AMERICAN FAMILY INSURANCE COMPANY
1140 N MAIN ST STE D
GUNNISON CO 81230-2460

AmFam.com
1-800-MY AMFAM® (692-6326)

October 30, 2023

RICHARDSON SQUARE CONDO
PO BOX 1419
GUNNISON CO 81230-1419

*Regarding your Businessowners Policy*

# Important information pertaining to offer to renew policy

| Policy number | Previous policy number | Expiration date |
|---|---|---|
| 91004-43464-61 | 05XW520301<br>05XW520306<br>05XW520307 | January 1, 2025 |

Thank you for allowing American Family Insurance to insure your business. We value you as a customer and work to provide you with the business insurance coverage to best fit your insurance needs. As a follow up to the letter previously sent to you, we are writing to inform you that the program associated with your current policy will no longer be offered. As a result, we are nonrenewing your policy from American Family Mutual Insurance Company, S.I., and we are pleased to offer you a new business policy through American Family Insurance Company with updated coverages and servicing options to protect your business. **Your current American Family Mutual Insurance Company, S.I., policy will not be renewed**.

We are eager to provide you with a fast and smooth transition to the new business policy. Enclosed, you will find the following information:

- Notice of change in policy terms
- Non-renewal notice of current policy (as required by state)
- Copy of new policy offering, including Declarations page

**What You Need To Do Now**:

Carefully review the enclosed materials, including the notice of change in policy terms and your new policy offering, to ensure understanding of your business coverage and to confirm it meets your needs.

Accept your new policy by making payment of your policy premium through your existing payment method. NOTE: For your convenience, any existing electronic payment methods you have elected, including My Account, Automatic Payment, and Automatic Funds Transfer (AFT) payment options, will carry over to your new policy and will reflect your new policy number.

If you have additional questions, need to modify or stop your Automatic Funds Transfer payment options, or choose to decline your new policy, please contact our Sales & Service Operations Team at (800-692-6326).

**Please read all enclosed materials that will further explain any coverage differences between your current policy and new business policy. Ensure prompt payment of your policy premium is made to confirm acceptance of your new policy and avoid unintended coverage interruption for your business.**

We appreciate the trust you have placed in American Family and look forward to serving your insurance needs for many years to come.

Commercial - Farm/Ranch Division
1-800-MY AMFAM (1-800-692-6326)

*AMERICAN FAMILY INSURANCE COMPANY*

**Your American Family Agent is**:

Clarie Broschinsky Agency LLC cbroschi@amfam.com

1140 N Main St Ste D
Gunnison CO 81230-2460
970-641-3481

American Family Insurance - Small Business Insurance policies are underwritten by Midvale Indemnity Company (CA Certificate of Authority #2224-4). Midvale is a wholly owned subsidiary of American Family Mutual Insurance Company, S.I.

AMERICAN FAMILY INSURANCE

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October 30, 2023

RICHARDSON SQUARE CONDO
PO BOX 1419
GUNNISON CO 81230-1419

*Regarding your Expiring Policy*

# We have renewed your insurance coverage with some notable changes.

| Policy number | Effective date |
|---|---|
| 91004-43464-61 | January 1, 2024 |

Thank you for choosing American Family Insurance. We truly value you as our customer and are committed to providing you the support you need to protect the things that matter most.

We'd like to share with you changes that have been made to your expiring insurance policy with us.

Your policy had provided Commercial Crime and/or Commercial Inland Marine coverage that upon policy renewal is now being combined with your Commercial Property and Liability coverage with us. We have made every effort to replace all of your insurance requirements with our Fusion Businessowners program policy. This program does not make available every specific Crime or Inland Marine coverage that you may have had on your expiring policy, so your renewal with us may result in coverage gaps that you need to be aware of.

The Fusion Businessowners program that your coverage is being replaced with does not provide all of the Crime coverage options that had been available to you previously with us. The following lists those coverage forms which are no longer available, and the coverage that we are replacing it with. Forms unique to a specific state do not appear on this list, but may no longer be available to your renewal as well. This may represent a reduction in your expiring coverage.

- ***CR 00 21 05 06 – Commercial Crime Coverage Form***. We are renewing your coverage with the Businessowners Coverage Form, BP 00 03 07 13, which automatically provides a modest amount Forgery Or Alteration and Money Orders & Counterfeit Money coverage. Coverage for Employee dishonesty, as well as Money & Securities are available in the Fusion Businessowners program, and will be provided to your renewal at the closest available matching limits. Additionally, if your renewal policy contains an enhancement endorsement, many of the coverages provided by the CR 00 21 are duplicated with the enhancement.
- ***CR 04 01 05 06 – Crime – Money & Securities – Clients' Property***. There is no comparable Fusion Businessowners program coverage form. We will attempt to provide Money & Securities coverage to you at the coverage limit you currently have, but unfortunately we cannot duplicate the coverage for clients' property.
- ***CR 04 03 03 00 – Crime – Money & Securities – Extortion – Commercial Entities***. There is no comparable Fusion Businessowners program coverage form. We will attempt to provide Money & Securities coverage to you at the coverage limit you currently have, but unfortunately we cannot duplicate the coverage for extortion.

- ***CR 04 05 08 13 – Inside The Premises – Theft Of Other Property***. There is no comparable Fusion Businessowners program coverage form.
- ***CR 04 06 03 00 – Inside The Premises – Robbery Or Burglary Of Other Property***. There is no comparable Fusion Businessowners program coverage form.
- ***CR 04 07 08 13 – Inside The Premises – Robbery Of A Custodian Or Safe Burglary Of Money And Securities***. There is no comparable Fusion Businessowners program coverage form.
- ***CR 04 13 08 13 – Destruction Of Electronic Data Or Computer Programs***. There is no comparable Fusion Businessowners program coverage form.
- ***CR 07 50 08 08 – Amendment – Delete Provisions Regarding Certain Acts Of Terrorism***. There is no comparable Fusion Businessowners program coverage form.
- ***CR 25 02 05 06 – Include Designated Agents As Employees***. There is no comparable Fusion Businessowners program coverage form.
- ***CR 25 06 03 00 – Include Chairperson And Members Of Specified Committees As Employees***. There is no comparable Fusion Businessowners program coverage form.
- ***CR 25 07 03 00 – Include Specified Directors Or Trustees On Committees As Employees***. There is no comparable Fusion Businessowners program coverage form.
- ***CR 25 20 03 00 – Credit For Credit, Debit For Charge Card Forgery***. There is no comparable Fusion Businessowners program coverage form.
- ***CR 25 41 03 00 – Include Designated Persons Or Classes Of Persons As Employees***. There is no comparable Fusion Businessowners program coverage form.

These changes will not affect any of the other insurance coverages you have with us.

**These changes will be reflected on your upcoming renewal.**

Your agent has received a copy of this letter. If you have questions about this notice, please contact your agent listed below or call us at 1-800-MY AMFAM (1-800-692-6326) ext. 76000.

Commercial - Habitation Division
1-800-MY AMFAM (1-800-692-6326)

*AMERICAN FAMILY INSURANCE COMPANY*

**Your American Family Agent is**:

Clarie Broschinsky Agency LLC cbroschi@amfam.com

1140 N Main St Ste D
Gunnison CO 81230-2460
970-641-3481

# BUSINESSOWNERS POLICY

**AMERICAN FAMILY INSURANCE COMPANY**
6000 American Pkwy
Madison WI 53783-0001
(608) 249-2111

Member of American Family Insurance Group

**THIS POLICY CONSISTS OF:**

**- DECLARATIONS**

**- BUSINESSOWNERS COVERAGE FORM**

**- APPLICABLE FORMS AND ENDORSEMENTS**

Notification of changes to the Businessowners Policy that occur during the policy term will be made using a change endorsement that is issued by us and made a part of this policy. Whenever the sentence "Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations" appears in an endorsement attached to this policy, the sentence is changed to read:

Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations or on a change endorsement issued by us, and made a part of this policy.

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# NOTICE OF CHANGE IN POLICY TERMS

This is a summary of the major changes to your policy. No coverage is provided by this summary nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided. If there is any conflict between the policy and this summary, **THE PROVISIONS OF THIS POLICY SHALL PREVAIL**.

The areas within the policy that broaden or reduce coverage are highlighted below. If changes were made to clarify the intent of the coverage, they are highlighted below as well. This notice does not reference every change made in your policy. For example, changes of a grammatical nature have been omitted.

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## BUSINESSOWNERS COVERAGE FORM BP 00 03

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## SECTION I – PROPERTY

**BROADENINGS OF COVERAGE**

Covered Property:

- ***Business Personal Property (Coverage Radius)*** – Business Personal Property coverage now extends 100 feet from the buildings as well as the described premises on the policy.
- ***Electronic Data In Building Equipment*** – Coverage for electronic data is provided for such data integrated into and which operates or controls the building's heating, ventilating, air conditioning, lighting, elevator or security systems. The full policy limits of insurance for loss apply (subject to policy exclusions).
- ***Vegetated Roof*** – Coverage has been expanded to include trees, shrubs or plants that are part of any vegetated roof on your covered buildings.

Additional Coverages:

- ***Business Income From Dependent Properties (Secondary Dependent Properties)*** – Coverage is extended with respect to secondary dependent properties which are limited to direct suppliers and recipients of the dependent property's materials or services.
- ***Civil Authority*** – Business income coverage duration is extended from 21 days to 28 days.
- ***Debris Removal*** – The additional Limit of Insurance for debris removal expense is increased from $10,000 to $25,000. Additionally, coverage for debris removal is expanded to include the expense of removing debris of certain property of others subject to a $5,000 limit.
- ***Extended Business Income*** – The basic coverage period is extended from 30 days to 60 days.
- ***Fire Department Service Charge*** – The amount of this coverage (the basic amount included within this form, or a designated higher limit) now applies to each premises described in the policy Declarations.

Coverage Extensions:

- ***Outdoor Property*** – The limit of coverage for any one outdoor tree, shrub or plant is increased to $1,000 although the total coverage extension limit remains at $2,500.
- ***Business Personal Property Temporarily Available In Portable Storage Units*** – Your Business Personal Property coverage limit may be extended to it while temporarily stored in a portable storage unit if within 100 feet or your covered building or the boundaries of your premises. This also includes your temporarily stored property in detached trailers.

Loss Conditions:

- ***Loss Payment (Party Walls)*** – A provision to the form language has been introduced that addresses exposures associated with party walls, the insured's interest in that wall, and how we will settle a covered loss involving that party wall.

Property Definitions:

- ***Specified Causes Of Loss*** – The definition of coverage for water damage is expanded to include accidental discharge or leakage of water or waterborne material directly from the breaking apart or cracking of certain off-premises systems due to wear and tear.

**REDUCTIONS IN COVERAGE**

Limitations:

- ***Personal Property In A Building Or Structure*** – The limitations which pertain to the interior of any building or structure caused by or resulting from rain, snow, sleet, ice, sand or dust are extended to apply to personal property in the building or structure.

Additional Coverages:

- ***Civil Authority*** – The distance from your property to the damaged property location must be within one mile.

Exclusions:

- ***Earth Movement*** – The exclusion for earthquake now includes tremors and aftershocks.
- ***Virus Or Bacteria*** – This new exclusion was previously a part of the fungi, wet rot and dry rot exclusion. It was separated to provide greater clarification of viruses, bacterium or other microorganisms.
- ***Water*** – The exclusion for water is extended to tsunamis and tidal water.

Deductibles:

- ***Forgery Or Alteration*** – This additional coverage is now subject to the Optional Coverage Deductible indicated in your policy's Property Coverage section.

## SECTION II – LIABILITY

**BROADENINGS OF COVERAGE**

Exclusions:

- ***Electronic Data*** – An exception is introduced to provide that the exclusion does not apply to liability for damages because of bodily injury.
- ***Liquor Liability*** – The exclusion is revised to provide that, for the purposes of the exclusion, permitting a person to bring alcoholic beverages for consumption on an insured's premises (e.g., a "Bring Your Own"), whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

Who Is An Insured:

- ***Trusts*** – The liability coverage is amended to include as insureds, trusts, and trustees with respect to their duties as trustees of the trust.

**REDUCTIONS IN COVERAGE**

Coverage Extension – Supplementary Payments:

- ***Attorney's Fees Or Expenses Taxed Against The Insured*** – This extension has been revised so that coverage is provided for court costs taxed against the insured but that this does not include attorneys' fees or attorney expenses taxed against the insured.

Exclusions:

- ***Professional Services*** – The exclusion for professional services has been expanded to apply even if the

claims allege your negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others, if the claim involved the rendering or failure to render any professional service.

- ***Recording And Distribution Of Material Or Information In Violation Of Law*** – This exclusion has been expanded to include violation of the Fair Credit Reporting Act (FCRA)

## BUSINESSOWNERS ENDORSEMENTS

Your insurance policy consists of a basic coverage form, with a variety of supporting endorsements attached to it. These are dependent on the insurance regulations in your state, the nature and unique needs of your business operations, and exposures underwritten by us when pricing your coverage. The following is an abbreviated summary of changes we have made; it is general in nature, and not specific to your insurance policy with us, so many of these may have no applicability to you or your business.

Only those endorsements with relevant significance are identified herein. In some instances we may have replaced one industry-standard form with another which we as your insurer have created; or the situation may be reversed. However, the extent of the coverage enhancement, restriction or language modification served to accomplish the same purpose, and as such are not mentioned in this notice.

### I. POLICY ENDORSEMENTS WHICH BROADEN COVERAGE

- ***BP 04 41 07 13 – Business Income Changes – Time Period*** – This endorsement is revised from earlier form version ***BP 04 41 01 06*** to reflect changes made to the Business Income From Dependent Properties Additional Coverage in the Businessowners Coverage Form with respect to secondary dependent properties.

- ***BP 04 46 01 06 – Ordinance Or Law Coverage*** – This form has been replaced with our own version, ***BPF 84 64 08 21, Ordinance Or Law Coverage***. It provides an option to blanket 3 coverages of demolition costs; increased costs of construction; and coverage for loss to the undamaged portion of the building.

- ***BP 04 56 07 13 – Utility Services – Direct Damage*** – This endorsement is revised from earlier form version ***BP 04 56 01 06*** to make it explicit that transmission lines include all lines which serve in the transmission of power or communication service, including lines which may be identified as distribution lines.

- ***BP 04 57 07 13 – Utility Services – Time Element*** – This endorsement is revised from earlier form version ***BP 04 57 01 06*** to make it explicit that transmission lines include all lines which serve in the transmission of power or communication service, including lines which may be identified as distribution lines. It was also revised to provide the means to select a new category of utility service; wastewater removal property. With respect to the coverage provided under this endorsement, wastewater removal property is a utility system for removing wastewater and sewage from the described premises, other than a system designed primarily for draining storm water.

- ***BP 12 03 01 10 – Loss Payable Clause*** – This provision has been revised from earlier form version ***BP 12 03 01 06*** to add an option, Building Owner Loss Payable Clause, to identify the building owner and recognize that entity as a loss payee.

- ***BP 87 01 08 10 – Condominium Association Coverage*** – This form has been replaced with our own version, ***BPF 87 01 08 18, Condominium Association Coverage*** (***BPF 87 05 08 18*** in Minnesota; ***BPF 87 06 02 19*** in Illinois; ***BPF 87 09 08 18*** in Washington; ***BPF 87 10 08 18*** in Georgia; and ***BPF 87 28 08 18*** in Utah). It states that coverage extends 100 feet from the building or 100 feet from the described premises, whichever distance is greater.

### II. POLICY ENDORSEMENTS WHICH CLARIFY THE INTENT OF COVERAGE

- The meaning of the terms Buildings, Premises and Locations. This insurance coverage follows the accepted industry standard definitions of buildings, premises and locations. Premises means a physical geographical location or address. The term premises is synonymous with the term location. A premises or location may have one or more buildings situated on it. Wherever coverage provided under your policy indicates that it applies to a specific location, the limit of coverage provided is a total limit of insurance for the location (premises); it does not apply separately and individually to each building that may be situated

at that premises or location.

- ***BP 04 02 07 13 – Additional Insured – Managers Or Lessors Of Premises*** – This additional insured endorsement has been revised from earlier form version ***BP 04 02 01 06*** to clarify the intent of the coverage provided.

- ***BP 04 04 01 10 – Hired Auto And Non-Owned Auto Liability*** – This coverage form has been modified from earlier form version ***BP 04 04 01 06*** to clarify the intent that the coverage provided is excess over any primary insurance covering the hired auto or non-owned auto. This also applies to the Washington state version of this form, ***BP 04 20 01 10,*** Washington Hired Auto And Non-Owned Auto Liability, revised from earlier form version ***BP 04 20 01 06***, and to the Illinois state version of this form, ***BP 84 51 11 10, Illinois Hired Auto And Non-Owned Auto Liability***, revised from earlier form version ***BP 84 51 11 10***.

- ***BP 04 15 07 13 – Spoilage Coverage***. This coverage is being revised from earlier form version ***BP 04 15 01 06*** to clarify that mechanical breakdown and mechanical failure do not mean power interruption.

- ***BP 04 30 07 13 – Protective Safeguards*** – This endorsement is revised from earlier form version ***BP 04 30 01 06*** by the addition of a symbol and description to recognize hood-and-duct fire extinguishing systems. This applies to the South Dakota version of this form as well, form ***BP 04 79 07 13 – South Dakota Protective Safeguards,*** revised from earlier form version ***BP 04 79 01 06***.

- ***BP 04 31 07 13 – Food Contamination*** – This endorsement is revised from earlier form version ***BP 04 31 01 06*** to remain consistent with other programs and to reinforce the provision that that covered expenses include necessary medical tests or vaccinations for your employees (including temporary or leased employees) who are potentially infected by the food contamination, and to revise the definition of "food contamination".

## III. POLICY ENDORSEMENTS WHICH REDUCE COVERAGE

- ***BP 04 12 04 17 – Limitation Of Coverage To Designated Premises, Project Or Operation***. This form was revised from earlier form version ***BP 04 12 01 06*** to limit the liability coverage provided to the insured to not only their premises or projects, but also to any operations they may perform. NOTE: This form (or Missouri equivalent, ***BP 06 15 04 17***) is now attached to all Businessowners policies insuring rental dwellings and condominium residential unit-owners properties.

- ***BP 04 17 01 10 – Employment-Related Practices Exclusion*** (***BP 04 60 01 10*** in Washington state). This exclusion has been revised from earlier form version ***BP 04 17 07 02*** (***BP 04 60 07 02*** in Washington) to reinforce that, when attached to your policy, the exclusion applies to an injury causing event associated with employment, whether it occurs before employment, during employment or after employment of that person. Additionally, the exclusion is revised to reinforce that coverage does not apply for injury caused by the malicious prosecution of a person.

  While these changes are each a reinforcement of coverage intent, they may result in a decrease in coverage in jurisdictions where courts have ruled the exclusion to be inapplicable in employment-related malicious prosecution claims and/or post-employment claims. For that reason, out of caution, we are listing it as a potential decrease in coverage.

- ***BP 04 56 07 13 - Utility Services - Direct Damage.*** This coverage is not available to condominium unit rental business. If this coverage was provided in your expiring policy, it represents a reduction in your renewal coverage.

- ***BP 05 98 07 13 – Amendment Of Insured Contract Definition***. This endorsement is revised from earlier form version ***BP 05 98 01 06*** (***BP 06 27 01 06*** in Oregon; ***BP 14 60 06 10*** in Colorado) to reflect that the defined term insured contract addresses certain liability assumed by the Named Insured with respect to the tort liability of another party to the extent the assumption of the tort liability is permitted by law.

- ***BP 10 03 07 13 – Earthquake***. This endorsement is revised from earlier form version ***BP 10 03 01 06*** to explicitly address the Building and/or Business Personal Property Limit Of Insurance shown in the Declarations.

- ***BP 10 09 07 13 – Named Perils***. This endorsement is revised from earlier form version ***BP 10 09 01 06***, as a consequence of generally extending insured property status to the vegetation which is part of a vegetated roof, by adding a limitation which states that such vegetation is not covered with respect to loss or damage caused by hail. This also applies to the Washington state version of this form, ***BP 10 64 07 13,***

***Washington Changes – Named Perils*** revised from earlier form version ***BP 10 64 01 06***.

- ***BP 84 02 01 07 – Builders Risk Coverage***. This form has been revised from earlier form version ***BP 84 02 01 07***, and specifically excludes coverage for pre-existing buildings, scheduled structures and unscheduled structures.

- ***BP 84 09 01 07 – Sewer Back-Up And Sump Overflow***. This endorsement was revised in its language and is now form ***BPF 84 21 08 21 – Water Back-Up And Sump Overflow (Building)***, amended to not only extend coverage to waterborne material; but to also exclude coverage for failure of the sump pump due to power failure, and to limit the coverage to each specifically identified building on the premises. This also applies to the Washington state version of this form, ***BP 04 53 01 06, Washington – Water Back-Up And Sump Overflow*** which has been revised to form ***BPF 84 22 08 21 – Washington – Water Back-Up And Sump Overflow (Building)***.

- ***BPF 89 01 08 18 – Directors And Officers Liability Coverage*** – Silver series replaces the Non-Profit Directors And Officers Liability Policy form (***NP 00 01 12 08***). The NP 00 01 extended coverage to include your estate, heirs and legal representatives. The ***BPF 89 01*** does not provide this coverage, and it would be a reduction in your coverage, if applicable.

- ***Wind Or Hail Deductibles*** (applicable to buildings and/or business personal property insurance located in the states of Colorado, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota and South Dakota). Dependent upon the actual location of the covered property, as well as the number of buildings covered in your policy, a windstorm or hail deductible will be applied. If a flat deductible is applied, form **BPF 83 10 08 18**, **Windstorm Or Hail Flat Deductible** will be attached to your policy (**BPF 83 11 08 18**, **Minnesota Windstorm Or Hail Flat Deductible** in the state of Minnesota). If a percentage deductible is applied, form **BPF 83 03 08 18**, **Windstorm Or Hail Percentage Deductibles** will be attached to your policy (**BPF 83 04 08 18**, **Minnesota Windstorm Or Hail Percentage Deductibles** in the state of Minnesota). The level of the deductible (flat dollar or percentage) is dependent upon the actual location of the covered property.

## IV. POLICY ENHANCEMENT ENDORSEMENTS

If your former policy with us contained the ***CONDOMINIUM ENHANCEMENT ENDORSEMENT***, it is being renewed with a revised endorsement.

- ***BP 87 90 08 10 – Condominium Enhancement Endorsement*** (also applicable to Illinois state version of this form ***BP 87 92 03 16, Illinois Condominium Enhancement Endorsement***, and to the Washington state version of this form ***BP 87 91 01 16, Washington Condominium Enhancement Endorsement***). These forms are being revised and replaced with the following:

**POLICYHOLDERS WITH CONDOMINIUM EXPOSURES:**

The above form is replaced with ***BPF 87 90 08 21, Condominium Enhancement Endorsement*** – Platinum series (form ***BPF 87 91 08 21, Condominium Enhancement Endorsement – Oregon*** – Platinum series in Oregon; form ***BPF 87 92 08 21, Condominium Enhancement Endorsement – Georgia*** – Platinum series in Georgia). The following provides details of coverage broadening, duplication (by attachment of additional endorsements), and reduction from that provided by your former policy's condominium enhancement endorsement:

**Broadenings Of Existing Coverage**

***Accounts Receivable***. The off premises coverage limit is increased to $50,000.

***Debris Removal – Outdoor Trees, Shrubs or Plants***. This coverage limit is increased to $2,000 to remove this particular debris blown onto your premises by wind.

***Fine Arts***. Coverage for fine arts is added in the limit of $25,000.

***Fire Department Service Charge***. This coverage limit is increased to $250,000.

***Fire Extinguisher Systems Recharge Expense***. This coverage limit is increased to $50,000.

***Identity Fraud Expense Coverage***. We will reimburse your expenses incurred by you as a direct result of identity fraud committed against your business, up to $25,000. We will also pay up to $5,000 for additional advertising expenses you incur to restore your reputation from this identity

fraud attack.

***Increase In Rebuilding Expenses Following Disaster***. We will pay an additional amount of up to 30% of the limit of insurance on the Building to cover increased expenses for labor and materials for repair or replacement following the formal declaration of a disaster which is directly related to your loss.

***Other Insurance***. This endorsement states that coverage provided is excess over any other insurance covering the same loss or damage, whether collectable or not.

***Outdoor Signs***. The outdoor signs overage limit is increased to $25,000.

***Outdoor Trees, Shrubs Or Plants***. The limits of insurance for outdoor trees, shrubs or plants is increased to $10,000 per occurrence, with a sublimit of $2,500 per tree, shrub or plant.

***Personal Property Off Premises***. This coverage limit is increased to $50,000.

***Surge Protection***. Coverage in the limit of $20,000 is provided for loss of or damage to electronic data processing equipment from a power supply disturbance when the equipment is connected to a functioning surge protection device.

***Utility Services (Direct Damage and Time Element)***. $25,000 per occurrence limits are provided for both direct damage and for time element utility services coverages. This includes transmission lines coverage (overhead and underground).

***Damage To Property Of Others*** *(Liability coverage)*. This endorsement provides $15,000 of coverage for property damage to property of others that is caused by you.

**Duplication Of Existing Coverage By Means Of Additional Endorsements**

***Guaranteed Replacement Cost***. Form ***BPF 84 73 08 18, Guaranteed Replacement Cost Coverage*** will be added to your policy. However, if your former policy contained form **BP 04 83 01 10**, **Removal Of Insured-To-Value Provision**, that form will instead be added to your renewing policy, and form **BPF 84 73 08 18** will not be attached.

***Ordinance Or Law Coverage***. $300,000 combined limit – Ordinance Or Law (coverages 1, 2, and 3), form ***BPF 84 64 08 21, Ordinance Or Law Coverage*** will be added to your policy.

***Water Back-Up And Sump Overflow***. $300,000 – Water Back-Up And Sump Overflow. Form ***BPF 84 21 08 21, Water Back-Up And Sump Overflow (Building)*** will be added to your policy (***BPF 84 22 08 21, Washington- Water Back-Up And Sump Overflow (Building)*** in Washington state).

**Reductions In Existing Coverage**

***Auxiliary Buildings and Business Personal Property – Unscheduled***. Your former Condominium Enhancement Endorsement had provided $25,000 limits for this coverage. No coverage is available for this exposure with your new policy. This represents a reduction in coverage.

***Lock And Key Replacement***. Your former Condominium Enhancement Endorsement had provided $1,000 per occurrence/$100 per lock limits for this coverage. No coverage is available for this exposure with your new policy. This represents a reduction in coverage.

***Pollutant Cleanup And Removal***. Your former Condominium Enhancement Endorsement had provided $35,000 for this coverage. No additional coverage is available to increase this limit above the $25,000 now provided. This represents a reduction in coverage.

If your former policy with us contained the ***BUSINESSOWNERS ENHANCEMENT ENDORSEMENT***, it is being replaced with the following:

**POLICYHOLDERS WITH CONDOMINIUM EXPOSURES:**

The above form is replaced with ***BPF 87 90 08 21, Condominium Enhancement Endorsement*** –

Platinum series (form ***BPF 87 91 08 21, Condominium Enhancement Endorsement – Oregon*** – Platinum series for condominium exposures in Oregon). The following provides details of coverage broadening, duplication (by attachment of additional endorsements), and reduction from that provided by your former policy's businessowners enhancement endorsement:

**Broadenings Of Existing Coverage**

***Accounts Receivable***. The off premises coverage limit is increased to $50,000.

***Debris Removal***. This coverage limits are increased to $150,000 for additional debris removal costs, and $2,000 to remove this particular debris blown onto your premises by wind.

***Fine Arts***. Coverage for fine arts is added in the limit of $25,000.

***Fire Department Service Charge***. This coverage limit is increased to $250,000.

***Fire Extinguisher Systems Recharge Expense***. This coverage limit is increased to $50,000.

***Identity Fraud Expense Coverage***. We will reimburse your expenses incurred by you as a direct result of identity fraud committed against your business, up to $25,000. We will also pay up to $5,000 for additional advertising expenses you incur to restore your reputation from this identity fraud attack.

***Increase In Rebuilding Expenses Following Disaster***. We will pay an additional amount of up to 30% of the limit of insurance on the Building to cover increased expenses for labor and materials for repair or replacement following the formal declaration of a disaster which is directly related to your loss.

***Newly Acquired Or Constructed Buildings***. This coverage limit is increased to $1,000,000.

***Other Insurance.*** This endorsement states that coverage provided is excess over any other insurance covering the same loss or damage, whether collectable or not.

***Outdoor Fences And Walls***. This coverage limit for outdoor fences and walls is increased to $50,000.

***Outdoor Signs***. The outdoor signs overage limit is increased to $25,000.

***Outdoor Trees, Shrubs Or Plants (Outdoor Property)***. The limits of insurance for outdoor trees, shrubs or plants matches your current limit of $10,000 per occurrence, but now with an increased sublimit of $2,500 per tree, shrub or plant.

***Pollutant Cleanup And Removal***. The limit of insurance for pollutant cleanup and removal is increased to $25,000

***Surge Protection***. Coverage in the limit of $20,000 is provided for loss of or damage to electronic data processing equipment from a power supply disturbance when the equipment is connected to a functioning surge protection device.

***Utility Services (Direct Damage and Time Element)***. Limits for both direct damage and for time element utility services coverage are increased to $25,000. This includes transmission lines coverage (overhead and underground) for communication and power supply services.

***Damage To Property Of Others*** (Liability coverage). This endorsement provides $15,000 of coverage for property damage to property of others that is caused by you.

**Duplication Of Existing Coverage By Means Of Additional Endorsements**

***Business Income From Dependent Properties***. A $25,000 limit will be displayed on your policy's Declarations page, unless a higher limit is purchased.

***Ordinance Or Law Coverage***. $50,000 combined limit – Ordinance Or Law (coverages 1, 2, and 3), form BPF 84 64 08 21, Ordinance Or Law Coverage will be added to your policy.

***Water Back-Up And Sump Overflow (Building)***. A $15,000 coverage limit for Water Back-Up And Sump Overflow (Building) will be added to your policy. Form ***BPF 84 21 08 21, Water Back-Up And Sump Overflow (Building)*** will be added to your policy (***BPF 84 22 08 21, Washington- Water Back-Up And Sump Overflow (Building)*** in Washington state).

**Reductions In Existing Coverage**

***Employee Dishonesty***. Your former Businessowners Enhancement Endorsement had provided $10,000 of employee dishonesty coverage. This limit is not automatically being duplicated with your replacement enhancement endorsement, but coverage limits are available on an optionally purchased basis. Consult with your agent to determine if coverage limits are required for your business, and the corresponding cost for this coverage.

***Forgery Or Alteration***. Your former Businessowners Enhancement Endorsement had provided an increase in your coverage limits from $2,500 to a new limit of $10,000. This higher limit is not automatically being duplicated with your replacement enhancement endorsement, but higher limits are available on an optionally purchased basis. Consult with your agent to determine if higher limits are required for your business, and the corresponding cost for these limits.

***Interruption Of Computer Operations***. Your former Businessowners Enhancement Endorsement had provided an increase in your coverage limits from $10,000 to a new limit of $25,000. This higher limit is not being duplicated with your replacement enhancement endorsement, nor are higher limits available for this coverage. This constitutes a reduction in your coverage.

***Inventory And Appraisal Expense***. Your former Businessowners Enhancement Endorsement had provided this coverage at a limit of $10,000 per occurrence. This coverage is not being duplicated with your replacement enhancement endorsement, nor is an option available to purchase this coverage. This constitutes a reduction in your coverage.

***Lock And Key Replacement***. Your former Businessowners Enhancement Endorsement had provided this coverage at a limit of $1,000 per occurrence and $100 for any one lock. This coverage is not being duplicated with your replacement enhancement endorsement, nor is an option available to purchase this coverage. This constitutes a reduction in your coverage.

***Money And Securities***. Your former Businessowners Enhancement Endorsement had provided $10,000 (inside the premises) and $5,000 (outside the premises) of money and securities coverage. These limits are not automatically being duplicated with your replacement enhancement endorsement, but coverage limits are available on an optionally purchased basis. Consult with your agent to determine if coverage limits are required for your business, and the corresponding cost for this coverage.

***Money Orders And Counterfeit Money***. Your former Businessowners Enhancement Endorsement had provided an increase in your coverage limits from $1,000 to a new limit of $5,000. This higher limit is not being duplicated with your replacement enhancement endorsement, nor are higher limits available for this coverage. This constitutes a reduction in your coverage.

***Personal Effects***. Your former Businessowners Enhancement Endorsement had provided $15,000 for this coverage. No additional coverage is available to increase this limit above the $2,500 now provided by your policy. This represents a reduction in coverage.

***Personal Property Off Premises***. Your former Businessowners Enhancement Endorsement had provided $100,000 for this coverage. This replacement enhancement endorsement provides $50,000 for this coverage, with no additional limits available for increase. This represents a reduction in coverage.

***Preservation Of Property***. Your former Businessowners Enhancement Endorsement had provided 90 days for this coverage. No additional coverage is available to increase this limit above the 30 days now provided by your policy. This represents a reduction in coverage.

***Seasonal Increase – Business Personal Property***. Your former Businessowners Enhancement Endorsement had provided 50% for this coverage. No additional coverage is available to increase this limit above the 25% now provided. This represents a reduction in coverage.

***Tenant Building Coverage***. Your former Businessowners Enhancement Endorsement had

provided $10,000 coverage for any building improvements or betterments made by you as a tenant, and for which you are responsible to insure. This coverage is not being duplicated with your replacement enhancement endorsement, nor is an option available to purchase this coverage. This constitutes a reduction in your coverage.

***Tenant – Permanently Installed Equipment*** (considered Business Personal Property). Your former Businessowners Enhancement Endorsement had provided $25,000 coverage for any landlord owned property which you are responsible to insure. This coverage is not being duplicated with your replacement enhancement endorsement, nor is an option available to purchase this coverage. This constitutes a reduction in your coverage.

***Tenants Liability Coverage (Broadened Coverage For Damage To Premises Rented To You)***. Your former Businessowners Enhancement Endorsement had provided $300,000 of broadened coverage for damage to premises rented to you. This coverage is not automatically being duplicated with your replacement enhancement endorsement, but coverage limits are available on an optionally purchased basis. Consult with your agent to determine if coverage limits are required for your business, and the corresponding cost for this coverage.

***Liability Property Damage – Damage To Property Of Others Caused By You***. Your former Businessowners Enhancement Endorsement had provided $10,000 of liability coverage for damage to property of others that is caused by you. This coverage is not being duplicated with your replacement enhancement endorsement, nor is an option available to purchase this coverage. This constitutes a reduction in your coverage.

## V. ADDITIONAL INSURED ENDORSEMENTS

The following additional insured endorsements are revised to:

**a.** Add language to provide that the insurance afforded to an additional insured only applies to the extent permitted by law (in response to the growing number of states enacting anti-indemnification laws);

**b.** Provide that, if coverage provided to the additional insured is required by contract or agreement, the insurance afforded to the additional insured will not be broader than that which the Named Insured is required by the contract or agreement to provide for the additional insured; and

**c.** Provide that, if coverage provided to the additional insured is required by contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance required by the contract or agreement or the amount of insurance available under the applicable Limits Of Insurance shown in the Declarations, whichever is less. The provision also provides that the endorsement will not increase the applicable Limits Of Insurance shown in the Declarations.

- ***BP 04 02 07 13 – Additional Insured – Managers or Lessors Of Premises***
- ***BP 04 06 07 13 – Additional Insured – Controlling Interest***
- ***BP 04 07 07 13 – Additional Insured – State Or Governmental Agency Or Subdivision Or Political Subdivision – Permits Or Authorizations Relating To Premises***
- ***BP 04 09 07 13 – Additional Insured – Mortgagee, Assignee Or Receiver***
- ***BP 04 10 07 13 – Additional Insured – Owners Or Other Interests From Whom Land Has Been Leased***
- ***BP 04 11 07 13 – Additional Insured – Co-owner Of Insured Premises***
- ***BP 04 16 07 13 – Additional Insured – Lessor Of Leased Equipment***
- ***BP 04 47 07 13 – Additional Insured – Vendors***
- ***BP 04 48 07 13 – Additional Insured – Designated Person Or Organization***
- ***BP 04 49 07 13 – Additional Insured – Engineers, Architects Or Surveyors Not Engaged By The Named Insured***

- ***BP 04 50 07 13 – Additional Insured – Owners, Lessees Or Contractors – Scheduled Person Or Organization***
- ***BP 04 51 07 13 – Additional Insured – Owners, Lessees Or Contractors – With Additional Insured Requirement In Construction Contract***
- ***BP 04 52 07 13 – Additional Insured – State Or Governmental Agency Or Subdivision Or Political Subdivision – Permits Or Authorizations***

## VI. DISCONTINUED FORMS

The following forms have either been discontinued for your type of business, or have been incorporated into another form attached to your policy. If previously included in your insurance coverage with us, they will not be attached to this policy, and may result in a reduction in your coverage:

- ***BP 07 12 01 06 – Self-Storage Facilities***
- ***BP 10 05 07 02 – Exclusion – Year 2000 Computer-Related And Other Electronic Problems***
- ***BP 83 01 07 98 – Multiple Property Coverage Deductible***
- ***BP 84 04 01 07 – Blanket Coverage***
- ***BP 84 08 01 17 – Housing Authority – Amendment Of Policy Provisions***
- ***BP 84 24 01 07 – American Family Liability Changes***
- ***BP 84 24 12 08 – American Family Liability Changes***
- ***BP 85 17 09 15 – Unmatched Property Damage Exclusion Endorsement And Appraisal Changes*** (this language has been incorporated into the applicable state "Changes" endorsement for the state in which you conduct operations, which is attached to your policy).
- ***BP 86 01 01 07 – Additional Insured – Grantor Of Franchise***
- ***CA 00 05 10 01 – Garage Coverage Form*** – coverage was replaced for apartment operations only with form BP 07 76 07 13, Apartment Buildings – Loss or Damage To Tenants' Autos (Legal Liability Coverage). If your business is other than an apartment operation, or if you had garagekeepers coverage on a direct primary basis on your current policy with us, this represents a reduction in your coverage.

# Renewal Declarations
# Businessowners Policy

**Please read your policy**

American Family Insurance Company
6000 American Parkway
Madison WI 53783

For customer service and claims service
24 hours a day, 7 days a week

**1-800-MY AMFAM (1-800-692-6326)**
**amfam.com**

## Named Insured And Mailing Address

Richardson Square Condo
PO Box 1419
Gunnison CO 81230-1419

## Policy Information

| Policy number | Policy period | Billing account number |
|---|---|---|
| 91004-43464-61 | 1/1/2024 to 1/1/2025<br>12:01 A.M. Standard Time at your mailing address shown above. | 654-787-773-77 |

## Business and Operations Information

Year Started: 2017

Description of Business and Operations:

Form of Business: Corporation

Insurance applies only for coverages for which a limit of insurance or the word "Included" is shown unless coverage is provided by an endorsement. Blanket Insurance applies only for coverages for which a Blanket Limit of Insurance is shown.

As of the effective date of this policy, the Limit of Insurance as shown includes any increase in the limit due to Inflation Coverage.

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



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Policy Number: 91004-43464-61

## Premium Information

| | |
|---|---|
| **Total Advance Premium Per Term (Excluding Surcharges and Terrorism):** | $6,696.63 |
| **Certified Acts of Terrorism Premium:** | $49.23 |
| **Total Advance Premium Per Term:** | $6,745.86 |
| **Premium with Customer Full Pay Discount (not available on policies billed to a Third Party):** | $6,409.06 |

This premium may be subject to adjustment. You may be charged a fee when: (a) you pay less than the full amount due; (b) your payment is late; and/or (c) when your bank does not honor your check or electronic payment. Refer to your Billing Notice for fee amounts.

## Policy Level Coverages

**Property Causes Of Loss**

Causes Of Loss ..... Risks of Direct Physical Loss

**Per Occurrence Property Deductible**

Deductible ..... $2,500

**General Liability**

Liability And Medical Expense Limit ..... $2,000,000 Per Occurrence

Medical Expense Limit ..... $5,000

Other Than Products/Completed Operations Aggregate..... $4,000,000

Products/Completed Operations Aggregate ..... $4,000,000

**Condominium Enhancement** ..... Refer to BPF 87 90

Level ..... Platinum

**Directors And Officers Liability**

Level ..... Silver

Named Association ..... Richardson Square Condo

Directors And Officers Liability Annual Aggregate Limit Of Insurance ..... $1,000,000

Deductible ..... $0

Retroactive Date ..... 01/01/2018

Extended Reporting Period ..... No

**Employee Dishonesty**

Includes Forgery Or Alteration

Limit ..... $50,000 Per Occurrence

Deductible ..... $1,000

## Additional Insured(s) Information

| Name | Type | Interest | Location |
|---|---|---|---|
| Exponential LLC | Additional Insured - Managers or Lessors Of Premises | All Buildings | 216 W Georgia Ave<br>Gunnison CO 81230-2604 |



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Policy Number: 91004-43464-61

## Agent Information

Clarie Broschinsky Agency LLC

cbroschi@amfam.com

1140 N Main St Ste D
Gunnison CO 81230-2460
970-641-3481

**AUTHORIZED REPRESENTATIVE**

President

Secretary



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Policy Number: 91004-43464-61

**Location 1 - Location Level Coverages**

## Location 1 - Location Details

**Program:** Condo/Townhouse Associations

**Location Address:** 216 W Georgia Ave Gunnison CO 81230-2604

**Location Description:**

**Money And Securities**

| | |
|---|---|
| Limit Inside the Premises | $17,000 |
| Limit Outside the Premises | $17,000 |


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Policy Number: 91004-43464-61

**Location 1 Building 1 - Building Level Coverages**

## Location 1 Building 1 - Building Level Details

**Building Address:** 216 W Georgia Ave Gunnison CO 81230-2604

**Occupancy:** Residential Condominiums without Mercantile

**Building Interest:** Owner - Leased to Other

**Building Description:** 216 W Georgia Ave-1

**Building**

| | |
|---|---|
| Limit Of Insurance | $1,397,506 |

Guaranteed Replacement Cost applies.

Equipment Breakdown Coverage applies.

Replacement Cost Coverage applies.

**Business Income Options**

| | |
|---|---|
| Extended Number of Days For Ordinary Payroll Expense | 60 Days - Included |
| Extended Number of Days For Extended Business Income | 60 Days - Included |
| Business Income From Dependent Properties Limit Of Insurance | $5,000 |
| Business Income And Extra Expense - Revised Period of Indemnity - Number Of Consecutive Days | 12-Months |

72 Hour Waiting Period applies.

**Ordinance Or Law**

| | |
|---|---|
| Coverage 1 Limit Of Insurance | |
| Coverage 2 Limit Of Insurance | |
| Coverage 3 Limit Of Insurance | |
| Coverages 2 And 3 Combined Limit Of Insurance | |
| Coverages 1, 2 And 3 Combined Limit Of Insurance | $300,000 |
| Business Income And Extra Expense Optional Coverage applies | Refer to BPF 84 64 |
| Number Of Hours Waiting Period For Period Of Restoration Applicable To Business Income And Extra Expense Optional Coverage | 72 Hours |

**Water Back-Up And Sump Overflow (Building)**

| | |
|---|---|
| Building Limit | $1,397,506 |
| Deductible | $1,000 |



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Policy Number: 91004-43464-61

| Forms And Endorsements | | |
|---|---|---|
| **Form Number** | **Edition Date** | **Title** |
| BP 00 03 | 07 13 | Businessowners Coverage Form |
| BP 04 02 | 07 13 | Additional Insured - Managers Or Lessors Of Premises |
| BP 04 17 | 01 10 | Employment-Related Practices Exclusion |
| BP 04 30 | 07 13 | Protective Safeguards |
| BP 04 39 | 07 02 | Abuse Or Molestation Exclusion |
| BP 04 54 | 01 06 | Newly Acquired Organizations |
| BP 04 93 | 01 06 | Total Pollution Exclusion With A Building Heating Equipment Exception And A Hostile Fire Exception |
| BP 05 01 | 07 02 | Calculation of Premium |
| BP 05 15 | 12 20 | Disclosure Pursuant To Terrorism Risk Insurance Act |
| BP 05 17 | 01 06 | Exclusion - Silica Or Silica-Related Dust |
| BP 05 23 | 01 15 | Cap On Losses From Certified Acts Of Terrorism |
| BP 05 38 | 01 15 | Exclusion Of Other Acts Of Terrorism Committed Outside The United States; Cap On Losses From Certified Acts Of Terrorism |
| BP 05 77 | 01 06 | Fungi Or Bacteria Exclusion (Liability) |
| BP 05 98 | 07 13 | Amendment Of Insured Contract Definition |
| BP 14 78 | 07 13 | Exclusion Of Loss Due To By-Products Of Production Or Processing Operations (Rental Properties) |
| BP 15 04 | 05 14 | Exclusion - Access Or Disclosure Of Confidential Or Personal Information And Data-Related Liability - With Limited Bodily Injury Exception |
| BP 85 04 | 07 10 | Exclusion - Lead Liability |
| BP 85 05 | 07 98 | Exclusion - Punitive Damages |
| BP 85 10 | 07 98 | Other Insurance Limitation Liability And Medical Expenses |
| BP 85 12 | 01 06 | Asbestos Exclusion |
| BP IN 01 | 07 13 | Businessowners Coverage Form Index |
| BPF 80 01 | 08 18 | Businessowners Policy Jacket |
| BPF 80 03 | 08 18 | Businessowners Coverage Form Changes |
| BPF 81 04 | 08 18 | Colorado Changes |
| BPF 84 11 | 08 18 | Building Limit Inflation Protection Coverage |
| BPF 84 21 | 08 21 | Water Back-Up and Sump Overflow |
| BPF 84 64 | 08 21 | Ordinance Or Law Coverage |
| BPF 84 71 | 08 18 | Employee Dishonesty - Property Manager(s) |
| BPF 84 73 | 08 18 | Guaranteed Replacement Cost Coverage |
| BPF 85 25 | 08 18 | Marijuana Exclusion |
| BPF 86 03 | 08 18 | Roof Surfacing Loss Payment Schedule |
| BPF 87 01 | 08 18 | Condominium Association Coverage |


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Policy Number: 91004-43464-61

| Forms And Endorsements (continued) | | |
|---|---|---|
| **Form Number** | **Edition Date** | **Title** |
| BPF 87 90 | 08 21 | Condominium Enhancement Endorsement |
| BPF 89 01 | 08 18 | Directors And Officers Liability Endorsement - Silver (Condominiums, Co-Ops, Associations) |
| BPF 89 04 | 08 18 | Colorado Changes Directors And Officers Liability Endorsement (Condominiums, Co-Ops, Associations) |
| CFR 50 06 | 08 23 | Altered Terms Letter- Crime and Inland Marine |
| CFRN 004 | 06 22 | Notice of Change in Policy Terms |
| IL 75 26 | 12 05 | Colorado Endorsement Change |
| PLCF 28835 | 12 20 | Offer Of Terrorism Insurance Coverage And Disclosure Of Premium |
| U-90 | 08 21 | Phoenix Cancel Letter |

The complete policy consists of these declarations and the forms and endorsements at the time of issue.

Each paid claim under **Section II - Liability** and **Medical Expenses** coverages reduces the amount of insurance we provide during the applicable annual period. Please refer to **Section II - Liability** in the BUSINESSOWNERS COVERAGE FORM and any attached endorsements.


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# BUSINESSOWNERS COVERAGE FORM INDEX

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


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# BUSINESSOWNERS COVERAGE FORM

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

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

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

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

## SECTION I – PROPERTY

### A. Coverage

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

1. **Covered Property**

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

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

   (1) Completed additions;

   (2) Fixtures, including outdoor fixtures;

   (3) Permanently installed:

   (a) Machinery; and

   (b) Equipment;

   (4) Your personal property in apartments, rooms or common areas furnished by you as landlord;

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

   (a) Fire extinguishing equipment;

   (b) Outdoor furniture;

   (c) Floor coverings; and

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

   (6) If not covered by other insurance:

   (a) Additions under construction, alterations and repairs to the buildings or structures;

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

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

   (1) Property you own that is used in your business;

   (2) Property of others that is in your care, custody or control, except as otherwise provided in Loss Payment Property Loss Condition Paragraph **E.5.d.(3)(b);**

   (3) Tenant's improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:

   (a) Made a part of the building or structure you occupy but do not own; and

   (b) You acquired or made at your expense but cannot legally remove;

   (4) Leased personal property which you have a contractual responsibility to insure, unless otherwise provided for under Paragraph **1.b.(2);** and

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

2. **Property Not Covered**

Covered Property does not include:

a. Aircraft, automobiles, motortrucks and other vehicles subject to motor vehicle registration;

b. "Money" or "securities" except as provided in the:

(1) Money And Securities Optional Coverage; or

(2) Employee Dishonesty Optional Coverage;

c. Contraband, or property in the course of illegal transportation or trade;

d. Land (including land on which the property is located), water, growing crops or lawns (other than lawns which are part of a vegetated roof);

e. Outdoor fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants (other than trees, shrubs or plants which are part of a vegetated roof), all except as provided in the:

(1) Outdoor Property Coverage Extension; or

(2) Outdoor Signs Optional Coverage;

f. Watercraft (including motors, equipment and accessories) while afloat;

g. Accounts, bills, food stamps, other evidences of debt, accounts receivable or "valuable papers and records"; except as otherwise provided in this policy;

h. "Computer(s)" which are permanently installed or designed to be permanently installed in any aircraft, watercraft, motortruck or other vehicle subject to motor vehicle registration. This paragraph does not apply to "computer(s)" while held as "stock";

i. "Electronic data", except as provided under Additional Coverages – Electronic Data. This Paragraph **i.** does not apply to your "stock" of prepackaged software or to "electronic data" which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system; or

j. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings.

3. **Covered Causes Of Loss**

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

4. **Limitations**

a. We will not pay for loss of or damage to:

(1) Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

(2) Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.

(3) Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property. This limitation does not apply to the Optional Coverage for Money and Securities.

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

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

(a) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or

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(b) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

(6) Lawns, trees, shrubs or plants which are part of a vegetated roof, caused by or resulting from:

(a) Dampness or dryness of atmosphere or of soil supporting the vegetation;

(b) Changes in or extremes of temperature;

(c) Disease;

(d) Frost or hail; or

(e) Rain, snow, ice or sleet.

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

(1) Animals, and then only if they are killed or their destruction is made necessary.

(2) Fragile articles such as glassware, statuary, marble, chinaware and porcelain, if broken. This restriction does not apply to:

(a) Glass that is part of the exterior or interior of a building or structure;

(b) Containers of property held for sale; or

(c) Photographic or scientific instrument lenses.

c. For loss or damage by theft, the following types of property are covered only up to the limits shown (unless a higher Limit Of Insurance is shown in the Declarations):

(1) $2,500 for furs, fur garments and garments trimmed with fur.

(2) $2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semiprecious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth $100 or less per item.

(3) $2,500 for patterns, dies, molds and forms.

5. **Additional Coverages**

a. **Debris Removal**

(1) Subject to Paragraphs **(2), (3)** and **(4),** we will pay your expense to remove debris of Covered Property and other debris that is on the described premises, when such debris is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.

(2) Debris Removal does not apply to costs to:

(a) Remove debris of property of yours that is not insured under this policy, or property in your possession that is not Covered Property;

(b) Remove debris of property owned by or leased to the landlord of the building where your described premises are located, unless you have a contractual responsibility to insure such property and it is insured under this policy;

(c) Remove any property that is Property Not Covered, including property addressed under the Outdoor Property Coverage Extension;

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

(e) Remove deposits of mud or earth from the grounds of the described premises;

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

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

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

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

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

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

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

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

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

**(5) Examples**

**Example 1**

| | |
|---|---|
| Limit of Insurance | $ 90,000 |
| Amount of Deductible | $ 500 |
| Amount of Loss | $ 50,000 |
| Amount of Loss Payable | $ 49,500 |
| | ($50,000 – $500) |
| Debris Removal Expense | $ 10,000 |
| Debris Removal Expense Payable | $ 10,000 |

($10,000 is 20% of $50,000)

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

**Example 2**

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

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

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

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**b. Preservation Of Property**

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

(1) While it is being moved or while temporarily stored at another location; and

(2) Only if the loss or damage occurs within 30 days after the property is first moved.

**c. Fire Department Service Charge**

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

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

(1) Assumed by contract or agreement prior to loss; or

(2) Required by local ordinance.

**d. Collapse**

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

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

(2) We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this policy or that contains Covered Property insured under this policy, if such collapse is caused by one or more of the following:

(a) Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;

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

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

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

(i) A cause of loss listed in Paragraph **(2)(a)** or **(2)(b);**

(ii) One or more of the "specified causes of loss";

(iii) Breakage of building glass;

(iv) Weight of people or personal property; or

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

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

(a) A building or any part of a building that is in danger of falling down or caving in;

(b) A part of a building that is standing, even if it has separated from another part of the building; or

(c) A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

(4) With respect to the following property:

(a) Awnings;

(b) Gutters and downspouts;

(c) Yard fixtures;

(d) Outdoor swimming pools;

(e) Piers, wharves and docks;

(f) Beach or diving platforms or appurtenances;

(g) Retaining walls; and

(h) Walks, roadways and other paved surfaces;

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

**(5)** If personal property abruptly falls down or caves in and such collapse is **not** the result of abrupt collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:

**(a)** The collapse of personal property was caused by a cause of loss listed in Paragraphs **(2)(a)** through **(2)(d)** of this Additional Coverage;

**(b)** The personal property which collapses is inside a building; and

**(c)** The property which collapses is not of a kind listed in Paragraph **(4),** regardless of whether that kind of property is considered to be personal property or real property.

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

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

**(7)** This Additional Coverage – Collapse will not increase the Limits of Insurance provided in this policy.

**(8)** The term Covered Cause of Loss includes the Additional Coverage – Collapse as described and limited in Paragraphs **d.(1)** through **d.(7).**

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

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

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

**(1)** Results in discharge of any substance from an automatic fire protection system; or

**(2)** Is directly caused by freezing.

**f. Business Income**

**(1) Business Income**

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

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

**(i)** The portion of the building which you rent, lease or occupy;

**(ii)** The area within 100 feet of the building or within 100 feet of the premises described in the Declarations, whichever distance is greater (with respect to loss of or damage to personal property in the open or personal property in a vehicle); and

**(iii)** Any area within the building or at the described premises, if that area services, or is used to gain access to, the portion of the building which you rent, lease or occupy.

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(b) We will only pay for loss of Business Income that you sustain during the "period of restoration" and that occurs within 12 consecutive months after the date of direct physical loss or damage. We will only pay for ordinary payroll expenses for 60 days following the date of direct physical loss or damage, unless a greater number of days is shown in the Declarations.

(c) Business Income means the:

(i) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses; and

(ii) Continuing normal operating expenses incurred, including payroll.

(d) Ordinary payroll expenses:

(i) Means payroll expenses for all your employees except:

i. Officers;

ii. Executives;

iii. Department Managers;

iv. Employees under contract; and

v. Additional Exemptions shown in the Declarations as:

- Job Classifications; or
- Employees.

(ii) Include:

i. Payroll;

ii. Employee benefits, if directly related to payroll;

iii. FICA payments you pay;

iv. Union dues you pay; and

v. Workers' compensation premiums.

(2) **Extended Business Income**

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

(i) Begins on the date property except finished stock is actually repaired, rebuilt or replaced and "operations" are resumed; and

(ii) Ends on the earlier of:

i. The date you could restore your "operations", with reasonable speed, to the level which would generate the Business Income amount that would have existed if no direct physical loss or damage had occurred; or

ii. 60 consecutive days after the date determined in Paragraph **(a)(i)** above, unless a greater number of consecutive days is shown in the Declarations.

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

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

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

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

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

(4) This Additional Coverage is not subject to the Limits of Insurance of Section **I** – Property.

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**g. Extra Expense**

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

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

(a) The portion of the building which you rent, lease or occupy;

(b) The area within 100 feet of the building or within 100 feet of the premises described in the Declarations, whichever distance is greater (with respect to loss of or damage to personal property in the open or personal property in a vehicle); and

(c) Any area within the building or at the described premises, if that area services, or is used to gain access to, the portion of the building which you rent, lease or occupy.

(2) Extra Expense means expense incurred:

(a) To avoid or minimize the suspension of business and to continue "operations":

(i) At the described premises; or

(ii) At replacement premises or at temporary locations, including relocation expenses, and costs to equip and operate the replacement or temporary locations.

(b) To minimize the suspension of business if you cannot continue "operations".

(c) To:

(i) Repair or replace any property; or

(ii) Research, replace or restore the lost information on damaged "valuable papers and records";

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

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

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

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

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

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

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

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

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

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i. **Civil Authority**

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

(1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and

(2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

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

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

(1) Four consecutive weeks after the date of that action; or

(2) When your Civil Authority Coverage for Business Income ends;

whichever is later.

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

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

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

(1) Money orders issued by any post office, express company or bank that are not paid upon presentation; or

(2) "Counterfeit money" that is acquired during the regular course of business.

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

k. **Forgery Or Alteration**

(1) We will pay for loss resulting directly from forgery or alteration of any check, draft, promissory note, bill of exchange or similar written promise of payment in "money" that you or your agent has issued, or that was issued by someone who impersonates you or your agent.

(2) If you are sued for refusing to pay the check, draft, promissory note, bill of exchange or similar written promise of payment in "money", on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur in that defense.

(3) For the purpose of this coverage, check includes a substitute check as defined in the Check Clearing for the 21st Century Act and will be treated the same as the original it replaced.

(4) The most we will pay for any loss, including legal expenses, under this Additional Coverage is $2,500, unless a higher Limit Of Insurance is shown in the Declarations.

l. **Increased Cost Of Construction**

(1) This Additional Coverage applies only to buildings insured on a replacement cost basis.

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

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(3) The ordinance or law referred to in Paragraph (2) of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises and is in force at the time of loss.

(4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:

(a) You were required to comply with before the loss, even when the building was undamaged; and

(b) You failed to comply with.

(5) Under this Additional Coverage, we will not pay for:

(a) The enforcement of or compliance with any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungi", wet rot or dry rot; or

(b) Any costs associated with the enforcement of or compliance with an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungi", wet rot or dry rot.

(6) The most we will pay under this Additional Coverage, for each described building insured under Section I – Property, is $10,000. If a damaged building(s) is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for each damaged building, is $10,000.

The amount payable under this Additional Coverage is additional insurance.

(7) With respect to this Additional Coverage:

(a) We will not pay for the Increased Cost of Construction:

(i) Until the property is actually repaired or replaced, at the same or another premises; and

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

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

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

(8) This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion, to the extent that such exclusion would conflict with the provisions of this Additional Coverage.

(9) The costs addressed in the Loss Payment Property Loss Condition in Section I – Property do not include the increased cost attributable to enforcement of or compliance with an ordinance or law. The amount payable under this Additional Coverage, as stated in Paragraph (6) of this Additional Coverage, is not subject to such limitation.

**m. Business Income From Dependent Properties**

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

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

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

(2) We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume "operations", in whole or in part, by using any other available:

(a) Source of materials; or

(b) Outlet for your products.

(3) If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

(4) Dependent property means property owned by others whom you depend on to:

(a) Deliver materials or services to you, or to others for your account. But services does not mean water supply services, wastewater removal services, communication supply services or power supply services;

(b) Accept your products or services;

(c) Manufacture your products for delivery to your customers under contract for sale; or

(d) Attract customers to your business.

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

(5) Secondary dependent property means an entity which is not owned or operated by a dependent property and which;

(a) Delivers materials or services to a dependent property, which in turn are used by the dependent property in providing materials or services to you; or

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

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

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

(i) Water supply services;

(ii) Wastewater removal services;

(iii) Communication supply services; or

(iv) Power supply services.

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

(6) The coverage period for Business Income under this Additional Coverage:

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

(b) Ends on the date when the property at the premises of the dependent property or secondary dependent property should be repaired, rebuilt or replaced with reasonable speed and similar quality.

(7) The Business Income coverage period, as stated in Paragraph **(6),** does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:

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

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

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

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

n. Glass Expenses

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

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

o. Fire Extinguisher Systems Recharge Expense

(1) We will pay:

(a) The cost of recharging or replacing, whichever is less, your fire extinguishers and fire extinguishing systems (including hydrostatic testing if needed) if they are discharged on or within 100 feet of the described premises; and

(b) For loss or damage to Covered Property if such loss or damage is the result of an accidental discharge of chemicals from a fire extinguisher or a fire extinguishing system.

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

(3) The most we will pay under this Additional Coverage is $5,000 in any one occurrence.

p. Electronic Data

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

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

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

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

q. Interruption Of Computer Operations

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

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

(a) Coverage under this Additional Coverage – Interruption Of Computer Operations is limited to the "specified causes of loss" and Collapse.

(b) If the Businessowners Coverage Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage.

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

(3) The most we will pay under this Additional Coverage – Interruption Of Computer Operations for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved, is $10,000 unless a higher Limit Of Insurance is shown in the Declarations. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.

(4) This Additional Coverage – Interruption Of Computer Operations does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in (3) above has not been exhausted.

(5) Coverage for Business Income does not apply when a suspension of "operations" is caused by destruction or corruption of "electronic data", or any loss or damage to "electronic data", except as provided under Paragraphs (1) through (4) of this Additional Coverage.

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(6) Coverage for Extra Expense does not apply when action is taken to avoid or minimize a suspension of "operations" caused by destruction or corruption of "electronic data", or any loss or damage to "electronic data", except as provided under Paragraphs **(1)** through **(4)** of this Additional Coverage.

(7) This Additional Coverage does not apply when loss or damage to "electronic data" involves only "electronic data" which is integrated in and operates or controls a building's elevator, lighting, heating, ventilation, air conditioning or security system.

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

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

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

(2) We will pay for loss or damage by "fungi", wet rot or dry rot. As used in this Limited Coverage, the term loss or damage means:

**(a)** Direct physical loss or damage to Covered Property caused by "fungi", wet rot or dry rot, including the cost of removal of the "fungi", wet rot or dry rot;

**(b)** The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungi", wet rot or dry rot; and

**(c)** The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungi", wet rot or dry rot is present.

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

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

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

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

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

(a) If the loss which resulted in "fungi", wet rot or dry rot does not in itself necessitate a suspension of "operations", but such suspension is necessary due to loss or damage to property caused by "fungi", wet rot or dry rot, then our payment under the Business Income and/or Extra Expense Additional Coverages is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.

(b) If a covered suspension of "operations" was caused by loss or damage other than "fungi", wet rot or dry rot, but remediation of "fungi", wet rot or dry rot prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

6. **Coverage Extensions**

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

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

a. **Newly Acquired Or Constructed Property**

(1) **Buildings**

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

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

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

(i) Similar use as the building described in the Declarations; or

(ii) Use as a warehouse.

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

(2) **Business Personal Property**

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

(a) Business Personal Property, including such property that you newly acquire, at any location you acquire; or

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

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

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

(3) **Period Of Coverage**

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

(a) This policy expires;

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

(c) You report values to us.

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

b. **Personal Property Off-premises**

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

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c. **Outdoor Property**

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

(1) Fire;

(2) Lightning;

(3) Explosion;

(4) Riot or Civil Commotion; or

(5) Aircraft.

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

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

d. **Personal Effects**

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

(1) Tools or equipment used in your business; or

(2) Loss or damage by theft.

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

e. **Valuable Papers And Records**

(1) You may extend the insurance that applies to Business Personal Property to apply to direct physical loss or damage to "valuable papers and records" that you own, or that are in your care, custody or control, caused by or resulting from a Covered Cause of Loss. This Coverage Extension includes the cost to research, replace or restore the lost information on "valuable papers and records" for which duplicates do not exist.

(2) This Coverage Extension does not apply to:

(a) Property held as samples or for delivery after sale; and

(b) Property in storage away from the premises shown in the Declarations.

(3) The most we will pay under this Coverage Extension for loss or damage to "valuable papers and records" in any one occurrence at the described premises is $10,000, unless a higher Limit Of Insurance for "valuable papers and records" is shown in the Declarations.

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

(4) Loss or damage to "valuable papers and records" will be valued at the cost of restoration or replacement of the lost or damaged information. To the extent that the contents of the "valuable papers and records" are not restored, the "valuable papers and records" will be valued at the cost of replacement with blank materials of substantially identical type.

(5) Paragraph **B.** Exclusions in Section **I** – Property does not apply to this Coverage Extension except for:

(a) Paragraph **B.1.c.,** Governmental Action;

(b) Paragraph **B.1.d.,** Nuclear Hazard;

(c) Paragraph **B.1.f.,** War And Military Action;

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(d) Paragraph **B.2.f.,** Dishonesty;

(e) Paragraph **B.2.g.,** False Pretense;

(f) Paragraph **B.2.m.(2),** Errors Or Omissions; and

(g) Paragraph **B.3.**

**f. Accounts Receivable**

(1) You may extend the insurance that applies to Business Personal Property to apply to accounts receivable. We will pay:

(a) All amounts due from your customers that you are unable to collect;

(b) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;

(c) Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and

(d) Other reasonable expenses that you incur to reestablish your records of accounts receivable;

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

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

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

(3) Paragraph **B.** Exclusions in Section **I** – Property does not apply to this Coverage Extension except for:

(a) Paragraph **B.1.c.,** Governmental Action;

(b) Paragraph **B.1.d.,** Nuclear Hazard;

(c) Paragraph **B.1.f.,** War And Military Action;

(d) Paragraph **B.2.f.,** Dishonesty;

(e) Paragraph **B.2.g.,** False Pretense;

(f) Paragraph **B.3.;** and

(g) Paragraph **B.6.,** Accounts Receivable Exclusion.

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

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

(2) The limitation under Paragraph **A.4.a.(5)** also applies to property in a portable storage unit.

(3) Coverage under this Extension:

(a) Will end 90 days after the Business Personal Property has been placed in the storage unit;

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

(4) Under this Extension, the most we will pay for the total of all loss or damage to Business Personal Property is $10,000 (unless a higher limit is indicated in the Declarations for such Extension) regardless of the number of storage units.

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

**B. Exclusions**

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

**a. Ordinance Or Law**

(1) The enforcement of or compliance with any ordinance or law:

(a) Regulating the construction, use or repair of any property; or

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(b) Requiring the tearing down of any property, including the cost of removing its debris.

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

(a) An ordinance or law that is enforced even if the property has not been damaged; or

(b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property or removal of its debris, following a physical loss to that property.

**b. Earth Movement**

(1) Earthquake, including tremors and aftershocks and any earth sinking, rising or shifting related to such event;

(2) Landslide, including any earth sinking, rising or shifting related to such event;

(3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;

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

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

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

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

(a) Airborne volcanic blast or airborne shock waves;

(b) Ash, dust or particulate matter; or

(c) Lava flow.

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

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

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

**c. Governmental Action**

Seizure or destruction of property by order of governmental authority.

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

**d. Nuclear Hazard**

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

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

**e. Utility Services**

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

(1) Originates away from the described premises; or

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

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

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

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

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

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

**f. War And Military Action**

(1) War, including undeclared or civil war;

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

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

**g. Water**

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

(2) Mudslide or mudflow;

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

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

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

(b) Basements, whether paved or not; or

(c) Doors, windows or other openings; or

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

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

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

**h. Certain Computer-related Losses**

(1) The failure, malfunction or inadequacy of:

(a) Any of the following, whether belonging to any insured or to others:

(i) "Computer" hardware, including microprocessors or other electronic data processing equipment as may be described elsewhere in this policy;

(ii) "Computer" application software or other "electronic data" as may be described elsewhere in this policy;

(iii) "Computer" operating systems and related software;

(iv) "Computer" networks;

(v) Microprocessors ("computer" chips) not part of any "computer" system; or

(vi) Any other computerized or electronic equipment or components; or

(b) Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph **(a)** above;

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

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

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

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

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

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

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

This exclusion does not apply:

(1) When "fungi", wet rot or dry rot results from fire or lightning; or

(2) To the extent that coverage is provided in the Limited Coverage For "Fungi", Wet Rot Or Dry Rot Additional Coverage, with respect to loss or damage by a cause of loss other than fire or lightning.

**j. Virus Or Bacteria**

(1) Any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.

(2) However, the exclusion in Paragraph **(1)** does not apply to loss or damage caused by or resulting from "fungi", wet rot or dry rot. Such loss or damage is addressed in Exclusion **i.**

(3) With respect to any loss or damage subject to the exclusion in Paragraph **(1)**, such exclusion supersedes any exclusion relating to "pollutants".

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

**a. Electrical Apparatus**

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

(1) Electrical or electronic wire, device, appliance, system or network; or

(2) Device, appliance, system or network utilizing cellular or satellite technology.

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

(1) Electrical current, including arcing;

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

(3) Pulse of electromagnetic energy; or

(4) Electromagnetic waves or microwaves.

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

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

(1) An occurrence that took place within 100 feet of the described premises; or

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

**b. Consequential Losses**

Delay, loss of use or loss of market.

**c. Smoke, Vapor, Gas**

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

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**d. Steam Apparatus**

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

**e. Frozen Plumbing**

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

(1) You do your best to maintain heat in the building or structure; or

(2) You drain the equipment and shut off the supply if the heat is not maintained.

**f. Dishonesty**

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

This exclusion:

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

(2) Does not apply to acts of destruction by your employees (including temporary or leased employees) or authorized representatives; but theft by your employees (including temporary or leased employees) or authorized representatives is not covered.

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

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

**g. False Pretense**

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

**h. Exposed Property**

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

**i. Collapse**

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

(a) An abrupt falling down or caving in;

(b) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or

(c) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to Paragraph **i.(1)(a)** or **i.(1)(b)**.

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

(2) This Exclusion **i.** does not apply:

(a) To the extent that coverage is provided under the Additional Coverage – Collapse; or

(b) To collapse caused by one or more of the following:

(i) The "specified causes of loss";

(ii) Breakage of building glass;

(iii) Weight of rain that collects on a roof; or

(iv) Weight of people or personal property.

**j. Pollution**

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

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k. **Neglect**

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

l. **Other Types Of Loss**

(1) Wear and tear;

(2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;

(3) Smog;

(4) Settling, cracking, shrinking or expansion;

(5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;

(6) Mechanical breakdown, including rupture or bursting caused by centrifugal force.

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

(7) The following causes of loss to personal property:

(a) Dampness or dryness of atmosphere;

(b) Changes in or extremes of temperature; or

(c) Marring or scratching.

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

m. **Errors Or Omissions**

Errors or omissions in:

(1) Programming, processing or storing data, as described under "electronic data" or in any "computer" operations; or

(2) Processing or copying "valuable papers and records".

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

n. **Installation, Testing, Repair**

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

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

o. **Electrical Disturbance**

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

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

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

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

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

a. **Weather Conditions**

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

b. **Acts Or Decisions**

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

c. **Negligent Work**

Faulty, inadequate or defective:

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

(2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;

(3) Materials used in repair, construction, renovation or remodeling; or

(4) Maintenance;

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

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4. **Additional Exclusion**

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

   **Loss Or Damage To Products**

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

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

   a. We will not pay for:

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

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

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

      (2) Any other consequential loss.

   b. With respect to this exclusion, suspension means:

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

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

6. **Accounts Receivable Exclusion**

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

   We will not pay for:

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

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

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

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

**C. Limits Of Insurance**

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

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

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

   a. Fire Department Service Charge;

   b. Pollutant Clean-up And Removal;

   c. Increased Cost Of Construction;

   d. Business Income From Dependent Properties;

   e. Electronic Data; and

   f. Interruption Of Computer Operations.

4. **Building Limit – Automatic Increase**

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

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b. The amount of increase is calculated as follows:

(1) Multiply the Building limit that applied on the most recent of the policy inception date, the policy anniversary date or any other policy change amending the Building limit by:

(a) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 7% is .07); or

(b) .08, if no percentage of annual increase is shown in the Declarations; and

(2) Multiply the number calculated in accordance with **b.(1)** by the number of days since the beginning of the current policy year, or the effective date of the most recent policy change amending the Building limit, divided by 365.

**Example**

If:

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

The amount of increase is

$100,000 x .08 x 146 ÷ 365 = $3,200.

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

a. Subject to Paragraph **5.b.,** the Limit of Insurance for Business Personal Property is automatically increased by:

(1) The Business Personal Property – Seasonal Increase percentage shown in the Declarations; or

(2) 25% if no Business Personal Property – Seasonal Increase percentage is shown in the Declarations;

to provide for seasonal variances.

b. The increase described in Paragraph **5.a.** will apply only if the Limit Of Insurance shown for Business Personal Property in the Declarations is at least 100% of your average monthly values during the lesser of:

(1) The 12 months immediately preceding the date the loss or damage occurs; or

(2) The period of time you have been in business as of the date the loss or damage occurs.

**D. Deductibles**

1. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance of Section **I** – Property.

2. Regardless of the amount of the Deductible, the most we will deduct from any loss or damage under all of the following Optional Coverages in any one occurrence is the Optional Coverage Deductible shown in the Declarations:

a. Money and Securities;

b. Employee Dishonesty;

c. Outdoor Signs; and

d. Forgery or Alteration.

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

3. No deductible applies to the following Additional Coverages:

a. Fire Department Service Charge;

b. Business Income;

c. Extra Expense;

d. Civil Authority; and

e. Fire Extinguisher Systems Recharge Expense.

**E. Property Loss Conditions**

1. **Abandonment**

There can be no abandonment of any property to us.

2. **Appraisal**

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

a. Pay its chosen appraiser; and

b. Bear the other expenses of the appraisal and umpire equally.

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

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

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

      (1) Notify the police if a law may have been broken.

      (2) Give us prompt notice of the loss or damage. Include a description of the property involved.

      (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.

      (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limits of Insurance of Section I – Property. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.

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

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

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

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

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

      (9) Resume all or part of your "operations" as quickly as possible.

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

4. **Legal Action Against Us**

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

   a. There has been full compliance with all of the terms of this insurance; and

   b. The action is brought within two years after the date on which the direct physical loss or damage occurred.

5. **Loss Payment**

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

   a. At our option, we will either:

      (1) Pay the value of lost or damaged property;

      (2) Pay the cost of repairing or replacing the lost or damaged property;

      (3) Take all or any part of the property at an agreed or appraised value; or

      (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to Paragraph **d.(1)(e)** below.

   b. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.

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

   d. Except as provided in Paragraphs **(2)** through **(7)** below, we will determine the value of Covered Property as follows:

      (1) At replacement cost without deduction for depreciation, subject to the following:

         (a) If, at the time of loss, the Limit of Insurance on the lost or damaged property is 80% or more of the full replacement cost of the property immediately before the loss, we will pay the cost to repair or replace, after application of the deductible and without deduction for depreciation, but not more than the least of the following amounts:

            (i) The Limit of Insurance under Section I – Property that applies to the lost or damaged property;

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(ii) The cost to replace, on the same premises, the lost or damaged property with other property:

i. Of comparable material and quality; and

ii. Used for the same purpose; or

(iii) The amount that you actually spend that is necessary to repair or replace the lost or damaged property.

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

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

(i) The actual cash value of the lost or damaged property; or

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

**Example**

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

Amount of recovery

$70,000 ÷ $80,000 = .875

.875 x $25,000 = $21,875

(c) You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim on a replacement cost basis if you notify us of your intent to do so within 180 days after the loss or damage.

(d) We will not pay on a replacement cost basis for any loss or damage:

(i) Until the lost or damaged property is actually repaired or replaced; and

(ii) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage.

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

(e) The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

(2) If the Actual Cash Value – Buildings option applies, as shown in the Declarations, Paragraph **(1)** above does not apply to Buildings. Instead, we will determine the value of Buildings at actual cash value.

(3) The following property at actual cash value:

(a) Used or secondhand merchandise held in storage or for sale;

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

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(c) Household contents, except personal property in apartments or rooms furnished by you as landlord;

(d) Manuscripts; and

(e) Works of art, antiques or rare articles, including etchings, pictures, statuary, marble, bronzes, porcelain and bric-a-brac.

(4) Glass at the cost of replacement with safety glazing material if required by law.

(5) Tenants' improvements and betterments at:

(a) Replacement cost if you make repairs promptly.

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

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

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

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

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

(6) Applicable only to the Optional Coverages:

(a) "Money" at its face value; and

(b) "Securities" at their value at the close of business on the day the loss is discovered.

(7) Applicable only to accounts receivable:

(a) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage:

(i) We will determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and

(ii) We will adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.

(b) The following will be deducted from the total amount of accounts receivable, however that amount is established:

(i) The amount of the accounts for which there is no loss or damage;

(ii) The amount of the accounts that you are able to reestablish or collect;

(iii) An amount to allow for probable bad debts that you are normally unable to collect; and

(iv) All unearned interest and service charges.

e. Our payment for loss of or damage to personal property of others will only be for the account of the owners of the property. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.

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

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

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

(2) An appraisal award has been made.

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

6. **Recovered Property**

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

7. **Resumption Of Operations**

We will reduce the amount of your:

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

b. Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

8. **Vacancy**

a. **Description Of Terms**

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

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

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

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

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

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

b. **Vacancy Provisions**

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

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

(a) Vandalism;

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

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(c) Building glass breakage;

(d) Water damage;

(e) Theft; or

(f) Attempted theft.

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

F. **Property General Conditions**

1. **Control Of Property**

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

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

2. **Mortgageholders**

a. The term "mortgageholder" includes trustee.

b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.

c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.

d. If we deny your claim because of your acts or because you have failed to comply with the terms of this policy, the mortgageholder will still have the right to receive loss payment if the mortgageholder:

(1) Pays any premium due under this policy at our request if you have failed to do so;

(2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and

(3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

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

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

(1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and

(2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

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

f. If we cancel this policy, we will give written notice to the mortgageholder at least:

(1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or

(2) 30 days before the effective date of cancellation if we cancel for any other reason.

g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

3. **No Benefit To Bailee**

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

4. **Policy Period, Coverage Territory**

Under Section I – Property:

a. We cover loss or damage commencing:

(1) During the policy period shown in the Declarations; and

(2) Within the coverage territory or, with respect to property in transit, while it is between points in the coverage territory.

b. The coverage territory is:

(1) The United States of America (including its territories and possessions);

(2) Puerto Rico; and

(3) Canada.

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G. **Optional Coverages**

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

1. **Outdoor Signs**

   a. We will pay for direct physical loss of or damage to all outdoor signs at the described premises:

      (1) Owned by you; or

      (2) Owned by others but in your care, custody or control.

   b. Paragraph **A.3.**, Covered Causes Of Loss and Paragraph **B.**, Exclusions in Section **I** – Property do not apply to this Optional Coverage, except for:

      (1) Paragraph **B.1.c.**, Governmental Action;

      (2) Paragraph **B.1.d.**, Nuclear Hazard; and

      (3) Paragraph **B.1.f.**, War And Military Action.

   c. We will not pay for loss or damage caused by or resulting from:

      (1) Wear and tear;

      (2) Hidden or latent defect;

      (3) Rust;

      (4) Corrosion; or

      (5) Mechanical breakdown.

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

   e. The provisions of this Optional Coverage supersede all other references to outdoor signs in this policy.

2. **Money And Securities**

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

      (1) Theft, meaning any act of stealing;

      (2) Disappearance; or

      (3) Destruction.

   b. In addition to the Limitations and Exclusions applicable to Section **I** – Property, we will not pay for loss:

      (1) Resulting from accounting or arithmetical errors or omissions;

      (2) Due to the giving or surrendering of property in any exchange or purchase; or

      (3) Of property contained in any "money"-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.

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

      (1) The limit shown in the Declarations for Inside the Premises for "money" and "securities" while:

         (a) In or on the described premises; or

         (b) Within a bank or savings institution; and

      (2) The limit shown in the Declarations for Outside the Premises for "money" and "securities" while anywhere else.

   d. All loss:

      (1) Caused by one or more persons; or

      (2) Involving a single act or series of related acts;

      is considered one occurrence.

   e. You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.

3. **Employee Dishonesty**

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

      (1) Cause you to sustain loss or damage; and also

      (2) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:

         (a) Any employee; or

         (b) Any other person or organization.

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b. We will not pay for loss or damage:

(1) Resulting from any dishonest or criminal act that you or any of your partners or "members" commit whether acting alone or in collusion with other persons.

(2) Resulting from any dishonest act committed by any of your employees (except as provided in Paragraph **a.**), "managers" or directors:

(a) Whether acting alone or in collusion with other persons; or

(b) While performing services for you or otherwise.

(3) The only proof of which as to its existence or amount is:

(a) An inventory computation; or

(b) A profit and loss computation.

(4) Caused by an employee if the employee had also committed theft or any other dishonest act prior to the effective date of this policy and you or any of your partners, "members", "managers", officers, directors or trustees, not in collusion with the employee, learned of that theft or dishonest act prior to the policy period shown in the Declarations.

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

d. All loss or damage:

(1) Caused by one or more persons; or

(2) Involving a single act or series of acts;

is considered one occurrence.

e. If any loss is covered:

(1) Partly by this insurance; and

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

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

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

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

(1) You; or

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

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

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

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

(1) This Optional Coverage became effective at the time of cancellation or termination of the prior insurance; and

(2) The loss or damage would have been covered by this Optional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.

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

(1) This Optional Coverage as of its effective date; or

(2) The prior insurance had it remained in effect.

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

(1) Any natural person:

(a) While in your service or for 30 days after termination of service;

(b) Who you compensate directly by salary, wages or commissions; and

(c) Who you have the right to direct and control while performing services for you;

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(2) Any natural person who is furnished temporarily to you:

(a) To substitute for a permanent employee, as defined in Paragraph (1) above, who is on leave; or

(b) To meet seasonal or short-term workload conditions;

(3) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in Paragraph (2) above;

(4) Any natural person who is a former employee, director, partner, member, manager, representative or trustee retained as a consultant while performing services for you; or

(5) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside any building you occupy in conducting your business.

But employee does not mean:

(1) Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or

(2) Any "manager", director or trustee except while performing acts coming within the usual duties of an employee.

4. **Equipment Breakdown Protection Coverage**

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

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

(1) Malfunction including but not limited to adjustment, alignment, calibration, cleaning or modification;

(2) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;

(3) Damage to any vacuum tube, gas tube, or brush; or

(4) The functioning of any safety or protective device.

b. Paragraphs **A.4.a.(1)** and **A.4.a.(2),** Limitations, do not apply to this Optional Coverage.

c. With respect to the coverage provided by this Optional Coverage, the following exclusions in Paragraph **B. Exclusions** do not apply:

(1) Paragraph **B.2.a.,** Electrical Apparatus;

(2) Paragraph **B.2.d.,** Steam Apparatus; and

(3) Paragraph **B.2.l.(6),** Mechanical Breakdown.

d. With respect to the coverage provided by this Optional Coverage, Paragraph **G.1.c.(5)** of the **Outdoor Signs Optional Coverage** does not apply.

e. If a dollar deductible is shown in the Declarations for this Optional Coverage, we will first subtract the applicable deductible amount from any loss we would otherwise pay. We will then pay the amount of loss in excess of the applicable deductible up to the applicable limit for this coverage.

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

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

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

g. With respect to the coverage provided by this Optional Coverage, Paragraph **H. Property Definitions** is amended as follows:

1. "Computer" means:

a. Programmable electronic equipment that is used to store, retrieve and process data; and

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

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

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

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

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

(1) Your last known address; or

(2) The address where the pressure, mechanical or electrical machinery and equipment is located.

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

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

**H. Property Definitions**

1. "Computer" means:

a. Programmable electronic equipment that is used to store, retrieve and process data; and

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

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

2. "Counterfeit money" means an imitation of "money" that is intended to deceive and to be taken as genuine.

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

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

5. "Manager" means a person serving in a directorial capacity for a limited liability company.

6. "Member" means an owner of a limited liability company represented by its membership interest, who also may serve as a "manager".

7. "Money" means:

a. Currency, coins and bank notes in current use and having a face value; and

b. Traveler's checks, register checks and money orders held for sale to the public.

8. "Operations" means your business activities occurring at the described premises.

9. "Period of restoration":

a. Means the period of time that:

(1) Begins:

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

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

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

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(2) Ends on the earlier of:

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

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

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

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

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

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

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

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

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

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

but does not include "money".

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

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

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

(1) The cost of filling sinkholes; or

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

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

(1) Personal property in the open; or

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

c. Water damage means:

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

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

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

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

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

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14. "Valuable papers and records" means inscribed, printed or written:

    a. Documents;

    b. Manuscripts; and

    c. Records;

    including abstracts, books, deeds, drawings, films, maps or mortgages.

    But "valuable papers and records" does not mean "money" or "securities".

SECTION II – LIABILITY

A. Coverages

1. Business Liability

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

        (1) The amount we will pay for damages is limited as described in Paragraph D. Liability And Medical Expenses Limits Of Insurance in Section II – Liability; and

        (2) Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements or medical expenses.

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

    b. This insurance applies:

        (1) To "bodily injury" and "property damage" only if:

            (a) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

            (b) The "bodily injury" or "property damage" occurs during the policy period; and

            (c) Prior to the policy period, no insured listed under Paragraph C.1. Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known before the policy period.

        (2) To "personal and advertising injury" caused by an offense arising out of your business, but only if the offense was committed in the "coverage territory" during the policy period.

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

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

        (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;

        (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or

        (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

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

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**f. Coverage Extension – Supplementary Payments**

(1) We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

(a) All expenses we incur.

(b) Up to $250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Business Liability Coverage for "bodily injury" applies. We do not have to furnish these bonds.

(c) The cost of bonds to release attachments, but only for bond amounts within our Limit of Insurance. We do not have to furnish these bonds.

(d) All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to $250 a day because of time off from work.

(e) All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.

(f) Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.

(g) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within our Limit of Insurance.

These payments will not reduce the limit of liability.

(2) If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

(a) The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";

(b) This insurance applies to such liability assumed by the insured;

(c) The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";

(d) The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;

(e) The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and

(f) The indemnitee:

(i) Agrees in writing to:

i. Cooperate with us in the investigation, settlement or defense of the "suit";

ii. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";

iii. Notify any other insurer whose coverage is available to the indemnitee; and

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iv. Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and

(ii) Provides us with written authorization to:

i. Obtain records and other information related to the "suit"; and

ii. Conduct and control the defense of the indemnitee in such "suit".

(3) So long as the conditions in Paragraph **(2)** are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph **B.1.b.(2)** Exclusions in Section **II** – Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the Limits of Insurance.

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

(a) We have used up the applicable Limit of Insurance in the payment of judgments or settlements; or

(b) The conditions set forth above, or the terms of the agreement described in Paragraph **(2)(f)** above, are no longer met.

2. **Medical Expenses**

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

(1) On premises you own or rent;

(2) On ways next to premises you own or rent; or

(3) Because of your operations;

provided that:

(a) The accident takes place in the "coverage territory" and during the policy period;

(b) The expenses are incurred and reported to us within one year of the date of the accident; and

(c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

b. We will make these payments regardless of fault. These payments will not exceed the Limits of Insurance of Section **II** – Liability. We will pay reasonable expenses for:

(1) First aid administered at the time of an accident;

(2) Necessary medical, surgical, X-ray and dental services, including prosthetic devices; and

(3) Necessary ambulance, hospital, professional nursing and funeral services.

B. **Exclusions**

1. **Applicable To Business Liability Coverage**

This insurance does not apply to:

a. **Expected Or Intended Injury**

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. **Contractual Liability**

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

(1) That the insured would have in the absence of the contract or agreement; or

(2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:

(a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and

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

c. **Liquor Liability**

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

(1) Causing or contributing to the intoxication of any person;

(2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or

(3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

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

(a) The supervision, hiring, employment, training or monitoring of others by an insured; or

(b) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

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

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

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

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

e. **Employer's Liability**

"Bodily injury" to:

(1) An "employee" of the insured arising out of and in the course of:

(a) Employment by the insured; or

(b) Performing duties related to the conduct of the insured's business; or

(2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

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

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

f. **Pollution**

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

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

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

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

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

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

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

(i) Any insured; or

(ii) Any person or organization for whom you may be legally responsible;

(d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

(i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;

(ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or

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

(e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

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

(a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

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

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement or such claim or "suit" by or on behalf of a governmental authority.

g. **Aircraft, Auto Or Watercraft**

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

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

This exclusion does not apply to:

(1) A watercraft while ashore on premises you own or rent;

(2) A watercraft you do not own that is:

(a) Less than 51 feet long; and

(b) Not being used to carry persons or property for a charge;

(3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;

(4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

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

(a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where it is licensed or principally garaged; or

(b) The operation of any of the following machinery or equipment:

(i) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

(ii) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

**h. Mobile Equipment**

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

(1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or

(2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition or stunting activity.

**i. War**

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

(1) War, including undeclared or civil war;

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

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

**j. Professional Services**

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

(1) Legal, accounting or advertising services;

(2) Preparing, approving, or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications;

(3) Supervisory, inspection or engineering services;

(4) Medical, surgical, dental, X-ray or nursing services treatment, advice or instruction;

(5) Any health or therapeutic service treatment, advice or instruction;

(6) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming;

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(7) Optometry or optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;

(8) Body piercing services; and

(9) Services in the practice of pharmacy.

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

**k. Damage To Property**

"Property damage" to:

(1) Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;

(2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;

(3) Property loaned to you;

(4) Personal property in the care, custody or control of the insured;

(5) That particular part of real property on which you or any contractor or subcontractor working directly or indirectly on your behalf is performing operations, if the "property damage" arises out of those operations; or

(6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

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

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

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

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

**l. Damage To Your Product**

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

**m. Damage To Your Work**

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

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

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

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

(1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or

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

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

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

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

(1) "Your product";

(2) "Your work"; or

(3) "Impaired property";

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

**p. Personal And Advertising Injury**

"Personal and advertising injury":

(1) Caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury";

(2) Arising out of oral or written publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity;

(3) Arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period;

(4) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement;

(5) Arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement";

(6) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";

(7) Arising out of the wrong description of the price of goods, products or services stated in your "advertisement";

(8) Committed by an insured whose business is:

(a) Advertising, broadcasting, publishing or telecasting;

(b) Designing or determining content of web sites for others; or

(c) An Internet search, access, content or service provider.

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

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

(9) Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time;

(10) With respect to any loss, cost or expense arising out of any:

(a) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

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

(11) Arising out of an electronic chatroom or bulletin board the insured hosts, owns or over which the insured exercises control;

(12) Arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

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

(13) Arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatags, or any other similar tactics to mislead another's potential customers.

**q. Electronic Data**

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

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

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

**r. Criminal Acts**

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

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

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

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

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

(3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or

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

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

**2. Applicable To Medical Expenses Coverage**

We will not pay expenses for "bodily injury":

**a.** To any insured, except "volunteer workers".

**b.** To a person hired to do work for or on behalf of any insured or a tenant of any insured.

**c.** To a person injured on that part of premises you own or rent that the person normally occupies.

**d.** To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

**e.** To a person injured while practicing, instructing or participating in any physical exercises or games, sports or athletic contests.

**f.** Included within the "products-completed operations hazard".

**g.** Excluded under Business Liability Coverage.

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

This insurance does not apply:

**a.** Under Business Liability Coverage, to "bodily injury" or "property damage":

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

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(2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which:

(a) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or

(b) The insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

b. Under Medical Expenses Coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.

c. Under Business Liability Coverage, to "bodily injury" or "property damage" resulting from the "hazardous properties" of the "nuclear material"; if:

(1) The "nuclear material":

(a) Is at any "nuclear facility" owned by, or operated by or on behalf of, an insured; or

(b) Has been discharged or dispersed therefrom;

(2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or

(3) The "bodily injury" or "property damage" arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility"; but if such facility is located within the United States of America, its territories or possessions or Canada, this Exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

d. As used in this exclusion:

(1) "By-product material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;

(2) "Hazardous properties" include radioactive, toxic or explosive properties;

(3) "Nuclear facility" means:

(a) Any "nuclear reactor";

(b) Any equipment or device designed or used for:

(i) Separating the isotopes of uranium or plutonium;

(ii) Processing or utilizing "spent fuel"; or

(iii) Handling, processing or packaging "waste";

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

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

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

(4) "Nuclear material" means "source material", "special nuclear material" or "by-product material";

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

(6) "Property damage" includes all forms of radioactive contamination of property;

(7) "Source material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;

(8) "Special nuclear material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;

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

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(10) "Waste" means any waste material:

(a) Containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content; and

(b) Resulting from the operation by any person or organization of any "nuclear facility" included under Paragraphs **(a)** and **(b)** of the definition of "nuclear facility".

**C. Who Is An Insured**

1. If you are designated in the Declarations as:

a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.

b. A partnership or joint venture, you are an insured. Your members, your partners and their spouses are also insureds, but only with respect to the conduct of your business.

c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.

d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

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

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

(a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;

(b) To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of Paragraph **(a)** above;

(c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph **(a)** or **(b)**; or

(d) Arising out of his or her providing or failing to provide professional health care services.

(2) "Property damage" to property:

(a) Owned, occupied or used by;

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

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

b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

c. Any person or organization having proper temporary custody of your property if you die, but only:

(1) With respect to liability arising out of the maintenance or use of that property; and

(2) Until your legal representative has been appointed.

d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this policy.

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

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

1. The Limits of Insurance of Section **II** – Liability shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

a. Insureds;

b. Claims made or "suits" brought; or

c. Persons or organizations making claims or bringing "suits".

2. The most we will pay for the sum of all damages because of all:

a. "Bodily injury", "property damage" and medical expenses arising out of any one "occurrence"; and

b. "Personal and advertising injury" sustained by any one person or organization;

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

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

4. **Aggregate Limits**

The most we will pay for:

a. All "bodily injury" and "property damage" that is included in the "products-completed operations hazard" is twice the Liability and Medical Expenses limit.

b. All:

(1) "Bodily injury" and "property damage" except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard";

(2) Plus medical expenses;

(3) Plus all "personal and advertising injury" caused by offenses committed;

is twice the Liability and Medical Expenses limit.

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

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

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

1. **Bankruptcy**

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

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

   a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

      (1) How, when and where the "occurrence" or offense took place;

      (2) The names and addresses of any injured persons and witnesses; and

      (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

   b. If a claim is made or "suit" is brought against any insured, you must:

      (1) Immediately record the specifics of the claim or "suit" and the date received; and

      (2) Notify us as soon as practicable.

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

   c. You and any other involved insured must:

      (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";

      (2) Authorize us to obtain records and other information;

      (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and

      (4) Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to the insured because of injury or damage to which this insurance may also apply.

   d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. **Legal Action Against Us**

   No person or organization has a right under this policy:

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

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

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

4. **Separation Of Insureds**

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

   a. As if each Named Insured were the only Named Insured; and

   b. Separately to each insured against whom claim is made or "suit" is brought.

**F. Liability And Medical Expenses Definitions**

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

   a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and

   b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

2. "Auto" means:

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

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

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

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

4. "Coverage territory" means:

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

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b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph **a.** above; or

c. All other parts of the world if the injury or damage arises out of:

(1) Goods or products made or sold by you in the territory described in Paragraph **a.** above;

(2) The activities of a person whose home is in the territory described in Paragraph **a.** above, but is away for a short time on your business; or

(3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication;

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

5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.

7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.

8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:

a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or

b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by:

(1) The repair, replacement, adjustment or removal of "your product" or "your work"; or

(2) Your fulfilling the terms of the contract or agreement.

9. "Insured contract" means:

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

b. A sidetrack agreement;

c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;

d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;

e. An elevator maintenance agreement;

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

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

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

(2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:

(a) Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or

(b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or

(3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in Paragraph **(2)** above and supervisory, inspection or engineering services.

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

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

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

    However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":
        (1) Equipment designed primarily for:
            (a) Snow removal;
            (b) Road maintenance, but not construction or resurfacing; or
            (c) Street cleaning;
        (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
        (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

    However, "mobile equipment" does not include land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where they are licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law or motor vehicle registration law are considered "autos".
13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
    a. False arrest, detention or imprisonment;
    b. Malicious prosecution;
    c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
    d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
    e. Oral or written publication, in any manner, of material that violates a person's right of privacy;

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f. The use of another's advertising idea in your "advertisement"; or

g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

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

16. "Products-completed operations hazard":

a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

(1) Products that are still in your physical possession; or

(2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:

(a) When all of the work called for in your contract has been completed.

(b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.

(c) When that part of the work done at the job site has been put to its intended use by any other person or organization other than another contractor or subcontractor working on the same project.

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

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

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

(1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured; or

(2) The existence of tools, uninstalled equipment or abandoned or unused materials.

17. "Property damage" means:

a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

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

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

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

a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or

b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

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

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

21. "Your product":

a. Means:

(1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

(a) You;

(b) Others trading under your name; or

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(c) A person or organization whose business or assets you have acquired; and

(2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes:

(1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and

(2) The providing of or failure to provide warnings or instructions.

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

22. "Your work":

a. Means:

(1) Work or operations performed by you or on your behalf; and

(2) Materials, parts or equipment furnished in connection with such work or operations.

b. Includes:

(1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and

(2) The providing of or failure to provide warnings or instructions.

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

### A. Cancellation

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

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

a. Five days before the effective date of cancellation if any one of the following conditions exists at any building that is Covered Property in this policy:

(1) The building has been vacant or unoccupied 60 or more consecutive days. This does not apply to:

(a) Seasonal unoccupancy; or

(b) Buildings in the course of construction, renovation or addition. Buildings with 65% or more of the rental units or floor area vacant or unoccupied are considered unoccupied under this provision.

(2) After damage by a Covered Cause of Loss, permanent repairs to the building:

(a) Have not started; and

(b) Have not been contracted for;

within 30 days of initial payment of loss.

(3) The building has:

(a) An outstanding order to vacate;

(b) An outstanding demolition order; or

(c) Been declared unsafe by governmental authority.

(4) Fixed and salvageable items have been or are being removed from the building and are not being replaced. This does not apply to such removal that is necessary or incidental to any renovation or remodeling.

(5) Failure to:

(a) Furnish necessary heat, water, sewer service or electricity for 30 consecutive days or more, except during a period of seasonal unoccupancy; or

(b) Pay property taxes that are owing and have been outstanding for more than one year following the date due, except that this provision will not apply where you are in a bona fide dispute with the taxing authority regarding payment of such taxes.

b. 10 days before the effective date of cancellation if we cancel for nonpayment of premium.

c. 30 days before the effective date of cancellation if we cancel for any other reason.

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

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

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

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

B. **Changes**

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

C. **Concealment, Misrepresentation Or Fraud**

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

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

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

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

E. **Inspections And Surveys**

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

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

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

G. **Liberalization**

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

H. **Other Insurance**

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

I. **Premiums**

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

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3. With our consent, you may continue this policy in force by paying a continuation premium for each successive one-year period. The premium must be:
   a. Paid to us prior to the anniversary date; and
   b. Determined in accordance with Paragraph 2. above.

   Our forms then in effect will apply. If you do not pay the continuation premium, this policy will expire on the first anniversary date that we have not received the premium.
4. Undeclared exposures or change in your business operation, acquisition or use of locations may occur during the policy period that are not shown in the Declarations. If so, we may require an additional premium. That premium will be determined in accordance with our rates and rules then in effect.

J. **Premium Audit**

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

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

1. Applicable to Businessowners Property Coverage:

   If any person or organization to or for whom we make payment under this policy has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:
   a. Prior to a loss to your Covered Property.
   b. After a loss to your Covered Property only if, at time of loss, that party is one of the following:
      (1) Someone insured by this insurance;
      (2) A business firm:
         (a) Owned or controlled by you; or
         (b) That owns or controls you; or
      (3) Your tenant.

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

   This will not restrict your insurance.
2. Applicable to Businessowners Liability Coverage:

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

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

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

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

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POLICY NUMBER: 91004-43464-61

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

# PROTECTIVE SAFEGUARDS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

**SCHEDULE**

| Premises Number | Building Number | Protective Safeguards Symbols Applicable | Description Of "P-9" If Applicable: |
|---|---|---|---|
| 1 | 1 | P-9 | Hardwired Smoke Detectors |
| Information required to complete this Schedule, if not shown above, will be shown in the Declarations. | | | |

**A.** The following is added to the **Property General Conditions** in **Section I - Property:**

**Protective Safeguards**

**1.** As a condition of this insurance, you are required to maintain the protective devices or services listed in the Schedule above.

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

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

Automatic Sprinkler System means:

**(1)** Any automatic fire protective or extinguishing system, including connected:

**(a)** Sprinklers and discharge nozzles;

**(b)** Ducts, pipes, valves and fittings;

**(c)** Tanks, their component parts and supports; and

**(d)** Pumps and private fire protection mains.

**(2)** When supplied from an automatic fire protective system:

**(a)** Non-automatic fire protective systems; and

**(b)** Hydrants, standpipes and outlets.

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

**(1)** Connected to a central station; or

**(2)** Reporting to a public or private fire alarm station.

**c. "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.

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

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

**(1)** Hood;

**(2)** Grease removal device;

**(3)** Duct system; and

**(4)** Wet chemical fire extinguishing equipment.

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

**B.** The following is added to Paragraph **B. Exclusions** in **Section I - Property:**

We will not pay for loss or damages caused by or resulting from fire if, prior to the fire, you:

**1.** Knew of any suspension or impairment in any protective safeguard listed in the Schedule above and failed to notify us of that fact; or

**2.** Failed to maintain any protective safeguard listed in the Schedule above, and over which you had control, in complete working order.

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.


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

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

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

**SCHEDULE**

| Premises Number | Building Number | Description Of Rental Unit |
|---|---|---|
| 1 | 1 | Residential Condominiums without Mercantile |
| Information required to complete this Schedule, if not shown above, will be shown in the Declarations. | | |

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

**A.** The terms of this endorsement apply to the rental unit(s) described in the Schedule, and to the building(s) in which such unit(s) are located, including any contents of such unit(s) and building(s), all of which constitute the described premises for the purpose of this endorsement.

**B.** We will not pay for loss or damage to the described premises, caused by or resulting from smoke, vapor, gas or any substance released in the course of production operations or processing operations performed at the rental unit(s) described in the Schedule. This exclusion applies regardless of whether such operations are:

**1.** Legally permitted or prohibited;

**2.** Permitted or prohibited under the terms of the lease; or

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

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

**C.** If the loss or damage described in Paragraph **B**. of this endorsement results in Business Income loss or Extra Expense, there is no coverage for such loss or expense under the Business Income or Extra Expense Additional Coverages.

**D.** The conduct of a tenant's production or processing operations will not be considered to be vandalism of the rental premises regardless of whether such operations are:

**1.** Legally permitted or prohibited;

**2.** Permitted or prohibited under the terms of the lease; or

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


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# WATER BACK-UP AND SUMP OVERFLOW (BUILDING)

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The coverages provided in this endorsement will not trigger any other policy coverages that are outside of this endorsement.

**SCHEDULE**

| Premises Number | Building Number | Covered Property Annual Aggregate Limit Of Insurance |
|---|---|---|
| Information required to complete this Schedule, if not shown above, will be shown in the Declarations. | | |

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

**A.** We will pay for direct physical loss or damage to Buildings and Business Personal Property covered under **Section I - Property,** caused by or resulting from:

**1.** Water or waterborne material which backs up through or overflows or is otherwise discharged from a sewer or drain; or

**2.** Water or waterborne material which overflows or is otherwise discharged from a sump, sump pump or related equipment, even if the overflow or discharge results from mechanical breakdown of a sump pump or its related equipment.

However, with respect to Paragraph **A.2.,** we will not pay the cost of repairing or replacing a sump pump or its related equipment in the event of mechanical breakdown.

**B.** Loss or damage which occurs or is in progress within five (5) days of the effective date of this endorsement is not covered.

**C.** The coverage described in Paragraph **A.** of this endorsement does not apply to loss or damage resulting from:

**1.** An insured's failure to keep a sump pump or its related equipment in proper working condition;

**2.** An insured's failure to perform the routine maintenance or repair necessary to keep a sewer or drain free from obstructions; or

**3.** Sump pump failure which is caused by or results from failure of power, unless this policy is endorsed to cover power failure affecting the described premises.

**D.** With respect to the coverage provided under this endorsement, only the following Additional Coverages apply:

**1.** Paragraph **a. Debris Removal** of Section **5. Additional Coverages;**

**2.** Paragraph **f. Business Income** of Section **5. Additional Coverages;** and

**3.** Paragraph **g. Extra Expense** of Section **5. Additional Coverages.**

The Annual Aggregate Limit Of Insurance shown in the above Schedule for each Building identified in the Schedule, for Water Back-up And Sump Overflow is the most we will pay under this endorsement for that Building, including these Additional Coverages.

**E.** The applicable Annual Aggregate Limit Of Insurance shown in the above Schedule for each Building for Water Back-up And Sump Overflow is the most we will pay under this endorsement for the total of all direct physical loss or damage sustained in any one policy period to that Building, regardless of the number of occurrences that cause or result in loss or damage. If loss payment for the first such occurrence does not exhaust the applicable Annual Aggregate Limit Of Insurance shown in the Schedule for a Building, then the balance of that Building limit is available for subsequent loss or damage sustained in, but not after, that policy period for that same Building. With respect to an occurrence which begins in one policy period and continues or results in additional loss or damage in a subsequent policy period(s), all loss or damage is deemed to be sustained in the policy period in which the occurrence began.

**F.** With respect to the coverage provided under this endorsement, Paragraph **1.g. Water** of **B. Exclusions** in **Section I - Property** is replaced by the following:

**Water**

**1.** Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow


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of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);

**2.** Mudslide or mudflow;

**3.** Water under the ground surface pressing on, or flowing or seeping through:

**a.** Foundations, walls, floors or paved surfaces;

**b.** Basements, whether paved or not; or

**c.** Doors, windows or other openings; or

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

This exclusion applies regardless of whether any of the above, in Paragraphs **1.** through **4.,** is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs **1.** through **4.,** results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

**G.** For the purposes of this endorsement, the term drain includes a roof drain and related fixtures.

**H.** With respect to the coverage provided under this endorsement, Paragraph **D.1. Deductibles,** is replaced with the following:

**1.** We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Water Back-up And Sump Overflow Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Water Back-up And Sump Overflow Deductible up to the applicable Annual Aggregate Limit Of Insurance shown in the Schedule for the Building identified in the Schedule for Water Back-up And Sump Overflow loss or damage.


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

# ORDINANCE OR LAW COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

**SCHEDULE**

| Premises Number | Building Number | Coverage 1 Limit Of Insurance | Coverage 2 Limit Of Insurance | Coverage 3 Limit Of Insurance | Coverages 2 And 3 Combined Limit Of Insurance* | Coverages 1, 2 And 3 Combined Limit Of Insurance* |
|---|---|---|---|---|---|---|
| | | $ | $ | $ | $ | $ |
| | | $ | $ | $ | $ | $ |
| | | $ | $ | $ | $ | $ |
| Business Income And Extra Expense Optional Coverage (Enter Yes or No): | | | | | | |
| Number Of Hours Waiting Period For Period Of Restoration Applicable To Business Income And Extra Expense Optional Coverage: | | | | | | |
| *Do **not** enter a Combined Limit Of Insurance if individual Limits Of Insurance are selected for Coverages 1, 2 and 3, or if one of these coverages is not applicable. | | | | | | |
| Information required to complete this Schedule, if not shown above, will be shown in the Declarations. | | | | | | |

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

**A.** Each Coverage – Coverage **1**, Coverage **2** and Coverage **3** – is provided under this endorsement only if that Coverage(s) is chosen by entry in the above Schedule and then only with respect to the Building identified for the Coverage(s) in the Schedule.

**B. Application Of Coverage(s)**

The Coverage(s) provided by this endorsement applies only if both **B.1.** and **B.2.** are satisfied and are then subject to the qualifications set forth in **B.3.**

**1.** The ordinance or law:

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

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

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

**2.** The Building sustains direct physical damage:

**a.** That is covered under this policy and as a result of such damage, you are required to comply with the ordinance or law; or

**b.** That is covered under this policy and direct physical damage that is not covered under this policy, and as a result of the Building damage in its entirety, you are required to comply with the ordinance or law.

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

**3.** In the situation described in **B.2.b.** above, we will not pay the full amount of loss otherwise payable under the terms of Coverages **1**, **2** and/or **3** of this endorsement. Instead, we will pay a proportion of such loss, meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

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

However, if the covered direct physical damage alone would have resulted in a requirement to comply with the ordinance or law, then we will pay the full amount of loss


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otherwise payable under terms of Coverages **1**, **2** and/or **3** of this endorsement.

**C.** We will not pay under Coverage **1**, **2** or **3** of this endorsement for:

**1.** Enforcement of or compliance with any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungi", wet rot or dry rot; or

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

**D. Coverage**

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

With respect to the Building that has sustained covered direct physical damage, we will pay under Coverage **1** for the loss in value of the undamaged portion of the Building as a consequence of a requirement to comply with an ordinance or law that requires demolition of undamaged parts of the same Building. Coverage **1** is included within the Limit Of Insurance shown in the Declarations as applicable to the covered Building. Coverage **1** does not increase the Limit Of Insurance.

**2. Coverage 2 – Demolition Cost Coverage**

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

Paragraph **E.5.d**. **Loss Payment** Property Loss Condition does not apply to **Demolition Cost Coverage**.

**3. Coverage 3 – Increased Cost Of Construction Coverage**

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

**a.** Repair or reconstruct damaged portions of that Building; and/or

**b.** Reconstruct or remodel undamaged portions of that Building, whether or not demolition is required;

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

However:

**a.** This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.

**b.** We will not pay for the increased cost of construction if the Building is not repaired, reconstructed or remodeled.

Paragraph **E.5.d**. **Loss Payment** Property Loss Condition does not apply to the **Increased Cost Of Construction Coverage**.

**E. Loss Payment**

**1.** All following loss payment Provisions **E.2**. through **E.5**. are subject to the apportionment procedure set forth in Section **B.3**. of this endorsement:

**2.** When there is a loss in value of an undamaged portion of a Building to which Coverage **1** applies, the loss payment for that Building, including damaged and undamaged portions, will be determined as follows:

**a.** If the property is repaired or replaced on the same or another premises, we will not pay more than the lesser of:

**(1)** The amount you actually spend to repair, rebuild or reconstruct the Building, but not for more than the amount it would cost to restore the Building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or

**(2)** The applicable Limit Of Insurance shown for Coverage **1** in the Schedule above not to exceed the Limit Of Insurance shown in the Declarations for the covered Building.

**b.** If the property is not repaired or replaced, we will not pay more than the lesser of:

**(1)** The actual cash value of the Building at the time of loss; or

**(2)** The applicable Limit Of Insurance shown for Coverage **1** in the schedule above and not to exceed the Limit Of Insurance shown in the Declarations for the covered Building.

**3.** Unless Paragraph **E.5**. applies, loss payment under Coverage **2** – Demolition Cost Coverage will be determined as follows:

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

**a.** The amount you actually spend to demolish and clear the site of the described premises; or

**b.** The applicable Limit Of Insurance shown for Coverage **2** in the Schedule above for the covered Building.

**4.** Unless Paragraph **E.5**. applies, loss payment under Coverage **3** – Increased Cost Of Construction Coverage will be determined as follows:


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**a.** We will not pay under Coverage **3:**

**(1)** Until the property is actually repaired or replaced, at the same or another premises; and

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

**b.** If the Building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage **3** is the lesser of:

**(1)** The increased cost of construction at the same premises; or

**(2)** The applicable Limit Of Insurance shown for Coverage **3** in the Schedule above for the covered Building.

**c.** If the ordinance or law requires relocation to another premises, the most we will pay under Coverage **3** is the lesser of:

**(1)** The increased cost of construction at the new premises; or

**(2)** The applicable Limit Of Insurance shown for Coverage **3** in the Schedule above for the covered Building.

**5.** If a Combined Limit Of Insurance is shown for Coverages **2** and **3** in the Schedule above, or a Combined Limit Of Insurance is shown for Coverage **1**, **2** and **3** in the Schedule above, Paragraphs **E**.**3**. and **E**.**4**. of this endorsement do not apply with respect to the Building property that is subject to the Combined Limit, and the following loss payment provisions apply instead:

Based on the Combined Limit Of Insurance selected in the Schedule above, the most we will pay, for the total of all covered losses for Loss To The Undamaged Portion Of The Building, Demolition Cost and Increased Cost Of Construction, is the Combined Limit Of Insurance shown for Coverages **1**, **2** and **3** in the Schedule above. Subject to this Combined Limit Of Insurance, the following loss payment provisions apply:

**a.** For the Loss To The Undamaged Portion Of The Building, we will not pay more than the amount you actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured. If the property is not repaired or replaced, we will not pay more than the actual cash value of the building at the time of the loss.

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

**c.** With respect to the Increased Cost Of Construction:

**(1)** We will not pay for the increased cost of construction:

**(a)** Until the property is actually repaired or replaced, at the same or another premises; and

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

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

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

**F.** The terms of this endorsement apply separately to each Building to which this endorsement applies.

**G.** Under this endorsement, we will not pay for loss due to any ordinance or law that:

**1.** You were required to comply with before the loss, even if the Building was undamaged; and

**2.** You failed to comply with.

**H.** Example of Proportionate Loss Payment for Ordinance or Law Coverage Losses (procedure as set forth in Section **B**.**3**. of this endorsement).

Assume:

- Wind is a Covered Cause of Loss. Flood is an excluded Cause of Loss;
- The covered building has a value of $200,000;
- Total direct physical damage to covered building: $100,000;
- The ordinance or law in this jurisdiction is enforced when building damage equals or exceeds 50% of the covered building's value;
- Portion of direct physical damage that is covered (caused by wind): $30,000;
- Portion of direct physical damage that is not covered (caused by flood): $70,000; and
- Loss under Ordinance or Law Coverage **3** of this endorsement: $60,000.

Step **1**: Determine the proportion that the covered direct physical damage bears to the total direct physical damage.

$30,000/100,000 = .30

Step **2**: Apply that proportion to the Ordinance or Law loss.

$60,000 x .30 = $18,000

In this example, the most we will pay under this


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endorsement for the Coverage **3** loss is $18,000, subject to the applicable Limit Of Insurance and any other applicable provisions.

**NOTE**: The same procedure also applies to losses under Coverages **1** and **2** of this endorsement.

**I.** If shown as applicable in the Schedule of this endorsement, the following applies:

**Business Income And Extra Expense Optional Coverage**

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

**a.** Regulates the construction or repair of any property;

**b.** Requires the tearing down of parts of any property not damaged by a Covered Cause of Loss; and

**c.** Is in force at the time of loss.

However, coverage is not extended under this endorsement to include loss caused by or resulting from the enforcement of or compliance with any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

**2.** Paragraph **H**.**9**. **Period Of Restoration** Definition is replaced by the following:

**9.** "Period of restoration" means the period of time that:

**a.** Begins:

**(1)** 72 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises, unless a lesser number of hours is shown in the Schedule of this endorsement; or

**(2)** Immediately after the time of the direct physical loss or damage for Extra Expense Coverage caused by or resulting from any Covered Cause of Loss at the described premises; and

**b.** Ends on the earlier of:

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

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

"Period of restoration" includes any increased period required to repair or reconstruct the property to comply with the minimum standards of any ordinance or law, in force at the time of loss, that regulates the construction or repair, or requires the tearing down of any property.

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


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POLICY NUMBER: 91004-43464-61

BUSINESSOWNERS
BPF 89 01 08 18

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**
**THIS ENDORSEMENT PROVIDES CLAIMS-MADE COVERAGE.**

# DIRECTORS AND OFFICERS LIABILITY ENDORSEMENT - SILVER (CONDOMINIUMS, CO-OPS, ASSOCIATIONS)

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

## SCHEDULE

| | | |
|---|---|---|
| **Named Association:** | | |
| **Directors And Officers Liability Annual Aggregate Limit Of Insurance:** | | **$** |
| **Deductible:** | | **$** |
| | **Retroactive Date:** | |
| **Extended Reported Period** | ☐ **Yes** | ☐ **No** |
| Information required to complete this Schedule, if not shown above, will be shown in the Declarations. | | |

For the purposes of the coverage provided by this endorsement, **Section II - Liability** is amended as follows:

**A.** The following are added to Paragraph **A. Coverages:**

**1. Insuring Agreement - Management Liability**

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

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

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

**(1)** Such spousal status; or

**(2)** Such spouse's ownership interest in property or assets that are sought as recovery for the "wrongful act" committed or allegedly committed by the "insured person";

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

However, this Paragraph **b.** does not apply to a "claim" arising out of any "wrongful act" committed or allegedly committed by the "insured person's" spouse.

**c.** This insurance also applies to "claims" arising out of the "wrongful acts" of an "insured person" made against:

**(1)** The estate, heirs or legal representatives of a deceased "insured person"; and

**(2)** The legal representative of that "insured person" in the event of incompetency, insolvency or bankruptcy.

However, this Paragraph **c.** only applies to "claims" if and to the extent that, in the absence of such death, incompetency, insolvency or bankruptcy of the "insured person", such "claims" would have been


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covered by this insurance according to all applicable terms, conditions and exclusions.

2. **Insuring Agreement - Association Reimbursement**

   We will pay on behalf of the "association" any "loss" for which the "association" has indemnified an "insured person", as permitted or required by law, and which the "insured person" becomes legally obligated to pay as a result of a "claim" first made against that "insured person" (or an "insured person's" spouse or any other party granted the rights of an "insured person" under Paragraph **1.**) during the policy period, or during the Automatic Extended Reporting Period or Optional Extended Reporting Period, if purchased, as described in Paragraph **G.**

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

3. **Insuring Agreement - Association Liability**

   We will pay on behalf of the "association" any "loss" which the "association" becomes legally obligated to pay as a result of a "claim" first made against the "association" during the policy period or during the Automatic Extended Reporting Period or Optional Extended Reporting Period, if purchased, as described in Paragraph **G.**

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

4. **Defense And Settlement**

   **a.** We will have the right and duty to defend any "claim" made against the insured under Paragraph **A.** of this endorsement. However, we will have no duty to defend the insured against any "claim" because of a "wrongful act" to which this insurance does not apply. We may, at our discretion, investigate any incident that may result in a "loss". We may, with your written consent, settle any "claim".

   **b. Mediation**

   If, prior to institution of arbitration proceedings or service of suit or within 60 days of the institutions of such proceedings or service of suit, we and the “association” agree to use a process of non binding intervention by a neutral third party to resolve any “claim” reported to us, and if such “claim” is resolved through such process, we will reduce the deductible applicable to such “claim” by 50%.

   All "claims" arising out of the same "wrongful act" or "interrelated wrongful acts" committed by one or more "insured persons" shall be considered a single "claim". Such single "claim" shall be deemed to be first made on the date the initial "claim" arising out of such "wrongful act" or "interrelated wrongful acts" was first made pursuant to Paragraph **E.** or notice of such "wrongful act" or "interrelated wrongful acts" was first reported pursuant to Paragraph **E.**

**B.** For the purposes of the coverage provided by this endorsement, Paragraph **B. Exclusions,** Sub-paragraph **1. Applicable To Business Liability Coverage** is replaced by the following:

This insurance does not apply to any "loss" resulting from any "claim":

**a. Dishonest, Malicious, Fraudulent, Or Criminal Act**

Arising out of any dishonest, fraudulent, criminal or malicious act or omission or any willful violation of the law by the insured.

This exclusion applies only if:

**(1)** a judgment or other final adjudication, including pleas, adverse to the insured establishes such an act, omission or willful violation by the insured; or

**(2)** an “insured person” is not convicted or convicted of a lesser charge due to mental incapacity, disease, or defect. This exclusion applies even if an “insured person” lacks the mental capacity to govern his or her conduct.

**b. Bodily Injury, Property Damage, Or Personal And Advertising Injury**

Arising out of "bodily injury", “property damage” or “personal and advertising injury”.

**c. Illegal Financial Gain**

Arising out of the gaining of any profit, remuneration or advantage to which any insured was not legally entitled.

**d. Prior Acts**

Arising out of a "wrongful act" or "interrelated wrongful act" that has occurred before the Retroactive Date, if any, shown in the Schedule.

**e. Pending And Prior Claims**

Arising out of the same facts, "wrongful acts" or "interrelated wrongful acts", alleged or contained in any "claim" which has been reported, or in any circumstances of which notice has been given:

**(1)** During a prior policy period of this policy; or


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**(2)** Under any insurance policy of which this policy is a replacement.

**f. Failure To Maintain Insurance**

Arising out of any actual or alleged failure or omission on the part of any insured to effect or maintain insurance.

**g. Service To Other Entities**

Arising out of any "wrongful act" committed or allegedly committed by any "insured person" serving in any position or capacity in any organization or association other than the "association" even if the "association" directed or requested that "insured person" to serve in such other position or capacity.

**h. Insured vs Insured**

Brought by or on behalf of the "association" or any "insured person", in any capacity, except:

**(1)** A "claim" that is a derivative action brought on behalf of the "association" by one or more unit-owners who are not "insured persons" and who bring the "claim" without the solicitation, assistance or participation of any "insured person" or the "association"

**i. ERISA**

For an actual or alleged violation of the Employee Retirement Income Security Act of 1974 and its amendments, or similar provisions of any federal, state, local or statutory law or common law.

**j. Breach Of Contract**

For liability under or breach of any oral, written or implied contract or agreement, or for liability of others assumed by the "association" under any such contract or agreement, except if:

**(1)** The "association" would have been liable in the absence of such contract or agreement

**k. Pollution**

Arising out of:

**(1)** The actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time;

**(2)** Any request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

**(3)** A "claim" made or "suit" brought by or on behalf of any governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants";

including without limitation any "claim" by or on behalf of the "association".

**l. Construction Defect**

Arising out of "wrongful acts" in the selection or direct or indirect supervision of any contractor or subcontractor liable or alleged to be liable for any defect in construction at any premises insured under this policy.

**m. Workers Compensation Or Similar Laws**

Arising out of an obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar, rule, regulation or law.

**n. Asbestos**

Arising out of asbestos including but not limited to any injury or damage related to, arising or alleged to have arisen out of any use, exposure, existence, detection, removal, elimination, avoidance, act, error, omission, failure to disclose or warn of the presence of asbestos or any other duty involving asbestos;

**o. Lead**

Arising out of lead including but not limited to any injury or damage treated to, arising or alleged to have arisen out of any use, exposure, existence, detection, removal, elimination, avoidance, act, error, omission, failure to disclose or warn of the presence of lead or any other duty involving lead.

**p. Fungi Or Bacteria**

Arising out of "fungi" or bacteria including but not limited to any injury or damage treated to, arising or alleged to have arisen out of any use, exposure, existence, detection, removal, elimination, avoidance, act, error, omission, failure to disclose or warn of the presence of lead or any other duty involving "fungi" or bacteria.

**q. Employment-Related Practices**

Arising out of employment related practices, policies, acts or omissions including, but not limited to, refusal to employ; termination of employment; employment related coercion, demotion, evaluation, reassignment, discipline, workplace conditions, false imprisonment, defamation, harassment, humiliation, or discrimination of employment; other employment related practices, policies, acts or omissions; or sexual harassment by the insured against any person(s) or entity; or negligence involving any of the above.


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**r. Salaries Or Remuneration**

Arising out of the payment or administration of salaries, bonuses, or other remuneration of an “insured person.”

**s. Securities**

Arising under statutory or common law relating to the purchase, sale, or disposition of securities.

**t. Civil Rights Laws**

Arising out of any federal, state, county, municipal or local law, ordinance, order, directive or regulation barring discrimination, including but not limited to those based on race, color, national origin, ancestry, citizenship, gender, sexual orientation, marital status, religion or religious belief, age, economic status, income, medical condition, pregnancy, parenthood or mental or physical disability.

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

**C.** For the purposes of the coverage provided by this endorsement, Paragraph **C. Who Is An Insured** is replaced by the following:

**1.** The "association" is an insured.

**2.** "Insured persons" are insureds.

**D.** For the purposes of the coverage provided by this endorsement, Paragraph **D. Liability And Medical Expenses Limits Of Insurance** is replaced by the following:

**1. Annual Aggregate Limit Of Insurance**

The most we will pay for the sum of all "loss" under Paragraphs **A.1., A.2.** and **A.3.** is the aggregate Limit of Insurance shown in the Schedule. This limit applies regardless of the number of:

**a.** Insureds;

**b.** "Claims" made or "suits" brought; or

**c.** Persons, organizations or government agencies making "claims" or bringing "suits".

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

"Claims expenses" are part of the "loss" and are payable within the Limit of Insurance shown in the Schedule, thereby reducing that Limit.

**2. Deductible**

Subject to Paragraph **D.1.** of this endorsement, we will pay only that amount of "loss" which is in excess of the Deductible shown in the Schedule. The Deductible will be borne by the insureds, uninsured and at their own risk. A single deductible will apply to all "loss" resulting from all "claims" alleging the same "wrongful acts" or "interrelated wrongful acts".

If the "association" is permitted or required by law to indemnify an "insured person" for "loss", but fails or refuses, other than for reason of "financial insolvency", then our payment for such "loss" will not be subject to any deductible and the "association" shall be responsible for, and shall hold us harmless from, and shall reimburse us for such "loss" up to the deductible shown in the Schedule.

**E.** For the purposes of the coverage provided by this endorsement, the **Duties In The Event Of Occurrence, Offense, Claim Or Suit** condition is replaced by the following:

**Duties In The Event Of A Claim Or A Wrongful Act That May Result In A Claim**

**a.** You must see to it that we are notified as soon as practicable of a "wrongful act" which may result in a "claim". To the extent possible, notice should include:

**(1)** How, when and where the "wrongful act" took place;

**(2)** The names and addresses of any person involved in the specific "wrongful act", including names and addresses of the potential claimants;

**(3)** Particulars as to the reasons for anticipating a "claim" which may result from such specific "wrongful act";

**(4)** The nature of the alleged or potential damages arising from such specific "wrongful act"; and

**(5)** The circumstances by which the insureds first became aware of the specific "wrongful act".

**b.** If a "claim" is received by any insured, you must:

**(1)** Immediately record the specifics of the "claim" and the date received; and

**(2)** Notify us as soon as practicable.

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

**c.** You and any other involved insured must:

**(1)** Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim";

**(2)** Authorize us to obtain records and other information;

**(3)** Cooperate with us in the investigation or settlement of the "claim"; and

**(4)** Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of "wrongful acts" to which this insurance may also apply.


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

**F.** For the purposes of the coverage provided by this endorsement, the following is added to Paragraph **E. Liability And Medical Expenses General Conditions:**

**Consent To Settle**

If we recommend a settlement to the insured which is acceptable to the claimant, but to which the insured does not consent, the most we will pay as damages in the event of any later settlement or judgment is the amount for which the "claim" could have been settled, to which the insured did not give consent, plus "claims expenses" incurred as of the date such settlement was proposed in writing by us to the insured.

**G. Extended Reporting Period**

For the purposes of the coverage provided by this endorsement, the following Extended Reporting Period provisions are added:

**1. Automatic Extended Reporting Period**

An Automatic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the policy period and lasts for (60) days for “claims” arising out of “wrongful acts” not previously reported to us.

The Automatic Extended Reporting Period does not apply to “claims” that are covered under any subsequent insurance you purchase, or that would be covered but for the exhaustion of the amount of insurance applicable to such “claims”.

**2. Optional Extended Reporting Period**

You will have the right to purchase an Optional Extended Reporting Period from us if:

**a.** This endorsement is cancelled or not renewed for any reason; or

**b.** We renew or replace this endorsement with insurance that:

**(1)** Has a Retroactive Date later than the date shown in the Schedule of this endorsement; or

**(2)** Does not apply to "wrongful acts" on a claims-made basis.

**3.** An Optional Extended Reporting Period, as specified in Paragraph **G.2.** of this endorsement, lasts three years and is available only for an additional premium.

**4.** The Optional Extended Reporting Period starts with the end of the Automatic Extended Reporting Period. It does not extend the policy period or change the scope of the coverage provided. It applies only to "claims" to which the following applies:

**a.** The "claim" is first made during the Optional Extended Reporting Period;

**b.** The "wrongful act" occurs before the end of the policy period; and

**c.** The "wrongful act" did not commence before the Retroactive Date.

**5.** You must give us a written request for the Optional Extended Reporting Period within 60 days after the end of the policy period or the effective date of cancellation, whichever comes first.

**6.** The Optional Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due and any premium or deductible you owe us for coverage provided under this endorsement. Once in effect, the Optional Extended Reporting Period may not be cancelled.

**7.** We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:

**a.** The exposures insured;

**b.** Previous types and amounts of insurance;

**c.** Limit of Insurance available under this endorsement for future payment of damages; and

**d.** Other related factors.

The additional premium may not exceed 100% of the annual premium for this endorsement. The premium for the Optional Extended Reporting Period will be deemed fully earned as of the date it is purchased.

**8.** There is no separate or additional Limit of Insurance for the Automatic or Optional Extended Reporting Period. The Limit of Insurance available during the Automatic or Optional Extended Reporting Period, shall be the remaining amount, if any, of the aggregate Limit of Insurance available at the time this policy was cancelled or nonrenewed.

**H.** For the purposes of the coverage provided by this endorsement, the following is added to Paragraph **F. Liability And Medical Expenses Definitions** of **Section II - Liability:**

**1.** "Association" means the entity named in the Schedule as the named association.

**2.** "Claim" means:

**a.** A written demand for monetary damages against any insured;

**b.** A civil proceeding against any insured commenced by the service of a complaint or similar pleading;

**c.** A criminal proceeding against any "insured person" commenced by a return of an indictment; or

**d.** A formal administrative or regulatory proceeding against any insured commenced by the filing of a notice of charges, formal investigative order or similar document;

**e.** A written request to toll or waive a statute


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of limitations relating to a potential civil or administrative proceeding.

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

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

**4.** "Financial insolvency" means the status of the "association" resulting from:

**a.** The appointment of any receiver, conservator, liquidator, trustee, rehabilitator or similar official to control, supervise, manage or liquidate the "association"; or

**b.** The "association" becoming a debtor in possession.

**5.** “Fungi” means any form of fungus, including but not limited to yeast, mold, mildew, rust, smut or mushroom, and any spores, mycotoxins, odors or any other substances, or by products produced by, released by, or arising out of the current or past presence of fungi.

**6.** "Insured person" means

**a.** any former, present or future director, officer, trustee, employee or volunteer of the "association".

**b.** The association’s property or real estate manager; but only while acting at the direction and within the scope of their duties for the association. However, the property or real estate manager is not an “insured person” for “claims” brought against them by the association.

**7.** "Interrelated wrongful act" means all causally connected "wrongful acts".

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

**9.** "Wrongful act" means:

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

**b.** With respect to the "association", any actual or alleged error, misstatement, misleading statement, neglect or breach of duty, omission or act by the "association".

**I.** For the purposes of the coverage provided by this endorsement, the definition of "suit" in Paragraph **F. Liability And Medical Expenses Definitions** is replaced by the following:

"Suit" means a civil proceeding in which damages because of a "wrongful act" to which this insurance applies are alleged. "Suit" includes:

**a.** An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or

**b.** Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.


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

# EXCLUSION - LEAD LIABILITY

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following is added to Paragraph **B**. **Exclusions** in **Section II** - **Liability** with respect to Business Liability Coverage and Medical Expenses Coverage:

**Lead Liability**

This insurance does not apply to "Bodily injury", "property damage" or "personal and advertising injury" with respect to:

**a.** Actual or alleged "bodily injury" arising out of the ingestion, inhalation or absorption of lead in any form.

**b.** Actual or alleged "property damage" arising out of the presence of lead in any form. "Property damage" also includes any claim for the reduction in the value of real estate or personal property due to its contamination with lead in any form.

**c.** Actual or alleged "personal and advertising injury" arising out of the presence of lead in any form.

**d.** Any loss, cost or expense arising out of any request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of lead.

**e.** Any loss, cost or expense arising out of any claim or "suit" by or on behalf of any governmental authority or any other responsible party or entity for damages resulting from testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing or in any way responding to lead or assessing the presence or effects of lead.

**f.** Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with any of the above.

**g.** Any obligation to share damages to repay someone in connection with any of the above.


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# EXCLUSION - PUNITIVE DAMAGES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

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

This insurance does not apply to:

**Punitive Damages**

Punitive or exemplary damages.


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# OTHER INSURANCE LIMITATION
# LIABILITY AND MEDICAL EXPENSES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

**Section III - Common Policy Conditions (Applicable To Section I - Property And Section II - Liability)** is amended as follows:

The following is added to Section **H. Other Insurance**:

**4.** If you have other valid and collectible Business Liability Coverage or Medical Expenses Coverage insurance with us that covers a loss also covered under this policy, except insurance intended to apply in excess of the Limit of Insurance of this policy, any claim made under the other policy shall prohibit recovery under this policy for damages arising from the same "occurrence" or offense.


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# ASBESTOS EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

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

**Asbestos Exclusion**

This insurance does not apply to:

**a.** Any "bodily injury" arising out of, resulting from, caused by, or contributed to in whole or in part by ingestion, inhalation or absorption of asbestos, exposure to asbestos, or the use of asbestos.

**b.** Any "property damage" arising out of, resulting from, caused by, or contributed to in whole or in part by asbestos, exposure to asbestos or the use of asbestos. "Property damage" also includes any claim for reduction in the value of real estate or personal property due to its contamination with asbestos in any form at any time.

**c.** Any "personal and advertising injury" arising out of, resulting from, caused by, or contributed to in whole or in part by ingestion, inhalation or absorption of asbestos, exposure to asbestos, or the use of asbestos.

**d.** Any loss, cost, or expense arising out of or in any way related to any request, demand, order, or statutory or regulatory requirement that any insured or others identify, sample, test for, detect, monitor, clean up, remove, contain, treat, detoxify, neutralize, abate, dispose of, mitigate, destroy, or in any way respond to or assess the presence of, or the effects of, asbestos.

**e.** Any loss, cost, or expense arising out of any claim or "suit" by or on behalf of any governmental authority or any other responsible party or entity for damages resulting from identifying, sampling, testing for, detecting, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, abating, disposing of, mitigating, destroying, or in any way responding to asbestos or assessing the presence of, or effects of, asbestos.

**f.** Failure to detect the presence of or proportion of asbestos in a product, material, structure, or process.

**g.** The performance of or failure to perform services of any kind in the identification, sampling, testing, detection, monitoring, cleaning up, removal, containment, treatment, detoxification, neutralization, abatement, disposal, mitigation, or destruction of a product, material, or process containing asbestos, whether by you or by anyone acting on your behalf.

**h.** Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with any of the paragraphs above.

**i.** Any obligation to share damages or repay someone in connection with any of the paragraphs above.


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

# BUSINESSOWNERS COVERAGE FORM CHANGES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

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

**1.** Paragraph **D. Deductibles** is amended as follows:

**a.** Paragraph **2.** Is replaced by the following:

**2.** Regardless of the amount of the Deductible, the most we will deduct from any loss or damage under all of the following Optional Coverages in any one occurrence is the Optional Coverage Deductible shown in the Declarations:

**a.** Outdoor Signs; and

**b.** Money And Securities.

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

**b.** Paragraphs **4.** and **5.** are added as follows:

**4.** If a deductible type of:

**a.** Per building is shown in the Declarations and two or more deductibles apply to loss or damage to each Building at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss for a single occurrence, then the total amount to be deducted for each Building will only be the largest of the applicable deductibles.

**b.** Per location is shown in the Declarations and two or more deductibles apply to loss or damage to Covered Property at each location described in the Declarations caused by or resulting from any Covered Cause of Loss for a single occurrence then the total amount to be deductible for each location will only be the largest of the applicable deductibles.

**c.** Per occurrence is shown in the Declarations and two or more deductibles apply to loss or damage to all Covered Property caused by or resulting from any Covered Cause of Loss for a single occurrence, then the total amount to be deductible for each occurrence of loss or damage will only be the largest of the applicable deductibles.

**5. Employee Dishonesty Deductible**

If Employee Dishonesty coverage is selected, regardless of the amount of the deductible, the most we will deduct from any loss or damage under all of the following coverages in any one occurrence is the Employee Dishonesty Deductible shown in the Declarations:

**a.** Employee Dishonesty; and

**b.** Forgery Or Alteration.

If Employee Dishonesty coverage is not selected, the Optional Coverage Deductible, shown in the Declarations, will apply to the Forgery Or Alteration Additional Coverage.

But the Employee Dishonesty and Optional Coverage Deductibles will not increase the Deductible shown in the Declarations. The applicable Deductible will be used to satisfy the requirements of the Deductible shown in the Declarations.

**2.** Paragraph **E. Property Loss Conditions** is amended as follows:

**a.** Paragraph **(10)** is added under **3.a. Duties In The Event Of Loss Or Damage** as follows:

**(10)** Keep records of property in such a way that an accurate determination of the amount of any loss can be made.

**b.** Paragraph **d.(1)(c)** under **5. Loss Payment** is replaced by the following:

**(c)** Loss or damage covered by this insurance will initially be paid on an actual cash value basis. Loss or damage covered by this insurance may be paid on a replacement cost basis if you notify us of the loss or damage within 1 year after the date that loss or damage occurred.


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Loss or damage covered by this insurance will be settled only on an actual cash value basis if you notify us of loss or damage, for whatever reason, more than 1 year after the date that loss or damage occurred.

**c.** Subparagraph **(2)** of Paragraph **a. Description of Terms** under **8. Vacancy** is replaced by the following:

**(2)** Buildings or structures actively under construction or substantial renovation of a continuing nature are not considered vacant. Normal maintenance, or work considered primarily cosmetic is not substantial renovation.

**3.** If Employee Dishonesty coverage is selected:

Subparagraph **j.(4)** of Paragraph **3. Employee Dishonesty** under **G. Optional Coverages** is replaced by the following:

**(4)** Any natural person who is a former:

**(a)** Employee;

**(b)** Director;

**(c)** Partner;

**(d)** Member;

**(e)** Manager;

**(f)** Representative; or

**(g)** Trustee;

retained as a consultant while performing services for you; or

and

Subparagraph **j.(2)** under the statement "But an employee does not mean:," of Paragraph **3. Employee Dishonesty** under **G. Optional Coverages** is replaced by the following:

**(2)** Any "manager", director or trustee except while solely performing acts coming within the usual duties of an employee.

**B. Section II - Liability** is amended as follows:

**1.** Exception **(2)** of Subparagraph **g. Aircraft**, **Auto Or Watercraft** of Paragraph **1. Applicable To Business Liability Coverage** under **B. Exclusions** is replaced by the following:

**(2)** A watercraft you do not own that is:

**(a)** Less than 50 feet long; and

**(b)** Not being used to carry persons or property for a charge;


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# COLORADO CHANGES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

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

**1.** Paragraph **2. Appraisal** under **E. Property Loss Conditions** is replaced by the following:

**2. Appraisal**

This applies after we confirm that the damage due to a loss is covered. If you and we fail to agree on the dollar amount of the damage, either may demand that such amount be set by appraisal. In this event, each party will choose a competent and disinterested appraiser within 20 days after receiving a written request from the other. Each appraiser will separately set the dollar amount of the damage. Such amounts must be determined according to all terms of this policy including those in Paragraph **5. Loss Payment** under **E. Property Loss Conditions** of **Section I - Property**. If both appraisers submit written reports to us of their agreement of the amount, such amount will be the dollar amount of the damage. If they fail to agree within 20 days, they must choose a competent and disinterested umpire. If they cannot agree on the choice within 20 days, you and we must jointly request that the choice of a competent and disinterested umpire be made by a judge of a court having jurisdiction. The appraisers will then submit their differences to the umpire. Written agreement signed by any two of these three will set the dollar amount of the damage.

The appraisal determination of dollar amount of the damage is binding upon you and us. This appraisal process and authority granted to the appraisers and the umpire can only be expanded and modified by written mutual consent signed by you and us. We will pay our appraiser. You will pay your appraiser. Other expenses and the compensation of the umpire will be paid equally by you and us. Appraisal does not waive our rights.

The appraisers and umpires are not authorized to determine coverage, exclusions, conditions, forfeiture provisions, conditions precedent, or any other contractual issues that may exist between you and us. The appraisal award cannot be used by either you or us in any proceeding concerning coverage, exclusions, forfeiture provisions, conditions precedent, or other contractual issues. However, once contractual liability is admitted or determined independent of the appraisal process, the appraisal award is binding upon you and us. Interest will not accrue on any award or judgment for the recovery of money set by appraisal until that time.

**2.** The following is added to Paragraph **E. Property Loss Conditions:**

**9. Undamaged Material**

We will not pay to repair or replace undamaged material due to mismatch between undamaged material and new material used to repair or replace damaged material.

We do not cover the loss in value to any property due to mismatch between undamaged material and new material used to repair or replace damaged material.

**B. Section II - Liability** is amended as follows:

The term "spouse" is replaced by the following:

Spouse or party to a civil union recognized under Colorado law.

**C. Section III - Common Policy Conditions** is amended as follows:

**1.** Paragraph **A.2. Cancellation** is replaced by the following:

**2.** If this Policy has been in effect for less than 60 days, 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.

**2.** The following is added to Paragraph **A. Cancellation:**

**7. Cancellation Of Policies In Effect For 60 Days Or More**


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**a.** If this Policy has been in effect for 60 days or more, or is a renewal of a policy we issued, we may cancel this Policy by mailing through first-class mail to the first Named Insured written notice of cancellation:

**(1)** Including the actual reason, at least 10 days before the effective date of cancellation, if we cancel for nonpayment of premium; or

**(2)** At least 45 days before the effective date of cancellation if we cancel for any other reason.

We may only cancel this Policy based on one or more of the following reasons:

**(1)** Nonpayment of premium;

**(2)** A false statement knowingly made by the insured on the application for insurance; or

**(3)** A substantial change in the exposure or risk other than that indicated in the application and underwritten as of the effective date of the Policy unless the first Named Insured has notified us of the change and we accept such change.

**3.** Paragraph **C. Concealment, Misrepresentation Or Fraud** is replaced by the following:

**C. Concealment, Misrepresentation Or Fraud**

We will not pay for any loss or damage in any case of:

**1.** Concealment or misrepresentation of a material fact; or

**2.** Fraud;

committed by you or any other insured at any time and relating to coverage under this Policy.

**4.** The following paragraph is added and supersedes any other provision to the contrary:

**Nonrenewal**

If we decide not to renew this Policy, we will mail through first-class mail to the first Named Insured shown in the Declarations written notice of the nonrenewal at least 45 days before the expiration date, or its anniversary date if it is a policy written for a term of more than one year or with no fixed expiration date.

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

**5.** The following paragraph is added:

**Increase In Premium Or Decrease In Coverage**

We will not increase the premium unilaterally or decrease the coverage benefits on renewal of this Policy unless we mail through first-class mail written notice of our intention, including the actual reason, to the first Named Insured's last mailing address known to us, at least 45 days before the effective date.

Any decrease in coverage during the policy term must be based on one or more of the following reasons:

**a.** Nonpayment of premium;

**b.** A false statement knowingly made by the insured on the application for insurance; or

**c.** A substantial change in the exposure or risk other than that indicated in the application and underwritten as of the effective date of the Policy unless the first Named Insured has notified us of the change and we accept such change.

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


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# BUILDING LIMIT INFLATION PROTECTION COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

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

**C. Limits Of Insurance**

Paragraph **4. Building Limit - Automatic Increase** is replaced by the following:

**4. Building Limit - Inflation Protection Coverage**. We may increase limits at each renewal for Buildings and Scheduled Structures only as shown in the Declarations. We base increases on inflation cost indexes. We will round any increases in limits to the next highest $100. Premium will change accordingly. Your payment of the renewal premium indicates your acceptance of any adjusted limits.

We will not reduce the Limit of Insurance to less than that previously specified without your consent.


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# EMPLOYEE DISHONESTY - PROPERTY MANAGER(S)

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

**A.** Paragraph **G.3. Employee Dishonesty** of **Section I - Property** is amended to include "Property manager(s)" as employee(s).

**B.** With respect to the Employee Dishonesty coverage in Paragraph **G.3.** "Property manager(s)" means a natural person or firm charged with operating a real estate property for a fee.

If the "Property manager" is a firm, partners, officers and employees of that firm are considered to be employee(s) for the purposes of this insurance.


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# GUARANTEED REPLACEMENT COST COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

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

Guaranteed Replacement Cost coverage is subject to the terms and conditions set forth in this endorsement.

**A.** For Building coverage under **Section I - Property A.1.a.** only, the following amends Paragraph **E.5. Loss Payment:**

Paragraph **E.5.a.** is replaced by the following:

**a. Guaranteed Replacement Cost Coverage**

We agree to settle covered losses to insured Buildings at replacement cost without regard to the Limit of Insurance, subject to the following provisions:

**(1)** The Building(s) are identified as Guaranteed Replacement Cost coverage in the Declarations;

**(2)** The Building(s) listed in the Declarations are insured to a minimum of 100% of replacement cost as estimated by our commercial cost calculator or other proof of replacement cost acceptable to us;

**(3)** You permit us to adjust the Limit of Insurance for the Building(s) or Blanket Limit for Buildings to reflect:

**(a)** Any increase due to inflation; or

**(b)** Property valuation estimates made by us; or

**(c)** Both **(a)** and **(b)**.

**(4)** You pay any additional premium for adjustments of the Limit of Insurance or Blanket Limit.

**(5)** You have notified us within 30 days of the start of construction of any additions to or remodeling of a Building which increases the replacement cost by $10,000 or more. If you fail to notify us within 30 days, our payment will not exceed the Limit of Insurance applying to the Building.

**(6)** Guaranteed Replacement Cost Coverage applies only to Building(s) that are repaired or replaced at the same premises after a covered loss.

**(7)** This coverage does not apply to:

**(a)** Scheduled Structures

**(b)** Unscheduled Structures

**(c)** Business Personal Property

**(d)** Buildings under construction until they are completed and occupied.

**(e)** The cost attributable to enforcement of any ordinance or law regulating the construction, use, repair or demolition of any property, including debris removal.

**(f)** Damage caused by earthquake, even if earthquake is otherwise covered under this policy.

**(g)** Damage caused by mine subsidence, even if mine subsidence is otherwise covered under this policy.

**(h)** Damage caused by windstorm or hail, unless you notify us of your intent to repair or replace within 12 months after the loss or damage occurred.

**(i)** Coverages provided in **Section I - Property,** Paragraph **A.5. Additional Coverages**

**(j)** Building(s) that have been designated by any local, state or national government agency as a historic structure or landmark.

**B.** For Building coverage under **Section I - Property A.1.a.** only, Paragraph **E.5.d. Loss Payment Property Loss Condition** in **Section I - Property** is amended as follows:

**1.** Paragraph **(1)(a)** is replaced by the following:

**(1)** At replacement cost without deduction for depreciation subject to the following:

**(a)** We will pay the cost to repair or replace, after application of the deductible and without deduction for depreciation, but not more than the least of the following amounts:

**(i)** the cost to replace, on the same premises, the lost or damaged property with other property;

**i.** of comparable material and quality; and

**ii.** used for the same purpose; or


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**(ii)** the amount that you actually spend that is necessary to repair or replace the lost or damaged property.

**2.** For the purposes of this endorsement only, Paragraph **E.5.d.(1)(b)** is deleted.


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# MARIJUANA EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

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

**1.** The following is added to Paragraph **A.2. Property Not Covered:**

**a.** "Marijuana".

**2.** Coverage under this Policy does not apply to that part of Business Income loss or Extra Expense incurred due to a suspension of your "operations" which involve the design, manufacture, distribution, sale, serving, furnishing, use or possession of "marijuana".

**3.** Paragraphs **A.1.** and **A.2.** above do not apply to any "marijuana" that is not designed, manufactured, distributed, sold, served or furnished for bodily:

**a.** Ingestion;

**b.** Inhalation;

**c.** Absorption; or

**d.** Consumption.

**B.** The following exclusion is added to **Section II - Liability:**

This insurance does not apply to:

**1.** "Bodily injury", "property damage" or "personal and advertising injury" arising out of, caused by, or attributable to, whether in whole or in part, the following:

**a.** The design, manufacture, distribution, sale, serving, furnishing, use or possession of "marijuana";

**b.** The actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, contact with, exposure to, existence of, or presence of "marijuana"; or

**2.** "Property damage" to "marijuana".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved that which is described in Paragraph **B.1.** or **B.2.** above.

However, this exclusion does not apply to any "marijuana" that is not designed, manufactured, distributed, sold, served or furnished for bodily:

**a.** Ingestion;

**b.** Inhalation;

**c.** Absorption; or

**d.** Consumption.

**C.** For the purpose of this endorsement, the following definition is added:

"Marijuana":

**1.** Means:

Any good or product that consists of or contains any amount of Tetrahydrocannabinol (THC) or any other cannabinoid, regardless of whether any such THC or cannabinoid is natural or synthetic.

**2.** Paragraph **C.1.** above includes, but is not limited to, any of the following containing such THC or cannabinoid:

**a.** Any plant of the genus Cannabis L., or any part thereof, such as seeds, stems, flowers, stalks and roots; or

**b.** Any compound, byproduct, extract, derivative, mixture or combination, such as, but not limited to:

**(1)** Resin, oil or wax;

**(2)** Hash or hemp; or

**(3)** Infused liquid or edible marijuana;

whether derived from any plant or part of any plant set forth in Paragraph **C.2.a.** above or not.


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# ROOF SURFACING LOSS PAYMENT SCHEDULE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

**A.** The following is added to Paragraph **E.5.d.** of the **Loss Payment Property Loss Conditions** of **Section I - Property:**

**(9)** In the event of loss or damage to roof surfacing of Covered Property caused by a Covered Cause of Loss we will settle actual cash value roof surfacing losses using the following loss payment schedule.

However, loss payment for roof surfacing described in this endorsement does not apply when we determine that your Building, Scheduled Structure or Unscheduled Structure is a total loss.

**B.** For the purpose of this endorsement, roof surfacing refers to the shingles, tiles, cladding, metal or synthetic sheeting or similar materials covering the roof and includes all materials used in securing the roof surface and all materials applied to or under the roof surface for moisture protection, as well as roof flashing.


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| Roof Surface Payment Schedule | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| The percentages shown for the type of roof surfacing are applied to all components and installation including overhead, profit, labor, taxes, and fees associated with the replacement of the roof system. | | | | | | | | |
| | Roof Surface Material Type | | | | | | | |
| Age Of Roof In Years | Class 3 or 4 Impact Resistant, Synthetic Plastic, or Architectural Composition Shingles | All Other Composition or Solar Shingles | Wood Shingles or Shakes | Metal Shingles or Panels | Concrete Tile, Fiber Cement Tile, or Clay Tile | Slate | Built-up Tar With Or Without Gravel, Rubber Membrane, or Other Flat Roof Surface | All Other Roof Surface Types |
| 0 | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| 1 | 97% | 96% | 97% | 98% | 98% | 99% | 95% | 95% |
| 2 | 94% | 92% | 94% | 96% | 96% | 98% | 90% | 90% |
| 3 | 91% | 88% | 91% | 94% | 94% | 97% | 85% | 85% |
| 4 | 88% | 84% | 88% | 92% | 92% | 96% | 80% | 80% |
| 5 | 85% | 80% | 85% | 90% | 90% | 95% | 75% | 75% |
| 6 | 82% | 76% | 82% | 88% | 88% | 94% | 70% | 70% |
| 7 | 79% | 72% | 79% | 86% | 86% | 93% | 65% | 65% |
| 8 | 76% | 68% | 76% | 84% | 84% | 92% | 60% | 60% |
| 9 | 73% | 64% | 73% | 82% | 82% | 91% | 55% | 55% |
| 10 | 70% | 60% | 70% | 80% | 80% | 90% | 50% | 50% |
| 11 | 67% | 56% | 67% | 78% | 78% | 89% | 45% | 45% |
| 12 | 64% | 52% | 64% | 76% | 76% | 88% | 40% | 40% |
| 13 | 61% | 48% | 61% | 74% | 74% | 87% | 35% | 35% |
| 14 | 58% | 44% | 58% | 72% | 72% | 86% | 30% | 30% |
| 15 | 55% | 40% | 55% | 70% | 70% | 85% | 25% payable for 15 years or over | 25% payable for 15 years or over |
| 16 | 52% | 36% | 52% | 68% | 68% | 84% | | |
| 17 | 49% | 32% | 49% | 66% | 66% | 83% | | |
| 18 | 46% | 28% | 46% | 64% | 64% | 82% | | |
| 19 | 43% | 25% payable for 19 years or over | 43% | 62% | 62% | 81% | | |
| 20 | 40% | | 40% | 60% | 60% | 80% | | |
| 21 | 37% | | 37% | 58% | 58% | 79% | | |
| 22 | 34% | | 34% | 56% | 56% | 78% | | |
| 23 | 31% | | 31% | 54% | 54% | 77% | | |
| 24 | 28% | | 28% | 52% | 52% | 76% | | |
| 25 | 25% payable for 25 years or over | | 25% payable for 25 years or over | 50% | 50% | 75% | | |
| 26 | | | | 48% | 48% | 74% | | |
| 27 | | | | 46% | 46% | 73% | | |
| 28 | | | | 44% | 44% | 72% | | |
| 29 | | | | 42% | 42% | 71% | | |
| 30 | | | | 40% payable for 30 years or over | 40% payable for 30 years or over | 70% payable for 30 years or over | | |


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# CONDOMINIUM ASSOCIATION COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

**A.** Paragraph **A.1. Covered Property** in **Section I - Property** is replaced by the following:

**1. Covered Property**

Covered Property includes Buildings as described under Paragraph **a.** below, Scheduled Structures as described under Paragraph **b.** below, Unscheduled Structures as described under Paragraph **c.** below, and Business Personal Property as described under Paragraph **d.** below, or any combination thereof, depending on whether a Limit Of Insurance is shown in the Declarations for that type of property.

Regardless of whether coverage is shown in the Declarations for Buildings, Structures, Unscheduled Structures, and Business Personal Property, or any combination thereof, there is no coverage for property described under Paragraph **2. Property Not Covered**.

**a.** Buildings, meaning the buildings at the premises described in the Declarations and defined in the Condominium Association Agreement.

This does not include:

**(1)** Scheduled Structures; or

**(2)** Unscheduled Structures.

**b.** Scheduled Structures, meaning the listed structures at the premises described in the Declarations.

This does not include:

**(1)** Buildings; or

**(2)** Unscheduled Structures.

Buildings as described in Paragraph **a.** above or Scheduled Structures as described in Paragraph **b.** above that are damaged by a Covered Cause of Loss include:

**(1)** Completed additions;

**(2)** Fixtures, outside of individual units, including outdoor fixtures;

**(3)** Permanently installed:

**(a)** Machinery; and

**(b)** Equipment;

**(4)** Personal property owned by you that is used to maintain or service the Buildings, Scheduled Structures or the premises, including:

**(a)** Fire extinguishing equipment;

**(b)** Outdoor furniture;

**(c)** Floor coverings;

**(d)** Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering that are not contained within individual units; and

**(e)** Maintenance equipment.

But the most we will pay for the loss of maintenance equipment caused by or resulting from any Covered Cause of Loss is $25,000 for any one occurrence.

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

**(a)** Additions under construction, alterations and repairs to the Buildings or Scheduled Structures;

**(b)** Materials, equipment, supplies, and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the Buildings or Scheduled Structures; and

**(6)** Any of the following types of property contained within a unit, regardless of ownership, if your Condominium Association Agreement requires you to insure it:

**(a)** Fixtures, improvements and alterations that are a part of the Buildings or Scheduled Structures; and

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

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

**c.** Unscheduled Structures, meaning any structures at the premises not otherwise described in the Declarations that are:

**(1)** Permanently affixed to the land; and

**(2)** Have a replacement cost value of less than $25,000.

This does not include:

**(1)** Buildings;


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**(2)** Scheduled Structures;

**(3)** Any structure with a permanent:

**(a)** Roof; and

**(b)** Exterior walls enclosing at least three sides of the structure;

Including but not limited to detached garages, maintenance buildings, sheds and pool houses;

**(4)** Any outdoor signs;

**(5)** Any street lights;

**(6)** Any streets, sidewalks, curbs or other paved surfaces; or

**(7)** Any underground pipes, pump houses, wells or related equipment that are not Buildings or Scheduled Structures.

**d.** Business Personal Property located in or on the Buildings, Scheduled Structures or Unscheduled Structures at the described premises or in the open (or in a vehicle) within 100 feet of the Buildings, Scheduled Structures or Unscheduled Structures or within 100 feet of the premises described in the Declarations, whichever distance is greater, including:

**(1)** Personal property owned by you or owned indivisibly by all unit-owners;

**(2)** Your interest in the labor, materials or services furnished or arranged by you on personal property of others;

**(3)** Leased personal property which you have a contractual responsibility to insure, unless otherwise provided for under personal property of others.

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

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

**B.** Paragraph **A.2.e. Property Not Covered** in **Section I - Property** is replaced by the following:

**e.** Outdoor fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants (other than trees, shrubs or plants which are part of a vegetated roof), all except as provided in :

**(1)** Paragraph **A.1.b.** Scheduled Structures;

**(2)** Paragraph **A.1.c.** Unscheduled Structures;

**(a)** Outdoor fences; and

**(b)** Radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;

**(3)** Outdoor Property Coverage Extension; or

**(4)** Outdoor Signs Optional Coverage;

**C.** The following applies to outdoor fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers when coverage is provided under Paragraph **A.1.b.** Scheduled Structures:

**1.** We will pay for direct physical loss of or damage to all outdoor fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers at the described premises:

**a.** Owned by you; or

**b.** Owned by others but in your care, custody or control.

**2.** Paragraph **A.2.e. Property Not Covered** in **Section I - Property** does not apply to this coverage.

**3.** Paragraph **B.1. Exclusions** in **Section I - Property** does not apply to this coverage except for:

**a.** Paragraph **B.1.c. Governmental Actions;**

**b.** Paragraph **B.1.d. Nuclear Hazard;** and

**c.** Paragraph **B.1.f. War And Military Action.**

**4.** Paragraphs **B.2.** and **B.3. Exclusions** in **Section - I Property** do not apply to this coverage except for:

**I. Other Types Of Loss**

We will not pay for loss or damage caused by or resulting from:

**(1)** Wear and tear;

**(2)** Hidden or latent defect;

**(3)** Rust;

**(4)** Corrosion;

**(5)** Deterioration;

**(6)** “Fungi”;

**(7)** Decay; or

**(8)** Mechanical Breakdown.

**5.** The provisions of this coverage supersede all other references to outdoor fences, radio or television antennas (including satellite dishes) and their


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lead-in wiring, masts or towers in this policy.

**D.** The following is added to Paragraph **C. Limits Of Insurance:**

**6. Increased Building Limit Coverage**

We will settle covered losses to Buildings described in the Declarations at replacement cost up to a maximum of 125% of the limit applying to the damaged Buildings at the time of loss subject to the following provisions:

**a.** You have notified us within 90 days of the start of any additions to or remodeling of an insured Building which increases its replacement cost value by 20% or more as determined by us at the time of loss. If you fail to notify us within 90 days, our payment will not exceed the limit applying to the Building as outlined in Paragraph **5. Loss Payment** of Paragraph **E. Property Loss Conditions** in **Section - I Property**; and

**b.** You have paid any additional premium due for the increase in value.

The **Increased Building Limit Coverage** applies only to Buildings that are repaired or replaced at the same premises after a covered loss.

This coverage does not apply to:

**a.** Buildings under construction;

**b.** Scheduled Structures; or

**c.** Unscheduled Structures.

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

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

**F.** The following is added to the **Property Loss Conditions** in **Section I - Property:**

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

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

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

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

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

**3. Waiver Of Rights Of Recovery**

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


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# CONDOMINIUM ENHANCEMENT ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

Except for the coverages provided by this endorsement, this endorsement will not result in expanded or additional covered causes of loss.

Your Deductible as specified in Paragraph **D. Deductibles** of **Section I - Property** will apply for enhancement coverages, unless otherwise specified in this endorsement. If two or more deductibles apply to a loss for a single occurrence, then only the largest of the applicable deductibles will apply.

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

**1. Accounts Receivable**

The additional limit of $10,000 shown in Paragraph **f. Accounts Receivable** under **6. Coverage Extensions** for loss or damage in any one occurrence at the described premises is replaced by $100,000. For accounts receivable not at the described premises, the limit of $5,000 is replaced by $50,000.

This Limit of Insurance is in addition to any other Limit of Insurance, not to exceed the total limit shown in the Declarations for this coverage.

**2. Arson Reward**

We will provide a reward in the amount of up to $5,000 for information which leads to an arson conviction in connection with a covered fire loss.

No deductible applies to this coverage.

This is additional insurance.

**3. Debris Removal**

**a.** The limit of $25,000 shown in Paragraph **a. Debris Removal** under **5. Additional Coverages** is replaced by $150,000.

**b.** We will also pay up to $2,000 for the costs you incur at each premises to remove debris of outdoor trees, shrubs or plants that are blown onto your premises by wind.

This Limit of Insurance is in addition to any other Limit of Insurance, not to exceed the total limit shown in the Declarations for this coverage.

**4. Described Premises**

The limitation of being within 100 feet of the described premises shown in Paragraph **b.** under **1. Covered Property** for Business Personal Property is replaced by 1,000 feet.

**5. Electronic Data**

The limit of $10,000 shown in Subparagraph **(3)** of Paragraph **p. Electronic Data** under **5. Additional Coverages** is replaced by $25,000.

**6. Fine Arts**

**a.** We will pay for direct loss of or damage to fine arts, whether owned by:

**(1)** You; or

**(2)** Others, while in your care, custody or control.

**b.** Fine arts includes, but is not limited to, antiques, paintings, etchings, drawings, tapestries, sculptures, and fragile property such as porcelains, china and marble.

**c.** The most we will pay for loss in any one occurrence under this Coverage Extension is $25,000 at each described premises. Our payment for loss of or damage to Personal Property of Others will only be for the account of the owner of the property. The amount payable under this Additional Coverage is additional insurance over the insurance available for Business Personal Property.

**d.** The value of fine arts will be the least of the following amounts:

**(1)** The actual cash value of that property at the time of loss;

**(2)** The cost of reasonably restoring that property to its condition immediately before the loss; or

**(3)** The cost of replacing that property with substantially identical property.

**e.** In the event of loss, the value of property will be determined as of the time of loss.

**f.** You must arrange for fine arts to be packed and unpacked by competent packers.

**g.** The following is added to Paragraph **5. Loss Payment** under **Property Loss Conditions:**

**i.** In case of loss to any part of a pair or set, we will pay the least of:

**(1)** The cost to repair or replace any part to restore the pair or set to its value before the loss; or


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**(2)** The difference between the value of the pair or set before and after the loss.

This Limit of Insurance is in addition to any other Limit of Insurance, not to exceed the total limit shown in the Declarations for this coverage.

This is additional insurance.

**7. Fire Department Service Charge**

The limit of $2,500 shown in Paragraph **c. Fire Department Service Charge** under **5. Additional Coverages** is replaced by $250,000.

No deductible applies to this coverage.

**8. Fire Extinguisher Systems Recharge Expense**

The limit of $5,000 shown in Paragraph **o. Fire Extinguisher Systems Recharge Expense** under **5. Additional Coverages** is replaced by $50,000.

No deductible applies to this coverage.

**9. Identity Fraud Expense Coverage**

**a.** We will pay up to $25,000 for the sum of all "expenses" incurred by you as the direct result of all acts of "identity fraud" first discovered or learned of during the policy period.

**b.** We will pay up to $5,000 for the sum of all additional advertising expenses you incur to restore your reputation as the result of all acts of "identity fraud" first discovered or learned of during the policy period.

**c.** Regardless of the number of claims you make:

**(1)** The Identity Fraud Expense Aggregate Limit shown above is the most we will pay for the sum of all "expenses", and

**(2)** $5,000 is the most we will pay for the sum of all additional advertising expenses.

These limits are the most we will pay as a result of all acts of "identity fraud" which are first discovered or learned of during the policy period.

Any act or series of acts committed by one or more persons, or in which such person or persons are aiding or abetting others against you, is considered to be one "identity fraud", even if a series of acts continues into a subsequent policy period.

This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by endorsement for this coverage.

The deductible of $250 applies to this coverage.

This is additional insurance.

**d.** With respect to the coverage provided by this endorsement, the following is added to Paragraph **2.** under **B. Exclusions:**

We will not pay for:

**(1)** Due to any fraudulent, dishonest or criminal act by:

**(a)** You, your partners, "members", officers, "managers", directors, trustees; or

**(b)** Any authorized representative of yours, but only if such act was committed with the knowledge or consent of you, your partners, "members", officers, "managers", directors or trustees,

whether acting alone or in collusion with others.

In the event of any such act, no insured is entitled to "expenses" or additional advertising expenses, including insureds who did not commit or conspire to commit the act causing the "identity fraud".

**(2)** Loss other than "expenses" or additional advertising expenses.

**e.** With respect to the coverage provided by this endorsement, Paragraph **D. Deductibles** is replaced as follows:

We will not pay for "expenses" or additional advertising expenses until the amount of "expenses" and advertising expenses exceeds $250. We will then pay the amount of "expenses" and additional advertising expenses in excess of the deductible up to the applicable Limit of Insurance provided in this endorsement.

No other deductible applies to Identity Fraud Expense Coverage.

**f.** The following is added to Paragraph **3. Duties In The Event Of Loss Or Damage** under **E. Property Loss Conditions:**

Send to us, within 60 days after our request, receipts, bills or other records that support your claim for "expenses" or additional advertising expenses under Identity Fraud Expense Coverage.

**g.** If the **Employee Dishonesty** Optional Coverage is shown as an applicable coverage in the Declarations, the coverage provided by this endorsement does not apply to any loss payable under that


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**Employee Dishonesty** Optional Coverage.

**h.** The following definitions are added to Paragraph **H. Definitions:**

**(1)** "Expenses" means:

**(a)** Costs for notarizing affidavits or similar documents attesting to fraud required by financial institutions or similar credit grantors or credit agencies.

**(b)** Costs for certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors.

**(c)** Costs for obtaining credit reports.

**(d)** Lost income resulting from time taken off work to complete fraud affidavits, meet with or talk to law enforcement agencies, credit agencies or legal counsel, up to a maximum payment of $250 per day.

Total payment for lost income is not to exceed $10,000.

**(e)** Loan application fees for reapplying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information.

**(f)** Reasonable attorney fees incurred as a result of "identity fraud" to:

**(i)** Defend lawsuits brought against you by merchants, vendors, suppliers, financial institutions or their collection agencies;

**(ii)** Remove any criminal or civil judgments wrongly entered against you; and

**(iii)** Challenge the accuracy or completeness of any information in a consumer credit report.

**(g)** Charges incurred for long distance telephone calls to merchants, vendors, suppliers, customers, law enforcement agencies, financial institutions or similar credit grantors, or credit agencies to report or discuss an actual "identity fraud".

**(2)** "Identity fraud" means the act of knowingly transferring or using, without lawful authority, a means of identification of your business, as described in the Declarations, with the intent to commit, or to aid or abet another to commit, any unlawful activity that constitutes a violation of federal law or a felony under any applicable state or local law.

**10. Increase In Rebuilding Expenses Following Disaster (Additional Expense Coverage On Annual Aggregate Basis)**

**a.** This coverage applies with respect to a covered loss to a Building identified in the Declarations.

Coverage for the loss is determined in accordance with all applicable policy provisions except as otherwise provided under this coverage.

**b.** The Covered Causes of Loss (including related endorsements, if any) otherwise applicable to a Building listed in the Declarations will apply to this coverage with respect to that Building.

**c.** The Additional Expense Coverage provided under this coverage applies if all of the following conditions are met, subject to all limitations of this coverage:

**(1)** The event that caused the covered loss:

**(a)** Results in declaration of a state of disaster by federal or state authorities; or

**(b)** Occurs in close temporal proximity to the event that resulted in declaration of disaster by federal or state authorities;

**(2)** Expenses for labor and building materials for repair or replacement of the damaged property increase as a result of the disaster and the total cost of repair or replacement exceeds the applicable Limit of Insurance due to such increases in expenses;

**(3)** You elect to repair or replace the damaged Building; and

**(4)** You notified us, within 30 days of completion, of any improvements, alterations or additions to the Building which increase the replacement cost of the Building by 5% or more, and allowed us to adjust the Limit of Insurance, if necessary, to maintain the required insurance-to-value level.


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**d.** When the cost of repair or replacement increases in accordance with the terms of this coverage, we will pay the increased expenses actually incurred, up to the maximum amount of Additional Expense Coverage.

**e.** The maximum amount of Additional Expense Coverage available for the extra expense of repair or replacement of a Building shown in the Declarations is determined in accordance with the following provisions:

**(1)** Apply the applicable percentage of 30% for any Building to:

**(a)** The Limit of Insurance shown in the Declarations as applicable to the Building when such limit covers only that Building (exclusive of contents); or

**(b)** The value of the Building when insurance is written on a blanket basis. (For the purpose of this endorsement, Blanket insurance covers two or more Buildings, or Building(s) and its contents, under a single Limit of Insurance.)

However, if the Building is subject to a lower Limit of Insurance (sub-limit) for the Covered Cause of Loss that caused the loss, then the applicable percentage indicated in this endorsement will be applied to that sub-limit.

**(2)** If a penalty for inadequate insurance applies to the covered loss to the Building in accordance with the terms of this policy, then the maximum amount of Additional Expense Coverage will be decreased in the same proportion. (In determining compliance with the policy's insurance-to-value requirement, the increase in expenses attributable to the disaster will be disregarded.)

**f. Annual Aggregate**

The following applies when payments are made under this endorsement as a result of one or more covered events in an annual policy term:

**(1)** When payments reach the maximum amount of Additional Expense Coverage, such coverage will not apply to a subsequent event which occurs in the same annual policy term.

**(2)** When payments total less than the maximum amount of Additional Expense Coverage, the balance will be available for additional expenses incurred in a subsequent event which occurs in the same annual policy term.

**g. Debris Removal**

Up to 20% of the amount payable for Additional Expense Coverage may be used to cover debris removal expense associated with the covered loss.

This does not increase the maximum amount of Additional Expense Coverage.

**h. Ordinance Or Law**

When a Building shown in the Declarations is also covered for Coverage 3 - Increased Cost Of Construction Coverage under the Ordinance Or Law Coverage endorsement (if a part of this policy), up to 20% of the amount payable for Additional Expense Coverage may be used to cover costs payable under Coverage 3. - Increased Cost of Construction Coverage.

This does not increase the maximum amount of Additional Expense Coverage.

**i. Newly Acquired Or Constructed Buildings**

When a newly acquired or constructed Building is covered under the terms of the Newly Acquired or Constructed Property Coverage Extension, then the percentage shown in this endorsement for any Building will be applied to the applicable Limit of Insurance for newly acquired or constructed Buildings. The result is the amount of Additional Expense Coverage applicable to the newly acquired or constructed Building, subject to all other terms of this endorsement.

**j.** In determining the expenses payable under this endorsement we will deduct any expenses recovered under the Business Income and Extra Expense Additional Coverages.

This is additional insurance.

**11. Newly Acquired Or Constructed Buildings**

The limit of $250,000 shown in Subparagraph **(1) Buildings** of Paragraph **a. Newly Acquired Or Constructed Property** under **6.**


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**Coverage Extensions** is replaced by $1,000,000.

The limit of $100,000 shown in Subparagraph **(2) Business Personal Property** of Paragraph **a. Newly Acquired Or Constructed Property** under **6. Coverage Extensions** is replaced by $250,000.

**12. Outdoor Fences And Walls**

**a.** We will pay for direct physical loss of or damage to all outdoor fences and walls at the described premises:

**(1)** Owned by you; or

**(2)** Owned by others but in your care, custody or control.

**b.** Paragraphs **A.3. Covered Causes Of Loss** and **B. Exclusions** do not apply to this coverage, except for Paragraphs:

**(1) B.1.c. Governmental Action;**

**(2) B.1.d. Nuclear Hazard;** and

**(3) B.1.f. War And Military Action.**

**c.** We will not pay for loss or damage caused by or resulting from:

**(1)** Wear and tear;

**(2)** Hidden or latent defect;

**(3)** Rust;

**(4)** Corrosion; or

**(5)** Mechanical breakdown.

**d.** The most we will pay for loss or damage in any one occurrence is $50,000.

This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by endorsement for this coverage.

This is additional insurance.

**13. Outdoor Signs**

**a.** We will pay for direct physical loss of or damage to all outdoor signs at the described premises:

**(1)** Owned by you; or

**(2)** Owned by others but in your care, custody or control.

**b.** Paragraphs **A.3. Covered Causes Of Loss** and **B. Exclusions** do not apply to this Optional Coverage, except for Paragraphs:

**(1) B.1.c. Governmental Action;**

**(2) B.1.d. Nuclear Hazard;** and

**(3) B.1.f. War And Military Action.**

**c.** We will not pay for loss or damage caused by or resulting from:

**(1)** Wear and tear;

**(2)** Hidden or latent defect;

**(3)** Rust;

**(4)** Corrosion; or

**(5)** Mechanical breakdown.

**d.** The most we will pay for loss or damage in any one occurrence is $25,000.

The Optional Coverages deductible applies to this coverage.

This Limit of Insurance is in addition to any other Limit of Insurance, not to exceed the total limit shown in the Declarations for this coverage.

**14. Outdoor Trees, Shrubs Or Plants**

The limit of $2,500 shown in Paragraph **c. Outdoor Property** under **6. Coverage Extensions** for Outdoor Trees, Shrubs or Plants only, is replaced by $10,000, but not more than $2,500 for any one tree, shrub or plant.

**15. Personal Property Off Premises**

The limit of $10,000 shown in Paragraph **b. Personal Property Off Premises** under **6. Coverage Extensions** is replaced by $50,000.

**16. Pollutant Clean Up And Removal**

The limit of $10,000 shown in Paragraph **h. Pollutant Clean-up And Removal** under **5. Additional Coverages** is replaced by $25,000.

**17. Surge Protection**

**a.** We will pay for loss of or damage to Electronic Data Processing Equipment caused by or resulting from a power supply disturbance when the Electronic Data Processing Equipment is connected to a functioning surge protection device.

**b.** Only as used in this endorsement:

**(1)** Electronic Data Processing Equipment means equipment commonly referred to as hardware such as central processing units, monitors, keyboards, printers, tape or disk drives, modems and similar electronically controlled equipment that accepts information, processes it according to a plan and produces a desired result.

**(2)** Power supply disturbance means interruptions of power supply, power surge, blackout or brownout.

**(3)** Surge Protection device means any transient voltage surge suppression device or system which limits surge voltage surge suppression device or system which limits surge voltages by discharging or bypassing surge current and prevents continued


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flow of current while remaining capable of repeating these functions.

The surge protection device must:

**(a)** Be UL listed; and

**(b)** Have a properly connected ground wire extended to the surge protection device. (This may be demonstrated through use of a site wiring fault indicator light on the surge protection device.)

A multiple outlet power strip is not considered a surge protection device.

The most we will pay for loss or damage in any one occurrence is $20,000.

This is additional insurance.

**18. Utility Services - Direct Damage And Time Element**

**a.** We will pay for loss of or damage to Covered Property, and Business Income or Extra Expense caused by the interruption of service to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following:

**(1)** Water Supply Property, meaning the following types of property supplying water to the described premises:

**(a)** Pumping stations;

**(b)** Water mains; and

**(c)** Wastewater Removal Property, meaning a utility system for removing wastewater and sewage from the described premises, other than a system designed primarily for draining storm water. The utility property includes sewer mains, pumping stations and similar equipment for moving the effluent to a holding, treatment or disposal facility, and includes such facilities.

Coverage under this endorsement does not apply to interruption in service caused by or resulting from a discharge of water or sewage due to heavy rainfall or flooding.

**(2)** Communication Supply Property, 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 except satellites.

**(3)** Power Supply Property, meaning the following types of property, located outside of a covered Building that supply electricity, steam or gas to the described premises:

**(a)** Utility generating plants;

**(b)** Switching stations;

**(c)** Substations;

**(d)** Transformers; or

**(e)** Transmission lines.

**b.** As used in this endorsement, the term transmission lines includes all lines which service to transmit communication service or power, including lines which may be identified as distribution lines.

**c.** Paragraph **H.9.a.(1)(a)** of the "Period of Restoration definition is replace by the following:

**(a)** Immediately after the time of direct physical loss or damage for Business Income Coverage; or

**d.** The most we will pay under this Additional Coverage for loss or damage in any one occurrence is $25,000 for direct damage to Covered Property and $25,000 for Business Income and Extra Expense.

Coverage under this endorsement does not apply to loss or damage to Business Income loss or Extra Expense related to interruption in utility service which causes loss or damage to "electronic data", including destruction or corruption of "electronic data".

This is additional Insurance.

**19. Valuable Papers And Records**

The limit of $10,000 for coverage at the described premises shown in Paragraph **e.(3) Valuable Papers And Records** under **6. Coverage Extensions** is replaced by $100,000. For "valuable papers and records" not at the described premises, the limit of $5,000 is replaced by $25,000.

This Limit of Insurance is in addition to any other Limit of Insurance, not to exceed the total limit shown in the Declarations for this coverage.

**B. Section II - Liability** is amended as follows:


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1. The following is added to Paragraph **A. Coverages** of **Section II - Liability:**
   a. **Damage to Property of Others**
      **(1)** We will pay for property damage to property of others caused by an insured. This coverage applies even if the insured is not negligent or legally liable.
      At our option, we will either:
      **(a)** Pay the actual cash value of the property; or
      **(b)** Repair or replace the property with other property of like kind and quality.
      We will not pay for property damage:
      **(a)** To the extent of any amount recoverable under **Section I - Property** of this policy;
      **(b)** When the claimant will collect for damages from any other insurance policy;
      **(c)** Caused intentionally by any insured who has attained the age of 13; or
      resulting from:
      **(a)** Business pursuits;
      **(b)** Work performed for you or on your behalf by a subcontractor;
      **(c)** Any act or omission in connection with any premises owned, rented or controlled by any insured, other than an insured premises; or
      **(d)** The ownership, maintenance or use of any aircraft, watercraft, iceboat or land vehicle that is motor- or engine-propelled other than a golf cart.
      **(2)** The most we will pay for property damage to personal property of others in your care, custody or control is $15,000 per occurrence.

C. **Section III - Common Policy Conditions (Applicable To Section I - Property And Section II - Liability)** is amended as follows:
   1. **Identity Fraud Expense Coverage**
      With respect to Identity Fraud Expense Coverage provided by this endorsement, Paragraph **H. Other Insurance** is replaced by the following:
      **H. Other Insurance**
      The coverage provided under this endorsement will be excess over any other insurance or agreement covering the same loss or damage, whether you can collect on it or not. But we will not pay more than the applicable limit of insurance provided under this endorsement.


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# COLORADO CHANGES - DIRECTORS AND OFFICERS LIABILITY ENDORSEMENT (CONDOMINIUMS, CO-OPS, ASSOCIATIONS) SILVER, GOLD, PLATINUM

This endorsement modifies insurance provided under the following:

DIRECTORS AND OFFICERS LIABILITY ENDORSEMENT (CONDOMINIUMS, CO-OPS, ASSOCIATIONS)

For the purposes of the coverage provided by Directors and Officers Liability Endorsement (Condominiums, Co-Ops, Associations), the following condition is added and supersedes any provision to the contrary:

**Your Right To Wrongful Act Or Claim Information**

We will provide the first Named Insured shown in the Declarations the following information relating to this and any preceding Directors and Officers Liability (Condominiums, Co-ops, Associations) Coverage Endorsement we have issued to you during the previous three years:

1. A list or other record of each "wrongful act" not previously reported to any other insurer, of which we were notified in accordance with Paragraph **1.** of the Duties In The Event Of A Claim Or A Wrongful Act That May Result In A Claim condition (Paragraph **E.**). We will include the date and brief description of the "wrongful act" if that information was in the notice we received.
2. A summary by policy year, of payments made and amounts reserved, stated separately, under any applicable Aggregate Limit.

Amounts reserved are based on our judgment. They are subject to change and should not be regarded as ultimate settlement values.

If we cancel or elect not to renew the Directors and Officers Liability (Condominiums, Co-ops, Associations) Coverage Endorsement, we will provide such “claim” and “wrongful act” information no later than 30 days before the date of policy termination. In other circumstances, we will provide this information only if we receive a written request from the first Named Insured within 60 days after the end of the policy period. In this case, we will provide the information within 30 days of receipt of the request.

We compile "claim" and "wrongful act" information for our own business purposes and exercise reasonable care in doing so. In providing this information to the first Named Insured, we make no representations or warranties to insureds, insurers, or others to whom this information is furnished by or on behalf of any insured. Cancellation or nonrenewal will be effective even if we inadvertently provide inaccurate “claim” and “wrongful act” information.


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# EXCLUSION OF OTHER ACTS OF TERRORISM COMMITTED OUTSIDE THE UNITED STATES; CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

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

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

This insurance does not apply to:

**TERRORISM**

"Any injury or damage" arising, directly or indirectly, out of an "other act of terrorism" that is committed outside of the United States (including its territories and possessions and Puerto Rico), but within the "coverage territory". However, this exclusion applies only when one or more of the following are attributed to such act:

**1.** The total of insured damage to all types of property exceeds $25,000,000 (valued in U.S. dollars). In determining whether the $25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the terrorism and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or

**2.** Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:

**a.** Physical injury that involves a substantial risk of death; or

**b.** Protracted and obvious physical disfigurement; or

**c.** Protracted loss of or impairment of the function of a bodily member or organ; or

**3.** The terrorism involves the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or

**4.** The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or

**5.** Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.

With respect to this exclusion, Paragraphs **1.** and **2.** describe the thresholds used to measure the magnitude of an incident of an "other act of terrorism" and the circumstances in which the threshold will apply for the purpose of determining whether this exclusion will apply to that incident.

**B.** The following definitions are added:

**1.** For the purposes of this endorsement, "any injury or damage" means any injury or damage covered under any Coverage Form to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage" or "personal and advertising injury" as may be defined in any applicable Coverage Form.

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

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

   b. The act resulted in damage:

      (1) Within the United States (including its territories and possessions and Puerto Rico); or

      (2) Outside of the United States in the case of:

         (a) An air carrier (as defined in Section 40102 of title 49, United States Code) or United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs; or

         (b) The premises of any United States mission; and

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

3. "Other act of terrorism" means a violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion, and the act is not a "certified act of terrorism".

   Multiple incidents of an "other act of terrorism" which occur within a seventy-two hour period and appear to be carried out in concert or to have a related purpose or common leadership shall be considered to be one incident.

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

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

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

# EXCLUSION – SILICA OR SILICA-RELATED DUST

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

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

**B. Exclusions**

This insurance does not apply to:

**SILICA OR SILICA-RELATED DUST**

**1.** "Bodily injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, or ingestion of, "silica" or "silica-related dust".

**2.** "Property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".

**3.** "Personal and advertising injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".

**4.** Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.

**B.** The following definitions are added to Paragraph **F. Liability And Medical Expenses Definitions** in **Section II – Liability:**

**1.** "Silica" means silicon dioxide, (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.

**2.** "Silica-related dust" means a mixture or combination of silica and other dust or particles.

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# EXCLUSION – ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION AND DATA-RELATED LIABILITY – WITH LIMITED BODILY INJURY EXCEPTION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

**A.** Exclusion **B.1.q.** of **Section II – Liability** is replaced by the following:

This insurance does not apply to:

**q. Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability**

**(1)** Damages, other than damages because of "personal and advertising injury", arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or

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

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph **(1)** or **(2)** above.

However, unless Paragraph **(1)** above applies, this exclusion does not apply to damages because of "bodily injury".

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

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**B.** The following is added to Paragraph **B.1.p. Personal And Advertising Injury** Exclusion of **Section II – Liability:**

This insurance does not apply to:

**p. Personal And Advertising Injury**

"Personal and advertising injury":

Arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.

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POLICY NUMBER:

BUSINESSOWNERS
BP 04 02 07 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

# ADDITIONAL INSURED – MANAGERS OR LESSORS OF PREMISES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

| |
|---|
| **Designation Of Premises (Part Leased To You):** |
| **Name Of Person(s) Or Organization(s) (Additional Insured):** |
| **Additional Premium: $** |
| Information required to complete this Schedule, if not shown above, will be shown in the Declarations. |

**Section II – Liability** is amended as follows:

A. The following is added to Paragraph **C. Who Is An Insured:**

3. The person(s) or organization(s) shown in the Schedule is also an additional insured, but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Schedule.

   However:

   a. The insurance afforded to such additional insured only applies to the extent permitted by law; and

   b. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds the following additional exclusions apply:

   This insurance does not apply to:

   1. Any "occurrence" that takes place after you cease to be a tenant in the premises described in the Schedule.

   2. Structural alterations, new construction or demolition operations performed by or for the person(s) or organization(s) designated in the Schedule.

C. With respect to the insurance afforded to these additional insureds, the following is added to Paragraph **D. Liability And Medical Expenses Limits Of Insurance:**

   If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

   1. Required by the contract or agreement; or

   2. Available under the applicable Limits Of Insurance shown in the Declarations;

   whichever is less.

   This endorsement shall not increase the applicable Limits Of Insurance shown in the Declarations.


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# NEWLY ACQUIRED ORGANIZATIONS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

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

**3.** Any organization you newly acquire or form, other than a partnership, joint venture, or limited liability company and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

**a.** Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;

**b.** Paragraph **A.1. Business Liability** does not apply to:

**(1)** "Bodily injury" or "property damage" that occurred before you acquired or formed the organization; and

**(2)** "Personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

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

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# CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

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

A. CAP ON CERTIFIED TERRORISM LOSSES

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

1. The act resulted in insured losses in excess of $5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

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

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

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**BUSINESSOWNERS**
**BP 05 01 07 02**

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

# CALCULATION OF PREMIUM

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following is added:

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

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POLICY NUMBER:

**BUSINESSOWNERS**
**BP 05 15 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.**

# DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

**SCHEDULE**

| **SCHEDULE – PART I** |
|---|
| **Terrorism Premium (Certified Acts) $**<br><br>**Additional information, if any, concerning the terrorism premium:** |
| **SCHEDULE – PART II** |
| **Federal share of terrorism losses 80 %**<br>(Refer to Paragraph **B.** in this endorsement.) |
| Information required to complete this Schedule, if not shown above, will be shown in the Declarations. |

**A. Disclosure Of Premium**

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

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

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


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**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.

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BP 05 98 07 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

# AMENDMENT OF INSURED CONTRACT DEFINITION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

Paragraph **9.** under **F. Liability And Medical Expenses Definitions** is replaced by the following:

**9.** "Insured contract" means:

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

**b.** A sidetrack agreement;

**c.** Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;

**d.** An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;

**e.** An elevator maintenance agreement;

**f.** That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization, provided the "bodily injury" or "property damage" is caused, in whole or in part, by you or by those acting on your behalf. However, such part of a contract or agreement shall only be considered an "insured contract" to the extent your assumption of the tort liability is permitted by law. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

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

**(1)** That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;

**(2)** That indemnifies an architect, engineer or surveyor for injury or damage arising out of:

**(a)** Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or

**(b)** Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or

**(3)** Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in **(2)** above and supervisory, inspection, architectural or engineering activities.

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

# TOTAL POLLUTION EXCLUSION WITH A BUILDING HEATING EQUIPMENT EXCEPTION AND A HOSTILE FIRE EXCEPTION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

Exclusion **B.1.f. Pollution** in **Section II – Liability** is replaced by the following:

This insurance does not apply to:

**f. Pollution**

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

This exclusion does not apply to:

**(a)** "Bodily injury" if sustained within a building which is or was at any time owned or occupied by, or rented or loaned to, any insured and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests.

**(b)** "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire" unless that "hostile fire" occurred or originated:

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

**(ii)** At any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations to test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to, or assess the effects of, "pollutants".

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

**(a)** Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or

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

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# FUNGI OR BACTERIA EXCLUSION (LIABILITY)

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following provisions are added to **Section II – Liability:**

**A.** The following exclusion is added to Paragraph **B.1., Exclusions – Applicable To Business Liability Coverage:**

**t. Fungi Or Bacteria**

**(1)** "Bodily injury", "property damage" or "personal and advertising injury" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.

**(2)** Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

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

**B.** The following definition is added Paragraph **F. Liability And Medical Expenses Definitions:**

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

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BP 04 17 01 10

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

# EMPLOYMENT-RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

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

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

(1) A person arising out of any:

(a) Refusal to employ that person;

(b) Termination of that person's employment; or

(c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or

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

This exclusion applies:

(1) Whether the injury-causing event described in Paragraph **(a), (b)** or **(c)** above occurs before employment, during employment or after employment of that person;

(2) Whether the insured may be liable as an employer or in any other capacity; and

(3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.


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# You have elected to purchase terrorism insurance coverage

No action is required if you do not want to change your coverage

American Family Insurance Company
6000 American Parkway
Madison WI 53783

For customer service and claims service
24 hours a day, 7 days a week

**1-800-MY AMFAM (1-800-692-6326)**
**amfam.com**

| Policy number | Renewal date |
|---|---|
| 91004-43464-61 | 1/1/2024 |

The Terrorism Risk Insurance Reauthorization Act (TRIA) of 2015 was signed into law in January, 2015. This law extended the Terrorism Risk Insurance Program, which is effective through 2020. To comply with the provisions of TRIA and guidelines of the United States Treasury, we are enclosing a new Terrorism Insurance Coverage and Disclosure of Premium form. This disclosure contains the updated provisions of the 2015 reauthorization of the federal program. The premium rate is unchanged.

Our records indicate you have elected to purchase this coverage on the policy listed above. If you do not wish to change your current election, no further action is required.

If you do not want to continue coverage for Certified Acts of Terrorism, complete the Coverage Options section on page 2 of the enclosed Disclosure Form, sign, date and return the attached form. Please use one of the following methods to return the form:

- **Mail:** Use the enclosed addressed envelope or mail to American Family Insurance Company, 6000 American Parkway, Madison, WI 53783-0001.
- **Fax*:** 1-866-656-1032 or 1-866-656-1033.

We will add the exclusion endorsement to your policy as of the renewal date indicated above.

All other terms and conditions of your policy remain unchanged. You will continue to receive Offer of Coverage and Disclosure of Premium information at each policy renewal, as required by TRIA.

Thank you again for being our customer. If you have questions about this notice, please contact your agent listed below.

Commercial Lines
1-800-MY AMFAM (1-800-692-6326), ext. 76000

*American Family Insurance Company*

**Your American Family Agent is**:

Clarie Broschinsky Agency LLC cbroschi@amfam.com

1140 N Main St Ste D
Gunnison CO 81230-2460
970-641-3481

*** Before choosing to FAX the completed form, please note:**
Data transmitted by FAX cannot be guaranteed to be secure, timely, or free from computer virus or other damaging code. American Family takes great pride in ensuring a positive customer experience and takes great care to keep your personal data secure. By submitting the completed form by FAX, you acknowledge that American Family cannot ensure or guarantee that any information transmitted will be secure.

# OFFER OF TERRORISM INSURANCE COVERAGE AND DISCLOSURE OF PREMIUM

American Family Insurance Company
6000 American Parkway
Madison WI 53783

For customer service and claims service
24 hours a day, 7 days a week

**1-800-MY AMFAM (1-800-692-6326)**
**amfam.com**

Thank you for insuring with American Family Insurance. This notice provides you with important information about the Terrorism Risk Insurance Program Reauthorization Act of 2019. Please read the information below about the Act and notify American Family if you wish to change your previous decision regarding acceptance or rejection of the coverage for certified acts of terrorism.

## Some Background

On Nov. 26, 2002, President Bush signed the Terrorism Risk Insurance Act into law, which requires insurance carriers to make coverage available to policyholders for losses due to "certified acts of terrorism". This Act has been reauthorized since then, and the latest reauthorization occurred in December of 2019 when President Trump signed the Terrorism Risk Insurance Program Reauthorization Act of 2019 into law. The most recent reauthorization extends the current program through December 31, 2027.

As an American Family customer, you have the right, under the recently reauthorized Act, to purchase insurance coverage for losses resulting from "certified acts of terrorism", which are defined as: any act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism. The criteria contained in that law for certifying an act of terrorism includes the following:

- The act is a violent act or an act that is dangerous to human life, property or infrastructure;
- The act results in aggregate property and casualty insurance losses in excess of $5 million; and
- The act 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.

## Further Explanation

Where coverage is provided under the Act for losses resulting from "certified acts of terrorism", such losses may be partially reimbursed by the United States Government as established by the Act. You should also understand that your policy may contain exclusions (not part of the Act) that might affect your coverage. For example, if a "certified act of terrorism" occurs and results in damage that you're not covered for under other portions of your policy, the terrorism coverage may not apply to the loss because you need to have underlying coverage to qualify for a "certified act of terrorism" loss covered by the Act.

You should also be aware that the reauthorized Act contains a $100 billion cap that limits United States Government reimbursement as well as insurers' liability for losses resulting from "certified acts of terrorism" to $100 billion per calendar year. What this means is, if the combined insured losses for all insurers exceeds $100 billion, your coverage may be reduced due to the cap.

Per the Act, the United States Government generally reimburses 80% of covered terrorism losses exceeding the statutorily established deductible paid by American Family Insurance. The premium charged for this coverage is provided below and does not include any charges for the portion of loss that may be covered by the Federal Government under the Act.

**Disclosure Of Premium**

Your premium for "certified acts of terrorism" coverage for your renewal term is found on the enclosed renewal information. The premium is based on the coverages you have selected and your renewal premium.

**Please note the following coverage exception that may apply based on policy type and location state.**

Certain states have mandated that even if you elect to reject the "certified acts of terrorism" coverage, your rejection does not apply to fire losses resulting from an act of terrorism, and the coverage in your policy for such fire losses will continue. The Alternative Premium for the "certified acts of Terrorism - fire only" coverage, if applicable, can be found on the enclosed renewal information. The Alternative Premium is not included in the Total Advance Premium.

For Businessowners Policies, the following states mandate coverage for fire losses that result from acts of terrorism - Arizona**, Georgia, Illinois, Iowa, Missouri, Oregon, Washington*** and Wisconsin.

** For Arizona locations, this exception applies to building coverage for 1-4 unit dwellings.

*** For Washington locations, if you elect not to purchase terrorism coverage, that rejection does not apply to fire losses resulting from an act of terrorism and the coverage in your policy for such fire losses will continue.

## TERRORISM INSURANCE COVERAGE OPTIONS

Our records indicate you previously elected to purchase coverage for "certified acts of terrorism" for the policy referenced on the enclosed renewal information. If you wish to continue receiving this coverage, you do not need to do anything, and the coverage will be extended throughout the renewal term of your policy.

However, if you do not want to continue receiving coverage for "certified acts of terrorism," please indicate your decision to reject coverage for "certified acts of terrorism" by:

A. Checking the box below;
B. Signing this notice; and
C. Returning this notice in the provided envelope.

☐ **I do not wish to purchase coverage** for "certified acts of terrorism." I understand that as a result, an exclusion for losses caused by acts of terrorism will be made part of this policy.

*If you choose not to continue receiving coverage for "certified acts of terrorism", you must notify us before your policy's effective date by signing and returning this notice in the enclosed envelope. (Exception: If we send you a new disclosure form after your policy's effective date, and you wish to change your election, we will endorse your policy to reflect your new coverage election.)*

Your decision to reject coverage for "certified acts of terrorism" applies to the term of this policy. You will receive an offer and disclosure at each renewal as required by the Act.

**Only if you are rejecting coverage for "certified acts of terrorism", please sign and return this notice.**

| **Insured's Signature** | | |
|---|---|---|
| **Named Insured**<br>Richardson Square Condo | | **Date** |
| **Policy Number**<br>91004-43464-61 | **Producer ID**<br>140661 | **Policy Expiration Date**<br>01/01/2024 |

## POLICY PERIOD - RENEWAL OF COVERAGE

Insurance begins and ends at 12:01 A.M., Standard Time, at **your** mailing address and for the policy period shown in the Declarations. The first Named Insured shown in the Declarations may continue this policy for successive policy periods by paying the required premium on or before the effective date of each renewal policy period. If the premium is not paid when due, this policy expires at the end of the last policy period for which the premium was paid.

The premium for each policy period will be based on **our** current rates and rules.

If this policy replaces coverage in other policies terminating at 12:00 Noon (standard time) on the inception date of this policy, this policy shall be effective at 12:00 Noon (standard time) instead of at 12:01 A.M., Standard Time.

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**Special Provisions for American Family Insurance Company Policyholders**

**1. MEMBERSHIP AND VOTING**

While this policy is in force, each insured named in the Declarations is considered an owner or policyholder and a member of the American Family Insurance Mutual Holding Company (AFIMHC) of Madison, Wisconsin. As a member, you are entitled to one vote at all meetings either in person or by proxy. You can only cast one vote regardless of the number of policies or coverage you purchased. If two or more persons qualify as a member under a single policy, they are considered one member for purposes of voting. The owner of a group policy will have one vote regardless of the number of persons insured or coverage purchased. Fractional voting is not allowed. If you are a minor, any vote will be given to your parent or legal guardian.

**2. ANNUAL MEETINGS**

The Annual Meetings are held at the Home Office: 6000 American Parkway, Madison, Wisconsin, on the first Tuesday of March at 2:00 P.M. Central Standard Time. Notice in this policy shall be sufficient notification.

**3. DIVIDENDS**

If any dividends are declared, you will share in them according to law and under conditions set by the Board of Directors.

This policy is signed at Madison, Wisconsin, on **our** behalf by **our** President and Secretary. If it is required by law, it is countersigned on the Declarations by **our** authorized representative.

President

Secretary

**This is not a complete and valid contract without accompanying DECLARATIONS properly executed.**

# Businessowners Policy Application - Colorado

Clarie Broschinsky Agency LLC
1140 N MAIN ST STE D
GUNNISON CO 81230-2460
Agent Phone: 1-970-641-3481
E-mail: cbroschi@amfam.com

American Family Insurance Company
6000 American Parkway
Madison WI 53783

For customer service and claims service
24 hours a day, 7 days a week

**1-800-MY AMFAM (1-800-692-6326)**
**amfam.com**

This application has been submitted unbound. No insurance shall be effective until approved by the Company.

## Policy And Contact Information

### Policy Information

| | | |
|---|---|---|
| **Policy Number:** 91004-43464-61 | **Effective Date:** 01/01/2024 | **Expiration:** 01/01/2025 |
| **Contract State:** Colorado | **Application Date and Time Taken:** 10/28/2023 at 3:21 ☐ a.m. ☑ p.m. | |
| **Named Insured:** Richardson Square Condo | | |
| **Policy Mailing Address:** PO Box 1419 Gunnison CO 81230-1419 | | |
| **Description of Business and Operations:** | | |
| **Year Started:** 2017 | **Form of Business:** Corporation | |
| **Number Of Employees:** 4 | **Number Of Property Managers:** 1 | **Number Of Board Members:** |

## Account Questions

| | |
|---|---|
| Are there any business operations previously or currently conducted outside of the American Family Insurance operating territories? | ☐ Yes ☐ No |
| Has any insurer refused or cancelled a policy in the last five years? | ☐ Yes ☐ No |
| Has the applicant had a foreclosure, repossession, bankruptcy, judgment, or lien in the past three years? | ☐ Yes ☐ No |
| Has any applicant been convicted of a felony? (Optional for Auto and 1-4 Family Rental Units in WI) | ☐ Yes ☐ No |

## Underwriting Questions

| | |
|---|---|
| Are there any buildings or other property not insured on this policy? | ☐ Yes ☑ No |
| Are there common community facilities? | ☐ Yes ☑ No |
| Do the bylaws and/or declaration require the unit owner to insure any portion of the building? | ☐ Yes ☑ No |
| Is the Insured aware that if the property is not insured to full replacement cost, a Loss Payment penalty may apply? | ☑ Yes ☐ No |
| Have Condominium bylaws and declarations been provided? | ☑ Yes ☐ No |
| Does the Insured sponsor any athletic teams, events or activities? | ☐ Yes ☑ No |
| Does the Insured provide daycare operation? | ☐ Yes ☑ No |
| Are any of the locations group homes? | ☐ Yes ☑ No |
| Do any premises include a commercial kitchen? | ☐ Yes ☑ No |
| Are alcoholic beverages sold, served, and/or distributed? | ☐ Yes ☑ No |
| Does the Insured host events where alcoholic beverages are provided? | ☐ Yes ☑ No |
| Is the association responsible for infrastructure maintenance (water, road, utility)? | ☑ Yes ☐ No |
| Are there any sun tanning operations? | ☐ Yes ☑ No |

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AMERICAN FAMILY INSURANCE

## Policy Level Coverages

| | | |
|---|---|---|
| **Property Causes Of Loss** | ☑ **Risks Of Direct Physical Loss** ☐ **Named Perils** | |
| ☑ **Per Occurrence Property Deductible** | **Deductible:** $2,500 | |
| **Liability Limit Per Occurrence / Aggregate Limit:** $2,000,000/$4,000,000 | **Property Damage Liability Deductible:** ☐ **Per Claim** ☐ **Per Occurrence** ☑ **None** | **Medical Expense Limit:** $5,000 |
| **Terrorism** | ☑ **Accept** ☐ **Reject** | |
| ☐ **Crime Enhancement Endorsement** | | |
| ☑ **Employee Dishonesty** | **Limit:** $50,000<br>**Deductible:** $1,000<br>**Are Property Management Personnel to be added as Employees?** ..... ☑ Yes ☐ No<br>**Include Board of Directors as Employees?** ..... ☐ Yes ☑ No | |
| ☑ **Increase Forgery And Alteration Limit to match Employee Dishonesty Limit** | | |

## Policy Level Additional Coverages

| | |
|---|---|
| ☑ **Condominium Enhancement** | ☐ **Silver** ☐ **Gold** ☑ **Platinum** |
| ☑ **Directors And Officers Liability** | ☑ **Silver** ☐ **Gold** ☐ **Platinum**<br>**Limit:** $1,000,000/$1,000,000<br>**Deductible:** $0<br>**Foreclosure Deductible:** Not Applicable<br>**Discrimination:** ☐ Yes ☐ No<br>**Retroactive Date:** 01/01/2018<br>**Total Assets:** $1,150,000 |
| ☑ **Newly Acquired Organizations** | |

## Policy Level Exclusions And Conditions

☑ **Employment Related Practices Exclusion**

## Crime Underwriting Questions

| | |
|---|---|
| Are incoming checks endorsed "For Deposit Only" upon receipt? | ☑ Yes ☐ No |
| Is a countersignature of checks required? | ☑ Yes ☐ No |
| Is an annual vacation of at least 5 consecutive business days required for persons handling money and securities? | ☑ Yes ☐ No |
| Are credit checks secured for employees with access to financial transactions? | ☑ Yes ☐ No |
| Are Social Security numbers verified? | ☑ Yes ☐ No |
| Is criminal history checked? | ☑ Yes ☐ No |
| Has any employee been charged with or convicted of employee theft? | ☐ Yes ☑ No |
| What is the maximum deposit? $1 | |
| What is the maximum disbursement/refund made in cash? $1 | |
| What were the annual gross receipts/rents/association dues for the last fiscal year? $1 | |
| How many board association officers are there? 1 | |
| Are audit(s) made according to accepted auditing standards and certified? | ☑ Yes ☐ No |
| Are proper trails established for the auditor to follow the origins and history of all entries? | ☑ Yes ☐ No |
| Is the annual audit carried out by a Certified Public Accountant? | ☑ Yes ☐ No |
| What is the audit frequency? Annually | |

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AMERICAN FAMILY INSURANCE

## Crime Underwriting Questions (continued)

| | |
|---|---|
| Does the association board review audits? | ☑ Yes ☐ No |
| Were any discrepancies or loose practices commented upon in this audit? | ☐ Yes ☑ No |
| Are audit discrepancies reconciled when found? | ☑ Yes ☐ No |
| Date of last audit? 01/01/2023 | |
| Are all monies and securities held in a bank/safe deposit? | ☑ Yes ☐ No |
| Are funds transferred electronically? | ☑ Yes ☐ No |
| Are outside software consultants used? | ☐ Yes ☑ No |
| Does an outside business handle your data processing? | ☐ Yes ☑ No |
| Do employee(s) advise/work directly with programmer(s)/service company? | ☐ Yes ☑ No |
| Are computer memory storage facilities safeguarded? | ☑ Yes ☐ No |
| Are computer systems programmed to notify management of attempts to draw against uncollected funds? | ☑ Yes ☐ No |
| Are computer systems programmed to notify management of all unusual account activities? | ☑ Yes ☐ No |
| Are computer systems equipment and operations restricted to authorized personnel? | ☑ Yes ☐ No |

## Directors And Officers Underwriting Questions

| | |
|---|---|
| How many employees does the Association have? 4 | |
| Does the builder or developer maintain representation on the board? | ☐ Yes ☑ No |
| Has control of the board been turned over to the association? | ☑ Yes ☐ No |
| Does the property manager maintain representation on the board? | ☐ Yes ☑ No |
| What is your current annual operating budget? $0 | |
| Annual Gross Sales/Receipts from the last Fiscal Year: | |
| Has the Association ever had a negative financial balance? | ☐ Yes ☑ No |
| Does the Board have an annual or semi-annual audit completed by a Certified Public Accountant? | ☐ Yes ☐ No |
| Do you require proof of insurance from property manager? | ☑ Yes ☐ No |
| How often does the property management company provide financial information to the board? Quarterly | |
| Is the board required to give prior approval for expenditures in excess of a specific amount? | ☐ Yes ☑ No |
| Who is required for dual signatures? Unknown Hab Transition | |
| How often does the board treasurer provide financial information to the full board? Quarterly | |
| Have there been, during the last 5 years, or are there now pending, any proceedings brought against the Association? | ☐ Yes ☑ No |
| Are there any known incidents that may give rise to a proceeding against the Association? | ☐ Yes ☑ No |
| Are there any known construction defects or liens? | ☐ Yes ☑ No |
| Has the association completed a foreclosure sale against an owner? | ☐ Yes ☑ No |
| How often are board elections conducted? Unknown Hab Transition | |
| Has the board initiated litigation for reasons other than collection of dues or fees? | ☐ Yes ☑ No |
| Has the association completed any renovation or improvement projects which required a special assessment? | ☐ Yes ☑ No |
| Are any units, under the control of the association, rented or leased? | ☐ Yes ☑ No |
| What percentage of units controlled by the association are rented or leased? | |
| Are any units, controlled by the association, short-term or vacation rentals? | ☐ Yes ☐ No |
| Are any units, controlled by the association, under construction or yet to be sold? | ☐ Yes ☑ No |

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AMERICAN FAMILY INSURANCE

# Businessowners Policy Application - Colorado
## Location Schedule

### Location 1 - Address Information

| | |
|---|---|
| **Location #:** 1 | **Location Address:** 216 W Georgia Ave Gunnison CO 81230-2604 |
| **Program:** Condo/Townhouse Associations | **Location Description:** |

### Location 1 - General Information

| | |
|---|---|
| **Level Of Smoking Allowed:** Smoking Allowed | **Waterfront:** No Waterfront |

| | | |
|---|---|---|
| **Playground/Tennis Court/Basketball Court?** | ☐ Yes | ☑ No |
| **Freshwater Wells?** | ☐ Yes | ☑ No |
| **Outdoor Swimming Pool(s)?** | ☐ Yes | ☑ No |
| **Undeveloped Land?** | ☐ Yes | ☑ No |

### Location 1 - Eligibility Questions

| | | |
|---|---|---|
| Are there any ineligible dog breeds on premises? | ☐ Yes | ☑ No |
| Are there any reptiles, wolves, horses or exotic animals on premises? | ☐ Yes | ☑ No |

### Location 1 - Property Oversight

| | | |
|---|---|---|
| **Property Manager?** | ☐ Yes | ☑ No |
| **Is the premises part of a gated community?** | ☐ Yes | ☑ No |

| Security Guards | 24 Hour Doorman | Continuous Video Recording | Guard Dogs | Drop Safe | Other |
|---|---|---|---|---|---|
| ☐ Armed ☐ Unarmed ☑ None | ☐ Yes ☑ No | ☐ Yes ☑ No | ☐ Yes ☑ No | ☐ Yes ☑ No | ☐ Yes ☑ No |

**Other Description:**

### Location 1 - Additional Coverages

| | |
|---|---|
| ☑ **Optional Coverage Deductible** | **Deductible:** $1,000 |
| ☑ **Money And Securities** | **Limit - On Premises:** $17,000<br>**Limit - Off Premises:** $17,000 |

Policy Number: 91004-43464-61

AMERICAN FAMILY INSURANCE

# Businessowners Policy Application - Colorado
# Building Schedule

## Location 1 Building 1 - Building Details

| | | |
|---|---|---|
| **Location #:** 1 | **Building #:** 1 | **Building Address:** 216 W Georgia Ave Gunnison CO 81230-2604 |

| | | |
|---|---|---|
| **Building Description:** 216 W Georgia Ave-1 | **Year Purchased:** | **Purchase Price:** |
| **Occupancy:** Residential Condominiums without Mercantile | **Building Interest:** Owner - Leased to Other | |

| | |
|---|---|
| **Is the building currently under renovation or rehabilitation?** | ☐ Yes ☑ No |
| **Is the building currently for sale?** | ☐ Yes ☑ No |
| **Does the building have two means of exit?** | ☑ Yes ☐ No |
| **Is the building designated as a historic property?** | ☐ Yes ☑ No |
| **Does the building have any unrepaired damage?** | ☐ Yes ☑ No |
| **Is there any evidence of water damage?** | ☐ Yes ☑ No |
| **Is there any damage due to flood/high water/sewer back-up/sump pump failure?** | ☐ Yes ☑ No |
| **Are any neighboring buildings less than 10 feet away?** | ☐ Yes ☑ No |
| **Are any of those neighboring buildings approximately 8 stories or greater?** | ☐ Yes ☐ No |

| Number Of Stories | Total Area (Sq. Ft.) | Occupied Area (Sq. Ft.) | Property Condition | Primary Foundation |
|---|---|---|---|---|
| 1 | 6,000 | | ☐ Excellent ☐ Good ☑ Average ☐ Poor | Other |

| Finished Basement | Basement Area (Sq. Ft.) | Ground Floor Area (Sq. Ft.) | Attic | Finished Attic | Attic Area (Sq. Ft.) |
|---|---|---|---|---|---|
| ☐ Yes ☑ No | | 1 | ☐ Yes ☑ No | ☐ Yes ☐ No | |

## Location 1 Building 1 - Occupancy Information

| Total Residential Units | Total Number Of Rooms | % HUD | Total Units Occupied | Total Units Leased | Total Commercial Units | Total Commercial Units Occupied | Total Number Of Units |
|---|---|---|---|---|---|---|---|
| 8 | 8 | 0% | 8 | | | | 8 |

| | |
|---|---|
| **Does each unit have two means of exit?** | ☑ Yes ☐ No |
| **Corporate Housing** | ☐ Yes ☑ No |
| **Senior Housing** | ☐ Yes ☑ No |
| **Vacation Rentals** | ☐ Yes ☑ No |
| **Seasonal Rental** | ☐ Yes ☑ No |
| **Months unoccupied:** | |
| **If applicable, do you rent through a home sharing site? E.g., Airbnb, VRBO, etc.?** | ☐ Yes ☑ No |
| **Provide details:** | |
| **Was the building constructed for current occupancy?** | ☑ Yes ☐ No |

## Square Footage By Usage

| | | | | | |
|---|---|---|---|---|---|
| **Residential:** | 100% | **Auto Service:** | 0% | **Other:** | 0% |
| **Food Service - Limited Cooking:** | 0% | **Office:** | 0% | **Other Description:** | |
| **Food Service - Full Cooking:** | 0% | **Mercantile:** | 0% | | |

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AMERICAN FAMILY INSURANCE

## Location 1 Building 1 - Building Valuation Information

| Valuation ID | Building Replacement Cost Calculation | Year Built | Primary Construction Type | Primary Exterior Wall Covering | Construction Quality |
|---|---|---|---|---|---|
| 614670097 | $898,500 | 1961 | Joisted masonry | Solid Stone/Stone Veneer | Average |

**Check All That Apply For Construction:**

- ☑ **Cripple Walls:** No Cripple Walls
- ☐ **Structural Upgrade**
- ☐ **Short Columns**
- ☐ **Soft Story/Stories**
- ☑ **Reinforcement Level:** Unreinforced

**If Mobile Home:**

- **Does it have tie down engineering?** ☑ Yes ☐ No
- **Is it located In a mobile home park?** ☐ Yes ☐ No

**Is the building footprint regular shape?** (E.g. square, round, rectangular) ☑ Yes ☐ No

**Does the building have vertical irregularities?** ☐ Yes ☑ No

## Location 1 Building 1 - Roofing Information

| Year Roof Updated/Installed | Roof Shape | Roof Slope | Primary Roof Construction | Roof Class |
|---|---|---|---|---|
| 2009 | Gable | Low/Moderate | Steel Shingles | None |

**Is there evidence of roof damage?** ☐ Yes ☑ No

## Location 1 Building 1 - Building Information

| | |
|---|---|
| ☑ **Attached/Built-in Garage** | **Location:** Ground Level<br>**Number of Parking Stalls:** 2.00 |
| ☐ **Indoor Swimming Pools** | **Number of Indoor Pools:**<br>**Diving Boards/Slides:** ☐ Yes ☐ No<br>**Protective Drain Device:** ☐ Yes ☐ No |
| ☐ **Steam Room/Sauna** | |
| ☐ **Fitness Equipment** | |
| ☑ **Laundry Facilities** | **Location:** No Laundry Facilities |
| ☐ **Decks** | **Deck Location:**<br>**Deck Construction:**<br>**Grills Allowed on Decks:** ☐ Yes ☐ No |
| ☐ **Solar Panels** | |
| ☐ **Chimney** | **Number of Chimneys:** |

## Location 1 Building 1 - Protective Devices

| | |
|---|---|
| ☑ **Fire Alarm** | **Alarm Type:** Hardwired Smoke Detectors |
| ☑ **Sprinkler System** | **Sprinkler Type:** No Sprinkler System<br>**Meets National Installation Standard (NFPA-13d)** ☐ Yes ☐ No<br>**Date Sprinkler Inspected:** No |

**Stove Suppression System in all residential units?** ☐ Yes ☑ No

**Are ABC rated fire extinguishers available in common areas?** ☑ Yes ☐ No

**Are ABC rated fire extinguishers available in kitchen areas?** ☑ Yes ☐ No

| | |
|---|---|
| ☑ **Carbon Monoxide Detector** | **Type:** Hardwired Detector(s) |
| ☑ **Burglar Alarm** | **Alarm Type:** No qualifying devices |
| ☑ **Temperature Alarm** | **Alarm Type:** No qualifying devices |

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## Location 1 Building 1 - Protective Devices (continued)

| | |
|---|---|
| ☐ Lightning Protection System | |
| ☐ Gas Leakage Sensors | |
| ☑ Seismic Shut-Off Valve | Device Type: No qualifying devices |
| ☑ Plumbing Auto Shut-Off Valve | Water Leakage Sensors:<br>Device Type: No |
| ☐ Back-up Generator | |
| ☑ Qualifying Storm Shutters and Protected Glass | Storm Protection Type: No qualifying Storm Protection |

Are the exterior windows protected by bars and/or doors protected by gates? ☐ Yes ☑ No

If the exterior windows have bars, are they equipped with quick release devices? ☐ Yes ☐ No

## Location 1 Building 1 - Building System Information

### Heating System Information

Heating system present? ☑ Yes ☐ No

Heating Installed/Last Updated (Year): 1961

### Schedule of Heating Systems

| Primary Heating System | System Type | Fuel Type |
|---|---|---|
| ☑ | Radiant | Natural Gas |

### Plumbing System Information

Plumbing System Present? ☑ Yes ☐ No

| Plumbing Installed/Last Updated (Year) | Waste System Type | Sump Pump | Battery Back-up |
|---|---|---|---|
| 1961 | Sewer | ☐ Yes ☑ No | ☐ Yes ☐ No |

### Electric System Information

Electric System Present? ☑ Yes ☐ No

| Electric System Installed/Last Updated (Year) | Electric Panel Type | Lowest Electrical Amperage (each unit) | Primary Wiring Type | Wind Turbine |
|---|---|---|---|---|
| 1961 | Circuit Breakers | 200 Amps | Conduit | ☐ Yes ☑ No |

Surge protector for the building electrical systems? ☐ Yes ☑ No

Does the building contain any 'knob & cleat' or aluminum wiring? ☐ Yes ☐ No

Provide Details:

## Location 1 Building 1 - Building Coverages

| | |
|---|---|
| ☑ Building | Limit: $1,397,506<br>Valuation Method - Building: Replacement Cost<br>Guaranteed Replacement Cost: ☑ Yes ☐ No<br>ACV Loss Settlement - Wind/Hail Roof Surfacing: ☐ Yes ☑ No |

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| Location 1 Building 1 - Building Coverages (continued) | |
|---|---|
| ☑ **Business Income Options** | **Ordinary Payroll Expense - Extend Days To:** 60 Days - Included<br>**Extended Business Income - Extend Days To:** 60 Days - Included<br>**Remove 72 Hour Waiting Period:** ..... ☐ Yes ☑ No<br>**Limit Type:** Actual Loss Sustained<br>**Revised Period Of Indemnity:** 12-Months<br>**Annual Income (this building only):** $0<br>**Dependent Properties Increased Limit:** $0<br>**Total Limit For Dependent Properties:** $5,000 |
| ☑ **Equipment Breakdown Protection** | |

| Location 1 Building 1 - Building Additional Coverages | |
|---|---|
| ☑ **Ordinance Or Law** | **Coverage 1 - Loss to undamaged portion of the Building Limit:**<br>**Coverage 2 - Demolition Limit:**<br>**Coverage 3 - Increased Cost of Construction Limit:**<br>**Combined Coverages 2 And 3 Limit:**<br>**Combined Coverages 1, 2 And 3 Limit:** $300,000<br>**Business Income And Extra Expense:** ..... ☑ Yes ☐ No |
| ☑ **Water Back-Up And Sump Overflow (Building)** | **Building Limit:** $1,397,506<br>**Deductible:** $1,000 |

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## Additional Insured(s) Information

| Name | Type | Interest | Location |
|---|---|---|---|
| Exponential LLC | Additional Insured - Managers or Lessors Of Premises | All Buildings | 216 W Georgia Ave Gunnison CO 81230-2604 |

## Remarks

## Certification Statements

THESE STATEMENTS are accurate to the best of my knowledge. The company may rely upon them in issuance of this policy. I understand that this policy may be subject to a minimum premium retention if I cancel this policy.

AMOUNTS OF INSURANCE: You are responsible for sufficient amounts of insurance for all coverage in this policy. You must notify us if you wish to increase or change any amount of insurance. This includes but is not limited to any increase due to:

a. improvement, addition, or remodeling;
b. purchase of personal property;
c. construction cost estimate; or
d. appraisal of any property.

For buildings and other structures, we use a building cost guide to assist you in estimating the construction cost. The cost guide uses very general information. We do not guarantee that any estimate from the building cost guide will represent the actual cost to reconstruct your buildings or other structures. You may obtain a construction cost estimate from a qualified appraiser or contractor at your expense.

APPLICABLE IN: CO, IA, ID, IL, IN, MO, ND, NE, NV, OH, WI
CONCEALMENT OR FRAUD:
a. This policy was issued in reliance upon the information and warranties in your insurance application.
We may void this policy from its inception if you:
(1) concealed or misrepresented any material fact or circumstance; or
(2) made false statements;
in your application.

APPLICABLE IN: AZ, CO, GA, IA, ID, IL, IN, MN, MO, ND, NE, NV, OH, OR, SD, UT, WA, WI
CONSUMER REPORTS: IMPORTANT - All proposed named insureds listed on this application must be made aware of the following consumer report statement by the person signing this application. Consumer reports may be ordered in connection with this application. These reports provide information that may assist in determining your eligibility for insurance and the price you may be charged. Consumer reports may also be used for updates, renewals or extensions of this insurance. We may also obtain and use a credit-based insurance score based on information contained in your credit report. We may use a third party in connection with the development in a credit-based insurance score.

DOCUMENTATION: You understand that you may be required to take additional action to qualify for discounts and coverages included in this application.

INSPECTION: We may, but have no duty to inspect your property or operations. Our inspection report or any resulting advice does not warrant that your property or operations are safe, healthful or in compliance with any law or regulation. We have no duty to provide a copy of any report if we do an inspection.

CLAIMS-MADE COVERAGE: The application for Employee Benefits Liability, Employment Practices Liability, and/or Non-Profit Directors' and Officers' Liability is for Claims-Made coverage. Claims must be first made against the insured during the Policy Period and reported to us in writing as soon as practicable but in no event later than sixty (60) days after the end of the Policy Period. The insurance for claims-made coverage applies only if the Wrongful Act out of which the Claim arose occurred on or after the Retroactive Date, if any, shown in the declarations, and before the end of the Policy Period.

CLAIMS-MADE COVERAGE: For Non-Profit Directors and Officers Liability coverage, claims Expenses are payable within, not in addition to, the Each Occurrence & Aggregate Limit selected.

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## Certification Statements (continued)

NOTICE OF INSURANCE INFORMATION PRACTICES: Personal information may be collected from others. The information collected by us or our agent may in certain circumstances be disclosed to third parties without authorization. You have the right to see your personal records and correct personal information collected. A detailed notice of information practices will be furnished by us or our agent if you request it.

APPLICABLE IN: CO
FRAUD WARNING: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

Terrorism Coverage: ..... ☑ I Accept ☐ I Reject

Employment Practices Liability: ..... ☐ I Accept ☑ I Reject

Asbestos Material Removal Exclusion: ..... ☐ I Accept ☑ I Reject

## Certification

You agree to all statements on this application on behalf of all insureds. All insureds must comply with all policy terms. Any failure to comply with policy terms by any insured will affect policy coverage for all insureds. ☑ I agree

| Applicant Signature(s): {{PrimaryInsured1_Sign}} | Date and Time Signed: {{PrimaryInsured1_Date}} |
|---|---|
| **Applicant Signature(s):** | **Date and Time Signed:** |
| **Agent's Signature:** | **Date and Time Signed:** |

AMERICAN FAMILY INSURANCE

AmFam.com
1-800-MY AMFAM® (692-6326)

AMERICAN FAMILY INSURANCE COMPANY
1140 N MAIN ST STE D
GUNNISON CO 81230-2460

October 30, 2023

RICHARDSON SQUARE CONDO
PO BOX 1419
GUNNISON CO 81230-1419

*Regarding your Business Policy*

# Policy cancellation notice

Your policy will cancel on January 1, 2024

| Policy number | Cancel date |
|---|---|
| 05XW520301 | January 1, 2024 |
| 05XW520306 | January 1, 2024 |
| 05XW520307 | January 1, 2024 |

American Family Insurance is committed to ensuring our customers' coverage accurately reflects their current situation. With this in mind, we regularly review all accounts for continued eligibility and other factors.

After a recent review of your account, we have determined that your current policy is no longer eligible for coverage with American Family Mutual Insurance Company, S.I.. Your coverage will end at 12:01 a.m. standard time on 1/1/2024.

It's important that you know the reason(s) for the cancellation:

The Business product your current policy is insured under is no longer offered. Therefore, your current Business policy is being cancelled and a new Business product offering is enclosed.

We're here to assist you with any questions or additional information about this letter. Please contact your agent listed below or call us at 1-800-MY AMFAM (1-800-692-6326).

Commercial Lines Underwriting
Commercial Lines - Farm Ranch Division
1-800-MY AMFAM (1-800-692-6326)

American Family Mutual Insurance Company, S.I.

**Your American Family Agent is**:

Clarie Broschinsky Agency LLC

1140 N Main St Ste D
Gunnison CO 81230-2460
970-641-3481