custody of the carrier or messenger for hire:

(1) Until the property is delivered at its destination; or

(2) If the property is not delivered until it is returned to you.

We also cover the property held temporarily in storage prior to delivery to its destination or its return to you; and

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- b. In or on any land vehicle you own or operate while in transit from the time the vehicle leaves the premises where the shipment begins until the vehicle arrives at its destination.

#### 4. COVERED CAUSES OF LOSS

Covered Causes of Loss means risk of direct physical loss or damage to Covered Property except those causes of loss listed in the Exclusions.

#### 5. COVERAGE EXTENSIONS

##### a. Packing Or Consolidating Companies

We will pay for loss of Covered Property in the custody of a packing or consolidating company employed by you or the consignee. However, this Coverage Extension does not apply if the packing or consolidating company is the agent or representative of you or the consignee for the purpose of this insurance.

##### b. Fraud Or Deceit

We will pay for loss of Covered Property that you, your agents, messengers, customers or consignees give to a person or persons who falsely present themselves as the proper person to receive goods for shipment or accept goods for delivery.

##### c. Free On Board (F.O.B.)

We cover your interest in Covered Property you sold F.O.B.

Payments under Coverage Extensions **5.a.**, **5.b.** and **5.c.** will not increase the limit shown in the ElitePac Schedule.

##### d. Refrigerated Property

We will pay for loss to Covered Property caused by or resulting from breakdown, failure or malfunction of any temperature control system or refrigeration equipment.

Exclusion **B.2.c.** does not apply to this Coverage Extension.

In addition to Section **B. Exclusions**, we will not pay for loss caused by or resulting from the disconnection of any refrigerating, cooling or humidity control system from the source of power.

The most we will pay under this Coverage Extension is \$25,000.

##### e. Property In Transit Outside the Coverage Territory

We will pay for direct physical loss to Covered Property while in transit outside of the boundaries described under the Coverage Territory.

This coverage does not include, in addition to the property described under Paragraph **A.2. Property Not Covered:**

- (1) Property that is shipped via mail;
- (2) Property where you are required to provide a negotiable ocean cargo policy or certificate to any seller, buyer or bank; or
- (3) Property shipped to or located in a country subject to a trade embargo, economic sanctions, or other trade restrictions by the government of the United States of America.

The most we will pay under this Coverage Extension is:

- (1) \$25,000 for Technology risks; and
- (2) \$10,000 for all other risks.

##### f. Your Business Personal Property In Transit Business Income

When a **BUSINESS INCOME COVERAGE FORM** is made a part of this policy, we will pay for the actual loss of Business Income you sustain and the necessary Extra Expense you incur due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss or damage to Your Business Personal Property while in due course of transit, caused by or resulting from a Covered Cause of Loss.

The most we will pay under this Coverage Extension is \$25,000.

#### 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 or damage.

##### a. 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 Form.

**b. NUCLEAR HAZARD**

- (1) Any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the direct loss or damage caused by that fire if the fire would be covered under this endorsement.

**c. 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.

Exclusions **B.1.a.** through **B.1.c.** apply whether or not the loss event results in widespread damage or affects a substantial area.

2. We will not pay for loss caused by or resulting from any of the following:
  - a. Improper packing or stowage, or rough handling. But this exclusion does not apply to loss caused by or resulting from improper packing or stowage, or rough handling by others who are carriers for hire.
  - b. Delay, loss of use, loss of market or any other indirect loss.
  - c. Breakdown of refrigeration equipment except as provided under Paragraph **A.5.d. Refrigerated Property Coverage Extension**. But this exclusion does not apply to others who are carriers for hire.
  - d. Dishonest or criminal act committed by:
    - (1) You, any of your partners, employees, directors, trustees, or authorized representatives;
    - (2) A manager or a member if you are a limited liability company;
    - (3) Anyone else with an interest in the property, or their employees or authorized representatives; or

- (4) Anyone else to whom the property is entrusted for any purpose, except as provided under Paragraph **A.5.b. Fraud and Deceit Coverage Extension**.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

This exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire or to acts of destruction by your employees.

- e. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.
3. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for the loss or damage caused by that Covered Cause of Loss.
  - a. Any quality in the property that causes it to damage or destroy itself.
  - b. Gradual deterioration, corrosion, rust.
  - c. Dampness, extremes of temperature.
  - d. Insects, vermin or rodents.

**C. ADDITIONAL CONDITIONS****1. Claims Against Others**

The following is added to Commercial Property Loss Condition **3. Duties in the Event of Loss Or Damage**:

You must promptly make claim in writing against any other party which had custody of the Covered Property at the time of loss.

2. The Property Loss Condition **E.7. Valuation** is replaced by the following:

The value of Covered Property will be determined by:

- a. The value agreed on between the shipper and the consignee in writing prior to loss or damage.
- b. If Paragraph **a.** does not apply the value will be:
  - (1) The invoice price plus accrued costs, pre-paid charges, and charges since shipment of the Covered Property shipped to your customers.

(2) The invoice price plus accrued costs, pre-paid charges and charges since shipment of Covered Property you bought from others.

(3) The value of all other Covered Property will be the least of the following amounts:

(a) The actual net cost;

(b) The cost of restoring that property to its condition immediately before loss; or

(c) The cost of replacement.

The value will include your prepaid freight charges and any other shipping charges that are due since the start of transit.

3. The Coverage Territory contained in the Commercial Property Conditions is deleted and replaced with the following:

**Coverage Territory**

(1) We cover property wherever located within:

(a) The United States of America including its territories and possessions;

(b) Puerto Rico; and

(c) Canada.

(2) We also cover property being shipped by air within and between points in Paragraph (1).

**4. Impairment of Rights of Recovery**

The following is added to Commercial Property Condition I. **Transfer of Rights of Recovery Against Other To Us:**

**Released Bills Of Lading**

You may accept receipts and/or bills of lading issued by carriers limiting the amount of their liability.

5. The following conditions apply in addition to the Commercial Property Conditions:

**a. Labels**

In the event of loss only to the identifying labels or wrappers containing the Covered Property, we will pay the cost to replace those labels or wrappers if the loss is caused by or results from a Covered Cause of Loss.

**b. Records**

You must keep accurate records of all shipments covered by this Coverage Form. You must retain these records until the policy ends.

# SALESPERSON'S SAMPLES COVERAGE ENDORSEMENT

COMMERCIAL PROPERTY  
CP 76 73 01 16

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

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CAUSES OF LOSS - SPECIAL FORM

With respect to coverage provided by this endorsement, the provisions of the applicable Coverage Form apply unless modified by the endorsement.

With respect only to this endorsement, Sections **A. Coverage** and **B. Exclusions and Limitations** of the **Building And Personal Property Coverage Form** and the **Causes of Loss - Special Form** are deleted in their entirety and replaced with the following provisions.

### A. COVERAGE

We will pay for direct physical loss or damage to Covered Property from any Covered Cause of Loss.

#### 1. COVERED PROPERTY

- a. "Stock" in trade, including containers, while
  - (1) In the custody of your sales representative, agent or any employee who travels with sales samples; or
  - (2) In your custody while acting as a sales representative.
- b. "Stock" in trade of others, including containers, while
  - (1) In the care, custody or control of your sales representative, agent or any employee who travels with sales samples; or
  - (2) In your care, custody or control while you are acting as a sales representative.

#### 2. PROPERTY NOT COVERED

Covered Property does not include:

- a. Property which has been sold;
- b. Accounts, bills, currency, deeds, money, notes, securities and evidence of debt;
- c. Jewelry, precious or semi-precious stones, gold, silver, platinum, or other precious metals or alloys;

- d. Furs, fur garments or garments trimmed with fur;
- e. Automobiles, motor trucks, motorcycles, aircraft or watercraft; and
- f. Contraband or property in the course of illegal transportation or trade.

#### 3. COVERED CAUSES OF LOSS

Covered Causes of Loss means risk of direct physical loss to Covered Property except those causes of loss listed in the Exclusions.

#### 4. COVERAGE EXTENSIONS

##### a. Salesperson's Samples Outside the Coverage Territory

- (1) We will pay for direct physical loss to Covered Property while temporarily at a location outside of the Coverage Territory.
- (2) This Coverage Extension does not include, in addition to the property described under Paragraph **A.2. Property Not Covered**:
  - (a) Property that is shipped via mail;
  - (b) Property where you are required to provide a negotiable ocean cargo policy or certificate to any seller, buyer or bank; or
  - (c) Property shipped to or located in a country subject of a trade embargo, economic sanctions, or other trade restrictions by the government of the United States of America.
- (3) The most we will pay under this Coverage Extension is:
  - (a) \$25,000 for Technology risks; and
  - (b) \$10,000 for all other risks.

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## B. EXCLUSIONS

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

- a. **GOVERNMENTAL ACTION**

Seizure or destruction of property by order of governmental authority.

But we will pay for loss caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire caused by a Covered Cause of Loss to prevent its spread.

- b. **NUCLEAR HAZARD**

- (1) Any weapon employing atomic fission or fusion; or

- (2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But we will pay for direct loss caused by a resulting fire if the fire would be covered under this endorsement.

- c. **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.

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

- a. Delay, loss of use, loss of market, or any other consequential loss.

- b. Dishonest acts by:

- (1) You, your employees or authorized representatives;

- (2) Anyone else with an interest in the property, or their employees or authorized representatives; or

- (3) Anyone else to whom the property is entrusted.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons and without regard to whether such acts occur during the hours of employment.

This exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire.

- c. Missing property where the only proof of loss is unexplained or mysterious disappearance of Covered Property, or shortage of property discovered on taking inventory, or any other instance where there is no physical evidence to show what happened to the Covered Property.

This exclusion does not apply to Covered Property in the custody of a carrier for hire.

- d. Unexplained disappearance.
    - e. Shortage found upon taking inventory.
    - f. Processing or work upon the Covered Property.

But we will pay for direct loss to Covered Property caused by resulting fire or explosion, if these causes of loss would be covered under this endorsement.

- g. Artificially generated current creating a short circuit or other electric disturbance within an item covered under this endorsement.

But we will pay for direct loss to Covered Property caused by resulting fire or explosion, if these causes of loss would be covered under this endorsement.

This exclusion only applies to loss to that item in which the disturbance occurs.

- h. Theft from an unattended vehicle, except when it is securely locked, its windows are fully closed and there is visible evidence that entry into the vehicle was forced.

3. We will not pay for loss caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting 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.

- 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 wherever located.
- d. Wear and tear, any quality in the property that causes it to damage or destroy itself, hidden or latent defect, gradual deterioration, mechanical breakdown, corrosion, rust, dampness, cold or heat.

**C. ADDITIONAL CONDITIONS**

**1. COVERAGE TERRITORY**

The Coverage Territory contained in the Commercial Property Conditions is deleted and replaced with the following:

We cover property wherever located within:

- a. The United States of America including its territories and possessions;
- b. Puerto Rico; and
- c. Canada.

# TOOLS AND EQUIPMENT COVERAGE ENDORSEMENT

COMMERCIAL PROPERTY  
CP 76 74 01 16

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

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CAUSES OF LOSS - SPECIAL FORM

With respect to coverage provided by this endorsement, the provisions of the applicable Coverage Form apply unless modified by the endorsement.

With respect only to this endorsement, Sections **A. Coverage** and **B. Exclusions and Limitations** of the **Building And Personal Property Coverage Form** and the **Causes of Loss - Special Form** are deleted in their entirety and replaced with the following provisions.

### A. COVERAGE

We will pay for direct physical loss or damage to Covered Property from any Covered Cause of Loss.

#### 1. COVERED PROPERTY

- a. Your tools and equipment; and
- b. Tools and equipment of others in your care, custody or control.

#### 2. PROPERTY NOT COVERED

Covered Property does not include:

- a. Automobiles, motor trucks, motorcycles, aircraft or watercraft;
- b. Mobile equipment;
- c. Accounts, bills, currency, deeds, money, notes, securities and evidence of debt; or
- d. Contraband or property in the course of illegal transportation or trade.

#### 3. COVERED CAUSES OF LOSS

Covered Causes of Loss means risks of direct physical loss to Covered Property except those causes of loss listed in the Exclusions.

### B. EXCLUSIONS

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

#### a. GOVERNMENTAL ACTION

Seizure or destruction of property by order of governmental authority.

But we will pay for loss caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire caused by a Covered Cause of Loss to prevent its spread.

#### b. NUCLEAR HAZARD

- (1) Any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But we will pay for direct loss caused by a resulting fire if the fire would be covered under this endorsement.

#### c. 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.
2. We will not pay for loss caused by or resulting from any of the following:
    - a. Delay, loss of use, loss of market, or any other consequential loss.
    - b. Dishonest acts by:
      - (1) You, your employees or authorized representatives;
      - (2) Anyone else with an interest in the property, or their employees or authorized representatives; or
      - (3) Anyone else to whom the property is entrusted.

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This exclusion applies whether or not such persons are acting alone or in collusion with other persons and without regard to whether such acts occur during the hours of employment.

This exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire.

- c. Missing property where the only proof of loss is unexplained or mysterious disappearance of Covered Property, or shortage of property discovered on taking inventory, or any other instance where there is no physical evidence to show what happened to the Covered Property.

This exclusion does not apply to Covered Property in the custody of a carrier for hire.

- d. Unexplained disappearance.
- e. Shortage found upon taking inventory.
- f. Processing or work upon the Covered Property.

But we will pay for direct loss to Covered Property caused by resulting fire or explosion, if these causes of loss would be covered under this endorsement.

- g. Artificially generated current creating a short circuit or other electric disturbance within an item covered under this endorsement.

But we will pay for direct loss to Covered Property caused by resulting fire or explosion, if these causes of loss would be covered under this endorsement.

This exclusion only applies to loss to that item in which the disturbance occurs.

- 3. We will not pay for loss caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting 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.

- 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 wherever located.
- d. Wear and tear, any quality in the property that causes it to damage or destroy itself, hidden or latent defect, gradual deterioration, mechanical breakdown, corrosion, rust, dampness, cold or heat.

### C. ADDITIONAL CONDITIONS

#### 1. COVERAGE TERRITORY

The Coverage Territory contained in the Commercial Property Conditions is deleted and replaced with the following:

We cover property wherever located within:

- a. The United States of America including its territories and possessions;
- b. Puerto Rico; and
- c. Canada.



# VALUABLE PAPERS COVERAGE ENDORSEMENT

COMMERCIAL PROPERTY  
CP 76 75 01 16

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

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CAUSES OF LOSS - SPECIAL FORM

With respect to coverage provided by this endorsement, the provisions of the applicable Coverage Form apply unless modified by the endorsement.

With respect only to this endorsement, Sections **A. Coverage** and **B. Exclusions and Limitations** of the **Building And Personal Property Coverage Form** and the **Causes of Loss - Special Form** are deleted in their entirety and replaced with the following provisions.

### A. COVERAGE

We will pay for direct physical loss or damage to Covered Property from any of the Covered Causes of Loss.

1. Covered Property, as used in this endorsement, means "valuable papers and records" that are your property or property of others in your care, custody or control.

#### 2. PROPERTY NOT COVERED

Covered Property does not include:

- a. Property held as samples or for delivery after sale;
- b. Property in storage away from the "premises" shown in the Declarations except as provided in the Away From Your "Premises" Coverage Extension of this endorsement; or
- c. Contraband or property in the course of illegal transportation or trade.

#### 3. COVERED CAUSES OF LOSS

Covered Causes of Loss means risks of direct physical loss to Covered Property except those causes of loss listed in the Exclusions.

#### 4. ADDITIONAL COVERAGE - COLLAPSE

We will pay for direct loss caused by or resulting from risks of direct physical loss involving collapse of all or part of a building or structure caused by one or more of the following:

- a. Fire; lightning; windstorm; hail; explosion; smoke; aircraft; vehicles; riot; civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; breakage of building glass;

falling objects; weight of snow, ice or sleet; water damage; all only as insured against in this endorsement;

- b. Hidden decay;
- c. Hidden insect or vermin damage;
- d. Weight of people or personal property;
- e. Weight of rain that collects on a roof; or
- f. Use of defective materials or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

This Additional Coverage does not increase the limit shown in the ElitePac Schedule.

### 5. Coverage Extension

#### a. Removal

If you give us written notice within 10 days of removal of your records of accounts receivable because of imminent danger of loss or damage, we will pay for loss or damage while they are:

- (1) At a safe place away from your "premises"; or
- (2) Being taken to and returned from that place.

This Coverage Extension is included within the limit shown in the ElitePac Schedule for Valuable Papers.

#### b. Away From Your "Premises"

We will pay up to \$25,000 for loss to Covered Property while it is away from your "premises".

This Coverage Extension is in addition to the limit shown in the ElitePac Schedule for Valuable Papers.

### 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.

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**a. GOVERNMENTAL ACTION**

Seizure or destruction of property by order of governmental authority.

But we will pay for loss caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire caused by a Covered Cause of Loss to prevent its spread.

**b. NUCLEAR HAZARD**

- (1) Any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But we will pay for direct loss caused by a resulting fire if the fire would be covered under this endorsement.

**c. 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.

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

- a. Delay, loss of use, loss of market or any other consequential loss.
- b. Dishonest or criminal act committed by:
  - (1) You, any of your partners, your employees, directors, trustees or authorized representatives;
  - (2) Anyone else with an interest in the property, or their employees or authorized representatives; or
  - (3) Anyone else to whom the property is entrusted for any purpose.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

But this exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire or to acts of destruction by your employees. But theft by employees is not covered.

c. Errors or omissions in processing or copying.

But we will pay for direct loss caused by resulting fire or explosion if these causes of loss would be covered by this endorsement.

d. Electrical or magnetic injury, disturbance or erasure of electronic recordings.

But we will pay for direct loss caused by lightning.

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

f. Unauthorized instructions to transfer property to any person or to any place.

3. We will not pay for loss caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting 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.

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 wherever located.

d. Collapse except as provided in the **Additional Coverage - Collapse** section of this Coverage Form.

e. Wear and tear, any quality in the property that causes it to damage or destroy itself, gradual deterioration; insects, vermin or rodents.

**D. ADDITIONAL CONDITIONS****1. VALUATION**

The Property Loss Condition **E.7. Valuation** is deleted and replaced by the following:

The value of property will be the least of the following amounts:

1. The cost of reasonably restoring that property to its condition immediately before loss; or
2. The cost of replacing that property with substantially identical property.

In the event of loss the value of property will be determined as of the time of loss.

**2. RECOVERIES**

The following is added to Commercial Property Conditions:

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. If so, your loss will be readjusted based on the amount you received for the property recovered, with allowance for recovery expenses incurred.

**3. COVERAGE TERRITORY**

The Coverage Territory contained in the Commercial Property Conditions is deleted and replaced by the following:

We cover property:

- (1) Within your "premises"; and
- (2) Away from you "premises" while in transit or within the premises of others if those premises are located or the transit is within:
  - (a) The United States of America including its territories and possessions;
  - (b) Puerto Rico; and
  - (c) Canada.

**E. ADDITIONAL DEFINITIONS**

1. "Valuable papers and records" means inscribed, printed or written documents, manuscripts or records, including abstracts, books, deeds, drawings, films, maps or mortgages.

But "valuable papers and records" does not mean "money" or "securities", converted data, programs or instructions used in your data processing operations, including the materials on which the data is recorded.

2. "Premises" means that interior portion of the building at the address shown in the Declarations that you occupy for your business.
3. "Money" means:
  - a. Currency, coins and bank notes whether or not in current use; and
  - b. Travelers checks, register checks and money orders held for sale to the public.
4. "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or other property and includes:
  - a. Tokens, tickets, revenue and other stamps whether or not in current use; and
  - b. Evidences of debt issued in connection with credit or charge cards, which cards are not of your own issue;
 but does not include "money".

# CYBER INCIDENT EXCLUSION

COMMERCIAL PROPERTY  
CP 80 14 10 22

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

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART  
STANDARD PROPERTY POLICY

- A.** The following exclusion is added to Paragraph **B.** Exclusions in the Causes of Loss form. Subject to the Exceptions And Limitations set forth in Paragraph **B.** of this exclusion, it limits all coverage under all forms and endorsements that comprise the Commercial Property Coverage Part:

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

### Cyber Incident

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

### B. Exceptions And Limitations

#### 1. Fire Or Explosion

If a Cyber Incident as described in this exclusion results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

### 2. Additional Coverage

The exclusion in Paragraph **A.** does not apply to coverage provided in each of the following Additional Coverages and Coverage Extensions, but only to the extent that Additional Coverage or Coverage Extension is included in the Coverage Part:

- a. Additional Coverage - Electronic Data;
- b. Additional Coverage - Interruption Of Computer Operations;
- c. Coverage Extension - Duplicate "Electronic Data" Coverage within the Electronic Information Systems Coverage Endorsement; or
- d. Coverage Extension - Virus or Harmful Code within the Electronic Information Systems Coverage Endorsement.

### 3. Equipment Breakdown

If a Cyber Incident as described in this exclusion results in an "accident" under Equipment Breakdown coverage provided by the Systems Power Pac Endorsement, we will pay for the loss or damage caused by that "accident".

### C. Vandalism

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

Vandalism does not include a Cyber Incident as described in this exclusion.

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We will provide the insurance described in this policy in return for the premium and compliance with all applicable provisions of this policy.



**Secretary**



**President and CEO**