



The Cincinnati Insurance Company
The Cincinnati Casualty Company
The Cincinnati Indemnity Company

Policy Number: ETD 049 53 41

Effective Date: 07-14-2021

Named Insured: CHRISTIAN COUNTY WATER DISTRICT

For professional advice and policy questions or changes, please contact your local independent agency:

CENTER OF INSURANCE/HOPKINSVILLE
P.O. BOX 33
HOPKINSVILLE, KY 42241-0033

270-886-3010

Dear Policyholder:

Thank you

Thank you for trusting The Cincinnati Insurance Companies with your commercial insurance coverage. We recognize that locally based independent agents have the working knowledge to help you choose the right insurance company for your needs. Together with your local independent insurance agency, we are committed to providing you with the highest level of service.

Please review your enclosed policy information to verify your coverage details, as well as deductibles and coverage amounts. Should your needs change, your agent is available to review and update your policy.

Please promptly report claims

If you experience a policy-related loss, you may report it by contacting your local professional independent agency representing The Cincinnati Insurance Companies or by directly calling us toll-free at **877-242-2544** and providing your policy number and claim-related information.

Sincerely,

Sean M. Givler
Senior Vice President - Commercial Lines

The Cincinnati Insurance Companies

Business Insurance

CINCINNATI NETWORK DEFENDER™

Cyber Risk Coverage for Computer Systems



Protecting your business

Businesses of all sizes depend on computer systems and the proprietary data stored on them to keep operations running smoothly. A computer attack may disrupt your operations, potentially threatening your business relationships, causing lost income and increasing your costs.

To protect your business, consider adequate security for your computer systems and adding Cincinnati Network Defender coverage to your commercial or management liability policy. This insurance provides two important types of cyber risk protection: computer attack coverage and network security and electronic media liability coverage.

Responding after a computer attack

Computer attack coverage helps your business recover after a cyberattack and pays for:

- data restoration services to help you replace lost or corrupted data from electronic sources
- data re-creation services to research, re-create and replace lost or corrupted data from non-electronic sources
- system restoration services to replace or reinstall software, remove malicious code and correct the configuration in order to restore your computer system to its pre-attack level of functionality
- cyber extortion expenses you incur to retain an investigator due to an extortion threat against your systems or data, including ransomware, and amounts paid in response to the extortion threat within the limit of insurance
- business income you lose and extra expenses you incur while your system and data recovery activities take place
- public relations services to assist with communications about the computer attack and your response

Covering your network security and electronic media liability

Network security and electronic media liability coverage pays for defense and settlement costs due to claims brought against you by third parties for alleged damage from a security failure in your computer system that leads to:

- breach of third-party business data
- unplanned forwarding or replication of malware
- unintentional support of a denial of service attack

For information, coverage availability in your state, quotes or policy service, please contact your local independent agent recommending coverage.



It also pays for defense and settlement costs due to claims brought against you by third parties for alleged damages from your electronic communications that result in:

- defamation
- violation of a person's right of privacy
- interference with a person's right of publicity
- infringement of copyright or trademark

To round out your cyber risk insurance, you can also add Cincinnati Data Defender™ insurance that helps you respond to and recover from a data breach or the theft of personally identifiable information.

Businesses of all sizes face potential loss from using technology

No matter what size business you operate, you experience the same vulnerability to cyberattacks and network security liability claims as the biggest enterprises. Your daily operations are vulnerable to the types of attacks described in these hypothetical claims examples:

- *A customer claimed that a company sent him a damaging virus, and it cost \$30,000 in legal fees to get it resolved.**
- *A disgruntled former employee hacked the employer's computer system, which resulted in a \$25,000 IT bill to repair the damage.**
- *The costs of defending a network security lawsuit quickly added up to more than \$40,000.**
- *A nasty virus got into a customer's computer system, and it cost a fortune in out-of-pocket expenses and downtime before the system was restored.**

* These examples are provided for educational purposes only, and are not intended to illustrate the value of any claim or any particular type of claim. Every claim is adjusted according to its own specific set of facts.

Policyholder tools and resources

Your Network Defender coverage includes access for no additional charge to www.eriskhub.com/cic, a portal that provides you with news, information and resources you can use to help mitigate a hacking event, virus infection or other cyberattack. The eRiskHub also contains an optional section that offers My Tech Support, a technical support service you can subscribe to for a nominal fee for assistance troubleshooting, diagnosing and fixing common computer problems, including finding and removing viruses.

Choosing coverage from the right people

Cincinnati's commitment to you is simple. We deliver service from people who know you, your business and your community – your local independent insurance agent and our experienced team of insurance professionals. You can count on your agent and Cincinnati Insurance to be there, giving you the peace of mind you deserve. Talk to your local independent agent representing Cincinnati Insurance about adding these valuable coverages to protect you and the modern technology used to keep your business running smoothly.

Thank you for trusting your agent and Cincinnati to protect your business.



Everything Insurance Should Be®

For information, coverage availability in your state, quotes or policy service, please contact your local independent agent recommending coverage. This is not a policy. For a complete statement of the coverages and exclusions, please see the policy contract. "The Cincinnati Insurance Companies", "Cincinnati Insurance" and "Cincinnati" refer to member companies of the insurer group providing property and casualty coverages through The Cincinnati Insurance Company or one of its wholly owned subsidiaries – The Cincinnati Indemnity Company or The Cincinnati Casualty Company. Each insurer has sole financial responsibility for its own products. Not all subsidiaries operate in all states. Do not reproduce or post online, in whole or in part, without written permission. © 2020 The Cincinnati Insurance Company, 6200 S. Gilmore Road, Fairfield, OH 45014-5141.

NOTICE TO POLICYHOLDERS

DIRECT BILL ACCOUNT CREDIT PROCEDURE

This is a notice of how an account credit will be applied to your policy or to all of the policies being billed as single account.

Account Credits

- A.** If your account is comprised of **a single policy** and an endorsement or premium audit results in a credit (return premium), the credit is applied to that policy. If your account does not have a future installment due at the time the endorsement or audit is processed, the credit is refunded to the payor listed for your account. If you do not wish for credits to be automatically applied to future unpaid installments, please contact us to request a refund. Please note that the amount of the refund may vary based upon the date you contact us and your billing schedule.
- B.** If your account is comprised of **more than one policy** and an endorsement or premium audit results in a credit (return premium), the credit is applied in the following manner:
- Payments previously applied to your account are deferred.
 - The credit that results from the endorsement or audit is applied to the policy generating the credit.
 - The payments that were deferred are then reapplied to the account in order to satisfy the amount due.
 - Any excess payment that results from the credit is applied proportionately to your policies with a future payment or installment due.
 - If you do not wish for credits to be automatically applied to future unpaid installments, please contact us to request a refund. Please note that the amount of the refund may vary based upon the date you contact us and your billing schedule.
 - If your account does not have a future installment or payment due at the time the endorsement or audit is processed, the credit is refunded to the payor listed for your account.

(Does not apply to audit return premium for payors located in New York; Does not apply to premiums due more than 30 days from the date of processing for payors located in New Hampshire. These credits are automatically refunded to the payor)

To request a refund, contact us at:

Mailing Address

The Cincinnati Insurance Company
PO Box 14529
Cincinnati, OH 45250-0529

Toll free phone number

877-942-2455

Electronic mail

CinciBill@cinfin.com



The Cincinnati Insurance Company

A Stock Insurance Company

Headquarters: 6200 S. Gilmore Road, Fairfield, OH 45014-5141

Mailing address: P.O. Box 145496, Cincinnati, OH 45250-5496

www.cinfin.com ■ 513-870-2000

UTILITY SERVICES COMMON POLICY DECLARATIONS

Billing Method: DIRECT BILL

POLICY NUMBER ETD 049 53 41 / ETA 049 53 41

NAMED INSURED CHRISTIAN COUNTY WATER DISTRICT

ADDRESS

(Number & Street, ATTN: JAMES OWEN
Town, County, PO BOX 7
State & Zip Code) HOPKINSVILLE, KY 42241-

Previous Policy Number:

ETD0495341

Policy Period: At 12:01 A.M., STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE

All coverages except Automobile and / or Garage

Policy number: ETD 049 53 41 FROM: 07-14-2021 TO: 07-14-2024

Automobile and / or Garage

Policy number: ETA 049 53 41 FROM: 07-14-2021 TO: 07-14-2022

Agency CENTER OF INSURANCE/HOPKINSVILLE 16-404

City HOPKINSVILLE, KY

Legal Entity / Business Description

ORGANIZATION (ANY OTHER)

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

FORMS APPLICABLE TO ALL COVERAGE PARTS:

SKY1	11/15	NOTICE
IL0017	11/98	COMMON POLICY CONDITIONS
IA102A	09/08	SUMMARY OF PREMIUMS CHARGED
IA904	04/04	SCHEDULE OF LOCATIONS
IA4236	06/20	POLICYHOLDER NOTICE TERRORISM INSURANCE COVERAGE
IA4521	03/20	NOTICE OF PRIVACY PRACTICES
IP446	08/01	NOTICE TO POLICYHOLDERS
IA4006	07/10	SPECIAL PER OCCURRENCE DEDUCTIBLE ENDORSEMENT
IA4122KY	03/16	KENTUCKY CHANGES - CANCELLATION AND NONRENEWAL
IA4238	01/15	CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM
IA4338	05/11	SIGNATURE ENDORSEMENT
IA4376KY	12/09	KENTUCKY TAXES ENDORSEMENT
MI1384KY	06/92	NOTICE TO KENTUCKY INSURED - AUTOMOBILE COVERAGES
FM502	07/08	COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS
GA532	07/08	COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS
GA533	07/08	EMPLOYEE BENEFIT LIABILITY COVERAGE PART SCHEDULE
MA559	05/10	CONTRACTORS' EQUIPMENT (AND TOOLS) COVERAGE PART DECLARATIONS
CA516	03/09	CRIME AND FIDELITY COVERAGE PART DECLARATIONS (COMMERCIAL ENTITIES)

AA505 03/06 BUSINESS AUTO COVERAGE PART DECLARATIONS
USC513 05/10 COMMERCIAL UMBRELLA LIABILITY COVERAGE PART DECLARATIONS
HC502 01/18 CINCINNATI DATA DEFENDER™ COVERAGE PART DECLARATIONS

Countersigned _____ (Date) By _____ (Authorized Representative)

NOTICE

Your premium for this policy includes a Kentucky state surcharge tax required by KRS 136.392 and a tax which will be remitted to the municipality or county in which you reside as required by KRS 91A.080. The amount of the tax is shown on your policy.

S-KY-1 (11/15)

COMMON POLICY CONDITIONS

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

A. Cancellation

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

B. Changes

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

C. Examination of Your Books and Records

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

D. Inspections and Surveys

1. We have the right to:
 - a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and
 - c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. Transfer of Your Rights and Duties Under this Policy

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

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

SUMMARY OF PREMIUMS CHARGED

Attached to and forming part of
 POLICY NUMBER: ETD 049 53 41 / ETA 049 53 41 Effective Date: 07-14-2021
 Named Insured: **CHRISTIAN COUNTY WATER DISTRICT**

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

Commercial Property Coverage Part <u>W/EBC</u>	\$	27,050
Commercial General Liability Coverage Part _____	\$	4,303
Commercial Auto Coverage Part _____	\$	14,232
Commercial Umbrella / Excess Liability Coverage Part _____	\$	3,642
DATA DEFENDER COVERAGE PART	\$	87
CRIME AND FIDELITY COVERAGE PART	\$	833
CONTRACTORS EQUIPMENT SCHEDULED	\$	1,723
CONTRACTORS EQUIPMENT SUPPLEMENTAL COVERAGES	\$	750
EMPLOYEE BENEFIT LIABILITY	\$	222
KY MUNICIPAL TAX - REFER TO IA4376KY	\$	4,989
KY SURCHARGE - REFER TO IA4376KY	\$	959
_____	\$	
_____	\$	
_____	\$	
_____	\$	
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_____	\$	
_____	\$	
_____	\$	
Terrorism Coverage _____	\$	560
Installment Charge _____	\$	
ANNUAL TOTAL PAYMENTS	\$	59,350

	First Installment	Remaining Installment(s)
QUARTERLY	*	*

***SEE BILLING STATEMENT MAILED SEPARATELY**

Automobile Coverages, Employers Liability, Employment Practices Liability Coverage, Professional Liability Coverage, Terrorism Coverage and / or Wrongful Acts Coverage, if included in the policy, are subject to Annual Adjustment of rates and premium on each anniversary of the policy.

Commercial Umbrella and Excess Liability, if included in the policy, may be subject to Annual Adjustment of premium on each anniversary. Refer to the Commercial Umbrella or Excess Liability Coverage Part Declarations form to see if this is applicable.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SCHEDULE OF LOCATIONS

<u>LOC.</u>	<u>STREET ADDRESS</u>	<u>CITY</u>	<u>STATE</u>	<u>ZIP CODE</u>
1	1960 DAWSON SPRINGS RD HOPKINSVILLE, KY 42240-8806			
2	1940 DAWSON SPRINGS RD HOPKINSVILLE, KY 42240-8806			
3	US HWY 68 EAST HOPKINSVILLE, KY 42240			
4	HWY 109 N DAWSON SPRINGS RD HOPKINSVILLE, KY 42240			
5	KY HWY 1349 QUISENBERRY LN HOPKINSVILLE, KY 42240			
6	KY HWY 1349 HOPKINSVILLE, KY 42240			
7	US HWY 41 N HOPKINSVILLE, KY 42240			
8	KY HWY 107 N HOPKINSVILLE, KY 42240			
9	HWY 107 HOPKINSVILLE, KY 42240			
10	OUTWOOD HOSPITAL HOPKINSVILLE, KY 42240			
11	OUTWOOD HOSPITAL HOPKINSVILLE, KY 42240			
12	UNDERGROUND PIPING HOPKINSVILLE, KY 42240			
13	PILOT ROCK RD HOPKINSVILLE, KY 42240			
14	DAWSON SPRINGS RD & HART RD HWY 109 HOPKINSVILLE, KY 42240			
15	HWY 107S LAFAYETTE RD HOPKINSVILL, KY 42240			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SCHEDULE OF LOCATIONS

<u>LOC.</u>	<u>STREET ADDRESS</u>	<u>CITY</u>	<u>STATE</u>	<u>ZIP CODE</u>
16	HWY 107S HOPKINSVILLE, KY 42240			
17	PENNYRILE PKWY PEMBROKE, KY 42266			
18	3.5 MILE S OF PENNYRILE PKWY HOPKINSVILLE, KY 42240			
19	HWY 91 7.5 MI S OF HWY 1682 HOPKINSVILLE, KY 42240			
20	HWY 41 N KELLY, KY 42240			
21	HWY 164 MERRITTSTOWN, KY 42240			
22	HWY 164 MERRITTSTOWN, KY 42240			
23	HWY 1682 N/S ANTIOCH RD HOPKINSVILLE, KY 42240			
24	HWY 1682 E/S ANTIOCH & GOODE RD HOPKINSVILLE, KY 42240			
25	PENNYRILE STATE FOREST PARK HOPKINSVILLE, KY 42240			
26	HYDRANTS HOPKINSVILLE, KY 42240			
27	HWY 189 OLD HALEY RD HOPKINSVILLE, KY 42240			
28	GOODE RD HOPKINSVILLE, KY 42240			
29	TOBACCO RD & US HIGHWAY 68 GRACE, KY 42232			

POLICYHOLDER NOTICE

TERRORISM INSURANCE COVERAGE

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.

Your policy contains coverage for certain losses caused by terrorism.

Premium:

In accordance with the federal Terrorism Risk Insurance Act, we are required to notify you of the portion of the premium, if any, attributable to the coverage for terrorist acts certified under the Terrorism Risk Insurance Act.

- Refer to the SUMMARY OF PREMIUMS CHARGED or DECLARATIONS PAGE for the portion of your premium that is attributable to coverage for terrorist acts certified under the Act.

Federal Participation:

The Act also requires us to provide disclosure of federal participation in payment of terrorism losses.

- Under your policy, any losses caused by certified acts of terrorism would be partially reimbursed by the United States Government, Department of Treasury, under a formula established by federal law. Under this formula, the federal share equals a percentage, as specified in the Schedule below, 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.

- **Schedule:**

Federal Share of Terrorism Losses		Federal Share of Terrorism Losses	
Percentage	Calendar Year	Percentage	Calendar Year
85%	2015	80%	2022
84%	2016	80%	2023
83%	2017	80%	2024
82%	2018	80%	2025
81%	2019	80%	2026
80%	2020	80%	2027
80%	2021		

Cap on Insurer Participation:

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.

NOTE: IF YOUR POLICY IS A RENEWAL POLICY, THIS NOTICE IS PROVIDED TO SATISFY THE REQUIREMENTS UNDER THE TERRORISM RISK INSURANCE ACT FOR POLICYHOLDER DISCLOSURE: (1) AT THE TIME OF OUR OFFER TO RENEW THE POLICY AND (2) AT THE TIME THE RENEWAL IS COMPLETED.

NOTICE OF PRIVACY PRACTICES

For additional information on our privacy policies, including state specific information, please visit <https://www.cinfin.com/privacy-policy>.

**THE CINCINNATI INSURANCE COMPANY
THE CINCINNATI CASUALTY COMPANY
THE CINCINNATI INDEMNITY COMPANY**

NOTICE TO POLICYHOLDERS

Please be advised that in your application for insurance you disclosed information to The Cincinnati Insurance Company, The Cincinnati Casualty Company and The Cincinnati Indemnity Company. The information disclosed in the application and all information subsequently collected by any of these companies may be shared among all three.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL PER OCCURRENCE DEDUCTIBLE ENDORSEMENT

This endorsement modifies insurance provided under the following:

**COMMERCIAL PROPERTY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
CRIME AND FIDELITY COVERAGE PART**

A. Special Per Occurrence Deductible

1. If an "occurrence" happens to Covered Property under the Commercial Property Coverage Part and to Covered Property under at least one of the following:

- a. The Commercial Inland Marine Coverage Part, and
- b. The Crime and Fidelity Coverage Part;

the most we will deduct from any loss or damage in any one "occurrence" is the deductible indicated on the **COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS**.

2. This endorsement does not apply to any of the forms listed in Paragraphs a. and b.:

- a. * **Electronic Data Processing Coverage Form, Section III, 2. Deductible, a.(2) Specified Losses Deductible**

* **Water Backup from Sewers, Drains, Septic Systems or Sump Pumps Endorsement**

Windstorm or Hail Percentage Deductible Form

Earthquake and Volcanic Eruption Endorsement

Earthquake and Volcanic Eruption Endorsement (Sub-Limit Form)

Flood Coverage Endorsement

Equipment Breakdown Coverage (Including Production Equipment)

Equipment Breakdown Coverage (Excluding Production Equipment)

* **Temperature Change Coverage Form**

Commercial Crime Coverage Form, A. Insuring Agreements, 1. Employee Theft, 2. Forgery or Alteration, 6. Computer Fraud and 7. Funds Transfer Fraud

Crime Expanded Coverage (XC[®]) Coverage or Expanded Coverage Plus Forms, A. Insuring Agreements, 1. Employee Theft and 2. Forgery or Alteration

Government Crime Coverage Form, A. Insuring Agreements, 1. Employee Theft - Per Loss Coverage, 2. Employee Theft - Per Employee Coverage, 3. Forgery or Alteration, 7. Computer Fraud and 8. Funds Transfer Fraud

- * Or such coverage as provided in the CinciPlus[®] Commercial Property or Commercial Property Power Expanded Coverage or Expanded Coverage Plus Forms

- b. **Other**

B. Definition

For the purpose of this endorsement only, any definition of "occurrence" is deleted in its entirety and the following definition is added to:

1. **COMMERCIAL PROPERTY CONDITIONS,**
2. **COMMERCIAL INLAND MARINE CONDITIONS,**
3. **COMMERCIAL CRIME COVERAGE FORM,**
4. **CRIME EXPANDED COVERAGE (XC[®]) COVERAGE FORM, and**
5. **GOVERNMENT CRIME COVERAGE FORM:**

"Occurrence" means all loss, damage, or a sequence of loss or damage, casualties or disasters arising from a single happening or event.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

KENTUCKY CHANGES - CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

**CHEMICAL DRIFT LIMITED LIABILITY COVERAGE PART - CLAIMS-MADE
CINCINNATI CYBER DEFENSE™ COVERAGE PART
CINCINNATI DATA DEFENDER™ COVERAGE PART
CINCINNATI NETWORK DEFENDER™ COVERAGE PART
CLAIMS-MADE EXCESS LIABILITY COVERAGE PART
COMMERCIAL AUTO COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
COMMERCIAL UMBRELLA LIABILITY COVERAGE PART
CONTRACTOR'S ERRORS AND OMISSIONS COVERAGE FORM - CLAIMS-MADE
CONTRACTORS' LIMITED POLLUTION LIABILITY COVERAGE FORM
CRIME AND FIDELITY COVERAGE PART
ELECTRONIC DATA LIABILITY COVERAGE PART
EMPLOYEE BENEFIT LIABILITY COVERAGE
EMPLOYMENT PRACTICES LIABILITY COVERAGE PART
EXCESS LIABILITY COVERAGE PART
EXCESS WORKERS COMPENSATION AND EMPLOYERS LIABILITY COVERAGE PART
FARM COVERAGE PART
GOLF COURSE CHEMICAL APPLICATION LIMITED LIABILITY COVERAGE FORM
HOLE-IN-ONE COVERAGE FORM
LIQUOR LIABILITY COVERAGE PART
MACHINERY AND EQUIPMENT COVERAGE PART
MANUFACTURER'S ERRORS AND OMISSIONS COVERAGE FORM
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCT WITHDRAWAL COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
PROFESSIONAL LIABILITY COVERAGE PART
PROFESSIONAL UMBRELLA LIABILITY COVERAGE PART
PROFESSIONAL UMBRELLA LIABILITY COVERAGE PART - CLAIMS-MADE
SEPTIC SYSTEMS DESIGN AND INSPECTION ERRORS AND OMISSIONS COVERAGE PART
SINGLE INTEREST AUTOMOBILE PHYSICAL DAMAGE INSURANCE POLICY**

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

2. Cancellation of Policies in Effect for 60 Days or Less

If this policy has been in effect for 60 days or less, we may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation, stating the reason for cancellation, at least 14 days before the effective date of cancellation.

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

7. Cancellation of Policies in Effect for More than 60 Days

a. If this policy has been in effect for more than 60 days or is a renewal of a policy we issued, we may cancel

this policy only for one or more of the following reasons:

- (1)** Nonpayment of premium;
- (2)** Discovery of fraud or material misrepresentation made by you or with your knowledge in obtaining the policy, continuing the policy, or in presenting a claim under the policy;
- (3)** Discovery of willful or reckless acts or omissions on your part which increase any hazard insured against;
- (4)** The occurrence of a change in the risk which substantially increases any hazard insured against after insurance coverage has been issued or renewed;

- (5) A violation of any local fire, health, safety, building, or construction regulation or ordinance with respect to any insured property or the occupancy thereof which substantially increases any hazard insured against;
- (6) We are unable to reinsure the risk covered by the policy; or
- (7) A determination by the commissioner that the continuation of the policy would place us in violation of the Kentucky insurance code or regulations of the commissioner.

b. If we cancel this policy based on Paragraph 7.a. above, we will mail or deliver a written notice of cancellation to the first Named Insured, stating the reason for cancellation, at least:

- (1) 14 days before the effective date of the cancellation, if cancellation is for nonpayment of premium; or
- (2) 75 days before the effective date of the cancellation, if cancellation is for any reason stated in 7.a.(2) through 7.a.(7) above.

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

NONRENEWAL

- 1. For the purpose of this Condition:
 - a. Any policy period or term of less than 6 months shall be considered to be a policy period or term of 6 months; and
 - b. Any policy period or term of more than 1 year or any policy with no fixed

expiration date shall be considered a policy period or term of 1 year.

- 2. If we elect not to renew this policy, we will mail or deliver written notice of nonrenewal, stating the reason for nonrenewal, to the first Named Insured shown in the Declarations, at the last mailing address known to us, at least 75 days before:
 - a. The expiration date of the policy period; or
 - b. The anniversary date of this policy, if the policy is written for a term of more than one year.
- 3. If notice of nonrenewal is not provided pursuant to this Condition, coverage under the same terms and conditions shall be deemed to be renewed for the ensuing policy period upon payment of the appropriate premium until you have accepted replacement coverage with another insurer, or until you have agreed to the nonrenewal.
- 4. If we mail or deliver a renewal notice to the first Named Insured at least 30 days before the end of the policy period, stating the renewal premium and its due date, the policy will terminate without further notice unless the renewal premium is received by us or our authorized agent by the due date.
- 5. If this policy terminates because the renewal premium has not been received by the due date, we will, within 15 days, mail or deliver to the first Named Insured at his last known address a notice that the policy was not renewed and the date it was terminated.
- 6. If notice is mailed, proof of mailing is sufficient proof of notice.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

All Commercial Lines Coverage Parts, Coverage Forms, Policies and Endorsements subject to the federal Terrorism Risk Insurance Act and any amendments and extensions thereto

- A.** The following definition is added with respect to the provisions of this endorsement:

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

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

- B. Cap On Losses from Certified Acts of Terrorism**

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 ex-

ceeds \$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.

- C. Application of Other Exclusions**

The terms and limitations of any terrorism exclusion, or the inapplicability, omission or absence of a terrorism exclusion, does not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part, Coverage Form, Policy or Endorsement such as losses excluded by:

1. Exclusions that address war, warlike action, insurrection, rebellion, revolution, military action, nuclear hazard, nuclear materials, nuclear reaction, radiation, or radioactive contamination;
2. Exclusions that address pollutants, contamination, deterioration, fungi or bacteria; or
3. Any other exclusion,

regardless if the "certified act of terrorism" contributes concurrently or in any sequence to the loss.

- D. Sunset Clause**

If the federal Terrorism Risk Insurance Act expires or is repealed, then this endorsement is null and void for any act of terrorism that takes place after the expiration or repeal of the Act.

SIGNATURE ENDORSEMENT

IN WITNESS WHEREOF, this policy has been signed by our President and Secretary in the City of Fairfield, Ohio, but this policy shall not be binding upon us unless countersigned by an authorized representative of ours. The failure to countersign does not void coverage in Arizona, Virginia and Wisconsin.



Secretary



President

The signature on any form, endorsement, policy, declarations, jacket or application other than the signature of the President or Secretary named above is deleted and replaced by the above signatures.

KENTUCKY TAXES ENDORSEMENT

Policy Number: ETD 049 53 41

Effective Date: 07-14-2021

The following Kentucky taxes (which include a collection fee) have been applied to your policy:

	<u>Annual Premium</u>	<u>Municipal Tax</u>	<u>County Tax</u>
POLICY LEVEL	HOPKINSVILLE INCORPORATED - 00020		
AUTO/GARAGE	671	9.70%-65	NONE
PROPERTY	733	9.70%-71	NONE
CASUALTY	5,045	9.70%-492	NONE
INLAND MARINE	2,510	9.70%-244	NONE
LOCATION 1	HOPKINSVILLE INCORPORATED - 00020		
PROPERTY	574	9.70%-61	NONE
CASUALTY	4,179	9.70%-405	NONE
LOCATION 2	HOPKINSVILLE - 00020		
PROPERTY	747	9.70%-79	NONE
LOCATION 3	HOPKINSVILLE - 00020		
PROPERTY	75	9.70%-8	NONE
LOCATION 4	HOPKINSVILLE - 00020		
PROPERTY	225	9.70%-24	NONE
LOCATION 5	HOPKINSVILLE - 00020		
PROPERTY	177	9.70%-19	NONE
LOCATION 6	HOPKINSVILLE - 00020		
PROPERTY	259	9.70%-27	NONE
LOCATION 7	HOPKINSVILLE - 00020		
PROPERTY	225	9.70%-24	NONE
LOCATION 8	HOPKINSVILLE - 00020		
PROPERTY	186	9.70%-20	NONE
LOCATION 9	HOPKINSVILLE - 00020		
PROPERTY	181	9.70%-20	NONE
LOCATION 10	HOPKINSVILLE - 00020		
PROPERTY	92	9.70%-10	NONE
LOCATION 11	HOPKINSVILLE - 00020		
PROPERTY	92	9.70%-10	NONE

All other terms and conditions remain unchanged.

Agent: CENTER OF INSURANCE/HOPKINSVILLE 16-404
HOPKINSVILLE, KY

Policy Number: ETD 049 53 41

Effective Date: 07-14-2021

The following Kentucky taxes (which include a collection fee) have been applied to your policy:

	<u>Annual Premium</u>	<u>Municipal Tax</u>	<u>County Tax</u>
(CONTINUED)			
LOCATION 12 PROPERTY	15,837	HOPKINSVILLE - 00020 9.70%-1,674	NONE
LOCATION 13 PROPERTY	129	HOPKINSVILLE - 00020 9.70%-14	NONE
LOCATION 14 PROPERTY	471	HOPKINSVILLE - 00020 9.70%-50	NONE
LOCATION 15 PROPERTY	372	HOPKINSVILLE - 00020 9.70%-39	NONE
LOCATION 16 PROPERTY	177	HOPKINSVILLE - 00020 9.70%-19	NONE
LOCATION 17 PROPERTY	434	HOPKINSVILLE - 00020 9.70%-46	NONE
LOCATION 18 PROPERTY	177	HOPKINSVILLE - 00020 9.70%-19	NONE
LOCATION 19 PROPERTY	171	HOPKINSVILLE - 00020 9.70%-18	NONE
LOCATION 20 PROPERTY	364	HOPKINSVILLE - 00020 9.70%-38	NONE
LOCATION 21 PROPERTY	460	HOPKINSVILLE - 00020 9.70%-49	NONE
LOCATION 22 PROPERTY	171	HOPKINSVILLE - 00020 9.70%-18	NONE
LOCATION 23 PROPERTY	274	HOPKINSVILLE - 00020 9.70%-29	NONE

All other terms and conditions remain unchanged.

Agent: CENTER OF INSURANCE/HOPKINSVILLE 16-404
HOPKINSVILLE, KY

Policy Number: ETD 049 53 41

Effective Date: 07-14-2021

The following Kentucky taxes (which include a collection fee) have been applied to your policy:

	<u>Annual Premium</u>	<u>Municipal Tax</u>	<u>County Tax</u>
(CONTINUED)			
LOCATION 25 PROPERTY	193	HOPKINSVILLE - 00020 9.70%-21	NONE
LOCATION 27 PROPERTY	530	HOPKINSVILLE - 00020 9.70%-56	NONE
LOCATION 28 PROPERTY	20	HOPKINSVILLE - 00020 9.70%-3	NONE
VEHICLE 1	919	HOPKINSVILLE INCORPORATED - 00020 9.70%-89	NONE
VEHICLE 2	76	HOPKINSVILLE INCORPORATED - 00020 9.70%-7	NONE
VEHICLE 3	745	HOPKINSVILLE INCORPORATED - 00020 9.70%-72	NONE
VEHICLE 4	78	HOPKINSVILLE INCORPORATED - 00020 9.70%-8	NONE
VEHICLE 5	887	HOPKINSVILLE INCORPORATED - 00020 9.70%-86	NONE
VEHICLE 6	790	HOPKINSVILLE INCORPORATED - 00020 9.70%-77	NONE
VEHICLE 7	749	HOPKINSVILLE INCORPORATED - 00020 9.70%-73	NONE
VEHICLE 8	823	HOPKINSVILLE INCORPORATED - 00020 9.70%-80	NONE
VEHICLE 9	853	HOPKINSVILLE INCORPORATED - 00020 9.70%-83	NONE

All other terms and conditions remain unchanged.

Agent: CENTER OF INSURANCE/HOPKINSVILLE 16-404
HOPKINSVILLE, KY

Policy Number: ETD 049 53 41

Effective Date: 07-14-2021

The following Kentucky taxes (which include a collection fee) have been applied to your policy:

	<u>Annual Premium</u>	<u>Municipal Tax</u>	<u>County Tax</u>
(CONTINUED)			
VEHICLE 10	HOPKINSVILLE INCORPORATED - 00020 991	9.70%-96	NONE
VEHICLE 11	HOPKINSVILLE INCORPORATED - 00020 1,187	9.70%-115	NONE
VEHICLE 12	HOPKINSVILLE INCORPORATED - 00020 1,025	9.70%-99	NONE
VEHICLE 13	HOPKINSVILLE INCORPORATED - 00020 1,128	9.70%-109	NONE
VEHICLE 14	HOPKINSVILLE INCORPORATED - 00020 1,128	9.70%-109	NONE
VEHICLE 15	HOPKINSVILLE INCORPORATED - 00020 1,105	9.70%-107	NONE
VEHICLE 16	HOPKINSVILLE INCORPORATED - 00020 1,105	9.70%-107	NONE
	<u>Annual Premium</u>	<u>Surcharge %</u>	<u>Surcharge Total</u>
KY STATE SURCHARGE 1.8%	39,170		959

All other terms and conditions remain unchanged.

Agent: CENTER OF INSURANCE/HOPKINSVILLE 16-404
HOPKINSVILLE, KY

NOTICE TO KENTUCKY INSUREDS - AUTOMOBILE COVERAGES

Additional amounts for the following coverages are available:

- _____ **Uninsured Motorists Coverage**
- _____ **Underinsured Motorists Coverage**
- _____ **Additional Personal Injury Protection**

You may contact your agent if you wish to increase coverage up to the maximum limit available. Limits and rates will be furnished by your agent upon request.

THE CINCINNATI INSURANCE COMPANY

A Stock Insurance Company

COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS

Attached to and forming part of POLICY NUMBER: ETD 049 53 41

Named Insured is the same as it appears on the Common Policy Declarations unless otherwise stated here.

Loc. (address)
 PER STATEMENT OF VALUES ON FILE
 REFER TO IA904

COVERAGE PROVIDED				OPTIONAL COVERAGES Applicable only when an entry is made							
Item	Coverage	Limits	Coin- surance	Covered Cause Of Loss	Business Income Indemnity						
					Inflation Guard (%)	Replace- ment Cost (x)	Replace- ment Cost Inc. Stock (x)	Agreed Value (x)	Monthly Limit (fraction)	Maximum Period (X)	Extended Period (Days)
	BLANKET BUILDING	22,291,390	90%	SPECIAL EQ FLOOD		X		X			
		SEE FA104									
1	EQUIPMENT BREAKDOWN										
1-1	BUSINESS PERSONAL PROPERTY	267,750	90%	SPECIAL EQ FLOOD				X			
		SEE FA104									
2	EQUIPMENT BREAKDOWN										
2-1	BUSINESS PERSONAL PROPERTY	101,745	90%	SPECIAL EQ FLOOD				X			
		SEE FA104									
3	EQUIPMENT BREAKDOWN										
4	EQUIPMENT BREAKDOWN										
5	EQUIPMENT BREAKDOWN										
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- 29 EQUIPMENT BREAKDOWN

DEDUCTIBLE: \$500.00 unless otherwise stated \$ 1,000
 EARTHQUAKE DEDUCTIBLE: 10%
 FLOOD DEDUCTIBLE: 25,000

MORTGAGE HOLDER

Item Name and Address

FORMS AND / OR ENDORSEMENTS APPLICABLE TO THIS COVERAGE PART:

- FM101 05/16 BUILDING AND PERSONAL PROPERTY COVERAGE FORM (INCLUDING SPECIAL CAUSES OF LOSS)
 - FA104S 05/15 FLOOD COVERAGE SUPPLEMENTAL SCHEDULE
 - FA104 05/16 FLOOD COVERAGE ENDORSEMENT
 - FA263 05/16 WATER UTILITIES COMMERCIAL PROPERTY ENDORSEMENT
 - FA286 05/16 THE BRIDGE ENDORSEMENT
 - FA450 05/16 COMMERCIAL PROPERTY CONDITIONS
 - SA203KY 07/10 MINE SUBSIDENCE COVERAGE (KENTUCKY)
 - FA245 04/20 EQUIPMENT BREAKDOWN COVERAGE
 - FA240 05/16 EARTHQUAKE AND VOLCANIC ERUPTION ENDORSEMENT
-

BUILDING AND PERSONAL PROPERTY COVERAGE FORM (INCLUDING SPECIAL CAUSES OF LOSS)

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BUILDING AND PERSONAL PROPERTY COVERAGE FORM (INCLUDING SPECIAL CAUSES OF LOSS)

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

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

Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION G. DEFINITIONS.**

SECTION A. COVERAGE

We will pay for direct "loss" to Covered Property at the "premises" caused by or resulting from any Covered Cause of Loss.

1. Covered Property

Covered Property, as used in this Coverage Part, means the following types of property for which a Limit of Insurance is shown in the Declarations:

a. Building

Building, means the building or structure described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Permanently installed:
 - (a) Machinery and equipment;
 - (b) Building glass, including any lettering and ornamentation;
 - (c) Signs attached to a building or structure that is Covered Property;
 - (d) Awnings and canopies;
- (4) Personal property owned by you that is used to maintain or service a covered building or its "premises", including:
 - (a) Fire extinguishing equipment;
 - (b) Outdoor furniture;
 - (c) Floor coverings; and
 - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- (5) If not covered by other insurance:

(a) Additions under construction, alterations and repairs to a covered building;

(b) Materials, equipment, supplies and temporary structures, on or within 1,000 feet of the "premises", used for making additions, alterations or repairs to a covered building.

b. Outdoor Signs

Your outdoor signs permanently installed and not attached to a covered building, and located within 1,000 feet of the "premises".

c. Outdoor Fences

Your outdoor fences.

d. Business Personal Property

Your Business Personal Property consists of the following property located in or on the building or structure described in the Declarations or in the open (or in a vehicle or portable storage unit) within 1,000 feet of the building or 1,000 feet of the "premises", whichever distance is greater. Your Business Personal Property consists of the following unless otherwise specified in the Declarations or on the **BUSINESS PERSONAL PROPERTY - SEPARATION OF COVERAGE ENDORSEMENT.**

- (1) Furniture;
- (2) Machinery and equipment;
- (3) "Stock";
- (4) All other personal property owned by you and used in your business;
- (5) The cost of labor, materials or services furnished or arranged by you on personal property of others;
- (6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
 - (a) Made a part of the building or structure you occupy but do not own; and
 - (b) You acquired or made at your expense but cannot legally remove;

- (7) Leased personal property used in your business for which you have a contractual responsibility to insure. Such leased property is not considered personal property of others in your care, custody or control;
- (8) Personal Property of Others that is in your care, custody or control or for which you are legally liable.
 - (a) This does not include personal effects owned by you, your officers, your partners, or if you are a limited liability company, your members or your managers, or your employees (including leased and temporary workers), except as provided in **5. Coverage Extensions, I. Personal Effects**;
 - (b) This does not include property of others for which you are legally liable as:
 - 1) A carrier for hire; or
 - 2) An arranger of transportation, including car loaders, consolidators, brokers, freight forwarders, or shipping associations; and
- (9) Sales samples.

2. Property Not Covered

Covered Property does not include:

a. Accounts, Deeds, Money or Securities

Except as provided in **SECTION A. COVERAGE, 5. Coverage Extensions, a. Accounts Receivable**, Accounts, bills, currency, deeds, food stamps or other evidences of debt, "money", notes or "securities";

b. Animals

Animals, unless

- (1) Owned by others and boarded by you; or
- (2) Owned by you and covered as "stock" while inside of buildings;

and then only as provided in **3. Covered Causes of Loss, c. Limitations**.

c. Automobiles

Automobiles held for sale;

d. Contraband

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

e. Electronic Data

Except as provided in **SECTION A. COVERAGE, 5. Coverage Extensions, d. Electronic Data**, "Electronic data". This Paragraph **e.** 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.

f. Excavations, Grading & Backfilling

The cost of excavations, grading, backfilling or filling;

g. Foundations

Foundations of buildings, structures, machinery or boilers, if their foundations are below:

- (1) The lowest basement floor; or
- (2) The surface of the ground, if there is no basement.

h. Land, Water or Growing Crops

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

i. Paved Surfaces

Bridges, roadways, walks, patios or other paved surfaces;

j. Property While Airborne or Waterborne

Personal property while airborne or waterborne;

k. Pilings or Piers

Pilings, piers, bulkheads, wharves or docks;

l. Property More Specifically Insured

Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except as provided in **G. Other Insurance** of the **COMMERCIAL PROPERTY CONDITIONS**;

m. Retaining Walls

Retaining walls that are not part of any building described in the Declarations;

n. Underground Pipes, Flues or Drains

Underground pipes, flues or drains;

o. Valuable Papers & Records and Cost to Research

Except as provided in **SECTION A. COVERAGE, 5. Coverage Extensions, r. Valuable Papers and Records**, the cost to research, replace or restore the information on "valuable papers and records", including those which exist as "electronic data".

This does not apply to "valuable papers and records" held for sale by you.

p. Vehicles or Self-Propelled Machines

Vehicles or self-propelled machines (including aircraft or watercraft) that:

- (1) Are licensed for use on public roads; or
- (2) Are operated principally away from the "premises".

This paragraph does not apply to:

- (1) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;
- (2) Vehicles or self-propelled machines, other than autos, you hold for sale;
- (3) Rowboats or canoes out of water and located at the "premises"; or
- (4) Trailers, but only as provided in **SECTION A. COVERAGE, 5. Coverage Extensions, o. Trailers (Nonowned Detached)**.

q. Property While Outside of Buildings

The following property while outside of buildings (except as provided in **SECTION A. COVERAGE, 5. Coverage Extensions**):

- (1) Grain, hay, straw or other crops;
- (2) Signs, except:
 - (a) Signs attached to a covered building or structure;
 - (b) Signs for which a Limit of Insurance is shown in the Declarations.
- (3) Outdoor fences, except outdoor fences for which a Limit of Insurance is shown in the Declarations;
- (4) Radio antennas, television antennas or satellite dishes; including their lead-in wiring, masts, and towers; and

- (5) Trees, shrubs or plants (other than trees, shrubs or plants that are "stock" or part of a vegetative roof).

3. Covered Causes of Loss

a. Covered Causes of Loss

Covered Causes of Loss means direct "loss" unless the "loss" is excluded or limited in this Coverage Part.

b. Exclusions

- (1) We will not pay for "loss" caused directly or indirectly by any of the following, unless otherwise provided. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss".

(a) Ordinance or Law

Except as provided in **SECTION A. COVERAGE, 4. Additional Coverages, g. Ordinance or Law**, the enforcement of or compliance with any ordinance or law:

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

This exclusion applies whether "loss" results from:

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

(b) Earth Movement

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

- 3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;
- 4) Earth sinking (other than "sinkhole collapse"), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

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

Volcanic action means direct "loss" resulting from the eruption of a volcano when the "loss" 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, 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 "loss" to the described property.

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

(d) Nuclear Hazard

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

(e) Utility Services

- 1) Except as provided in **SECTION A. COVERAGE, 5. Coverage Extensions, q. Utility Services**, the failure of power, communication, water or other utility services supplied to the "premises", however caused, if the failure:

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

Failure of any utility service includes lack of sufficient capacity and reduction in supply. "Loss" caused by a surge of power is also excluded if the surge would not have occurred but for an event causing the failure of power.

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

Communication services include but are not limited to

service relating to Internet access or access to any electronic, cellular or satellite network.

(f) War and Military Action

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

(g) Water

- 1) Flood, meaning the partial or complete inundation of normally dry land areas due to:
 - a) The unusual or rapid accumulation or runoff of rain or surface waters from any source; or
 - b) Waves, tidal waters, tidal waves (including tsunami); or
 - c) Water from rivers, ponds, lakes, streams, or any other body of water that rises above, overflows from, or is not contained within its natural or man-made boundary;and all whether driven by wind or not, including storm surge.
- 2) Mudslides or mudflows, which are caused by flooding as defined above in Paragraph (g)1) above. Mudslide or mudflow involves a river of liquid and flowing mud on the surface of normally dry land areas as when earth is carried by a current of water and deposited along the path of the current;

- 3) Water that has entered and then backs up through and is discharged from a sewer, drain, septic system, sump pump system or related equipment; or
- 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.
- 5) Waterborne material carried or otherwise moved by any of the water referred to in Paragraphs (g)1), 3) or 4), or material carried or otherwise moved by mudslide or mudflow as described in Paragraph (g)2).

This exclusion applies regardless of whether any of the above in Paragraphs (g)1) through (g)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.

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

(h) "Fungi", Wet Rot, Dry Rot, and Bacteria

- 1) Presence, growth, proliferation, spread or any activity of "fungi", wet or dry rot or bacteria. But if "fungi", wet or dry rot or bacteria results in a "specified cause of loss", we will pay for the "loss" caused by that "specified cause of loss".

- 2) This exclusion does not apply:
 - a) When "fungi", wet or dry rot or bacteria results from fire or lightning; or
 - b) To the extent that coverage is provided in **SECTION A. COVERAGE, 5. Coverage Extensions, g. "Fungi", Wet Rot, Dry Rot and Bacteria - Limited Coverage** with respect to "loss" from a cause of loss other than fire or lightning.

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

- (2) We will not pay for "loss" caused by or resulting from any of the following:

(a) Electrical Current

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.

However, if fire results, we will pay for "loss" caused by that fire.

(b) Delay or Loss of Use

Delay, loss of use or loss of market.

(c) Smoke, Vapor, Gas

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

(d) Miscellaneous Causes 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. However, if mechanical breakdown results in elevator collision, we will pay for that portion of "loss" caused by that elevator collision; or
- 7) The following causes of loss to personal property:
 - a) Marring or scratching;
 - b) Except as provided in **SECTION A. COVERAGE, 4. Additional Coverages, a. Change in Temperature or Humidity** and **5. Coverage Extensions, q. Utility Services**;
 - i) Dampness or dryness of atmosphere; and
 - ii) Changes in or extremes of temperature.

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

(e) Explosion of Steam Apparatus

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

(f) Water Seepage

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

(g) Freezing of Plumbing

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

- 1) You did your best to maintain heat in the building or structure; or
- 2) You drained the equipment and shut off the supply if the heat was not maintained.

(h) Dishonest or Criminal Acts

Dishonest or criminal acts (including theft) by you, any of your partners, members (if a limited liability company), officers, managers, employees (including leased workers or temporary 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 applies whether or not an act occurs during the hours of operation.

This **Dishonest or Criminal Acts** exclusion does not apply to acts of destruction by your employees (including leased workers or temporary employees) or by authorized representatives; except theft by employees (including leased workers or temporary employees) is not covered.

(i) Voluntary Parting Under 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.

(j) Exposure to Weather

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

(k) Collapse

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

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

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

This exclusion **Collapse** does not apply:

- 1) To the extent that coverage is provided under the **SECTION A. COVERAGE, 5. Coverage Extensions, c. Collapse**; or
- 2) To collapse caused by one or more of the following:

- a) The "specified causes of loss";
- b) Breakage of building glass;
- c) Weight of rain that collects on a roof; or
- d) Weight of people or personal property.

(l) Pollutants

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

This exclusion does not apply to "loss" to glass caused by chemicals applied to the glass.

m) Loss or Damage to Product

We will not pay for "loss" to Covered Property consisting of 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 "loss" caused by that Covered Cause of Loss.

(n) 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".

- (3)** We will not pay for "loss" caused by or resulting from any of the following in Paragraphs **(3)(a)** through **(3)(c)**. However, if an excluded cause of loss that is listed in Paragraphs **(3)(a)** through **(3)(c)** results in a Covered Cause of Loss, we will pay for that portion of "loss" 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 **SECTION A. COVERAGE, 3. Covered Causes of Loss, b. Exclusions, (1)(a)** through **(1)(h)** to produce the "loss".

(b) Acts or Decisions

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

(c) Defects, Errors, and Omissions

- 1)** An act, error, or omission (negligent or not) relating to:

- a) Land use;
- b) Design, specifications, construction, workmanship;
- c) Planning, zoning, development, surveying, siting, grading, compaction; or
- d) Maintenance, installation, renovation, repair, or remodeling

of part or all of any property on or off the "premises";

- 2)** A defect, weakness, inadequacy, fault, or unsoundness in materials used in construction or repair of part or all of any property on or off the "premises"; or

- 3)** The cost to make good any error in design.

(4) Special Exclusions

The Special Exclusions apply only to **SECTION A. COVERAGE, 5. Coverage Extensions, b. Business Income and Extra Expense**; and if attached to this policy, the following coverage forms: **BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM, BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM, and EXTRA EXPENSE COVERAGE FORM.**

We will not pay for:

(a) Any "loss" caused by or resulting from:

- 1) Damage or destruction of "finished stock"; or
- 2) The time required to reproduce "finished stock".

This Exclusion (4)(a) does not apply to Extra Expense.

(b) Any "loss" caused by or resulting from damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.

(c) Any increase of "loss" caused by or resulting from:

- 1) 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
- 2) Suspension, lapse or cancellation of any license, lease or contract. However, if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such "loss" that affects your "Business Income" during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage and the Extended Period of Indemnity Optional Coverage or any variation of these.

(d) Any Extra Expense caused by or resulting from suspension, lapse

or cancellation of any license, lease or contract beyond the "period of restoration".

(e) Any other indirect "loss".

c. Limitations

The following limitations apply to all policy forms and endorsements shown on the **COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS**, unless otherwise stated:

(1) Limitations - Various Types of Property

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

(a) Steam Apparatus

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" to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

(b) Hot Water Boilers

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

(c) Building Interiors

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

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

snow, sleet or ice on the building or structure.

(d) Theft of Building Materials

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

However, this limitation does not apply to:

- 1) Building materials and supplies held for sale by you; or
- 2) "Business Income" coverage or Extra Expense coverage.

(e) Missing Property

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

(f) Transferred Property

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

(g) Vegetative Roofs

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

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

(2) Limitations - Various Property for Specified Causes

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

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

- (b) Contractors equipment, machinery and tools owned by you or entrusted to you, provided such property is Covered Property.

However, this limitation does not apply:

- 1) If the property is located on or within 1,000 feet of the "premises"; or
- 2) To Business Income coverage or to Extra Expense coverage.

(3) Limitation - Personal Property Theft

This Limitation does not apply to "Business Income" coverage or to Extra Expense coverage. For each category described in Paragraph **c.(3)(a)** through **(3)(d)** below, the most we will pay for "loss" in any one occurrence of theft to all property in that category, regardless of the types or number of articles for that category that are lost or damaged in that occurrence, are the following special limits:

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

These special limits are not additional Limits of Insurance.

(4) Limitation - System or Appliance Defects

- (a) We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes; and
- (b) We will not pay to replace the substance that escapes as described in Paragraph **c.(4)(a)** above.

But we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage results in discharge of any substance from an automatic fire protection system, or is directly caused by freezing.

However, this Limitation **c.(4)(a)** does not apply to "Business Income" Coverage or to Extra Expense Coverage.

4. **Additional Coverages**

Unless stated otherwise, **SECTION C. DEDUCTIBLE** does not apply to Paragraph 4. **Additional Coverages**.

Unless stated otherwise, these Paragraph 4. **Additional Coverages** apply on a per location basis.

a. **Change in Temperature or Humidity**

We will pay for direct "loss" to your covered Business Personal Property caused by a change in temperature or humidity or contamination by refrigerant resulting from damage by a Covered Cause of Loss to equipment used for refrigerating, cooling, humidifying, dehumidifying, air conditioning, heating, generating or converting power (including their connections and supply or transmission lines and pipes) when located on the "premises".

This Coverage is included within the Limits of Insurance shown in the Declarations.

b. **Debris Removal**

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

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

- (a) Extract "pollutants" from land or water;
- (b) Remove, restore or replace polluted land or water;
- (c) Remove debris of property of yours that is not insured under this Coverage Part, or property in your possession that is not Covered Property;

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

(e) Remove any property that is Property Not Covered, including property addressed under **5. Coverage Extensions, k. Outdoor Property**.

(f) Remove property of others of a type that would not be Covered Property under this Coverage Part;

(g) Remove deposits of mud or earth from the grounds of the "premises".

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

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

(b) Subject to Paragraph **b.(3)(a)**, 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 "loss" to the Covered Property that has sustained "loss".

(4) We will pay up to an additional \$10,000 for debris removal expense for each "premises", in any one occurrence of direct "loss" 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 "loss" exceeds the Limit of Insurance on the Covered Property that has sustained "loss".

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

Therefore, if Paragraph **b.(4)(a)** and/or **(4)(b)** apply, our total payment for direct

"loss" and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained "loss", plus \$10,000.

(5) Examples

The following examples assume that there is no coinsurance penalty.

Example #1

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

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 (\$80,000 - \$500)	\$79,500
Debris Removal Expense	\$30,000
Debris Removal Expense Payable	
Basic Amount	\$10,500
Additional Amount	\$10,000

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 (\$30,000) exceeds 25% of the "loss" payable plus the deductible (\$30,000 is 37.5% of \$80,000), and because the sum of the "loss" payable and debris removal expense (\$79,500 + \$30,000 = \$109,500) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$10,000, the maximum payable under Paragraph (4). Thus the total payable for debris removal ex-

pense in this example is \$20,500; \$9,500 of the debris removal expense is not covered.

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 \$5,000 in any one occurrence for your liability, which is determined prior to the direct "loss", for fire department service charges:

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

Such limit is the most we will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed. This Coverage is in addition to the Limits of Insurance shown in the Declarations.

d. Fire Protection Equipment Recharge

- (1) We will pay for the expenses you incur to recharge your automatic fire suppression system or portable fire extinguishers when the equipment is discharged:
 - (a) To combat a covered fire to which this insurance applies;
 - (b) As a result of another covered Cause of Loss other than fire; or
 - (c) As a result of an accidental discharge.
- (2) We will not pay your expenses to recharge fire protection equipment as a result of a discharge during testing or installation.
- (3) If it is less expensive to do so, we will pay your costs to replace your automatic fire suppression system or portable fire extinguishers rather than recharge that equipment.

The most we will pay in any one occurrence under this Additional Coverage is \$25,000. This Coverage is in addition to the Limits of Insurance shown in the Declarations.

e. Inventory or Appraisal

- (1) We will pay the necessary expenses you incur to prepare claim information as required by this Coverage Part. Expenses must result from:
 - (a) Taking inventories;
 - (b) Making appraisals; and

- (c) Preparing a statement of loss and other supporting exhibits.
- (2) We will not pay for any expenses:
 - (a) Incurred to prove that "loss" is covered;
 - (b) Incurred under **SECTION D. LOSS CONDITIONS, 2. Appraisal**;
 - (c) Incurred for examinations under oath;
 - (d) Billed by and payable to independent or public adjusters; or
 - (e) To prepare claims not covered by this Coverage Part.

The most we will pay for any one occurrence under this Additional Coverage is \$10,000. This Coverage is in addition to the shown in the Declarations.

f. Key and Lock Expense

- (1) If a key or master key is lost, stolen, or damaged, we will pay for:
 - (a) The actual expense of the new keys; and
 - (b) The adjustment of locks to accept new keys; or
 - (c) If required, new locks, including the expense of their installation;
 but only for locks at buildings or structures covered by this Coverage Part.
- (2) This Coverage does not apply to keys that were given to former employees.

The most we will pay in any one occurrence under this Additional Coverage is Limit of Insurance \$1,000. This Coverage is in addition to the Limit of Insurance shown in the Declarations.

g. Ordinance or Law

- (1) If a covered building or structure sustains direct "loss" from a Covered Cause of Loss, resulting in the enforcement of or compliance with an ordinance or law that is in force at the time of "loss" and regulates the demolition, construction or repair of buildings or structures, or establishes zoning or land use requirements at the "premises", then subject to **SECTION D, LOSS CONDITIONS, 4. Loss Payment**, we will pay:

(a) Loss of Use of Undamaged Parts of Buildings

The costs you incur to rebuild at the same "premises" any undamaged portion of your building or structure caused by enforcement of or compliance with an ordinance or law requiring demolition of undamaged parts of the same building or structure. We will only pay the costs to satisfy 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.

(b) Demolition Costs

The costs you incur to demolish and clear the site of undamaged parts of the same building or structure as a result of Paragraph **g.(1)(a)** above.

(c) Increased Costs of Construction

- 1) For buildings or structures to which **SECTION F. OPTIONAL COVERAGES, 3. Replacement Cost** applies, the increased costs to comply with the minimum standards of an ordinance or law to:
 - a) Repair or reconstruct damaged portions of that building or structure; and
 - b) Reconstruct or remodel undamaged portions of that building or structure whether or not demolition is required;

However, this increased cost of construction applies only if the building or structure is repaired, reconstructed or remodeled and is intended for occupancy similar to the building or structure it replaces, unless such occupancy is not permitted by zoning or land use ordinance or law.

- 2) For this Paragraph **g.(1)(c)** only, the increased costs to repair or reconstruct the following:

- a) The cost of excavations, grading, backfilling and filling;
- b) Foundation of the building;
- c) Pilings;
- d) Underground pipes, flues and drains.

The items listed in Paragraphs **g.2a)** through **g.2d)** above are deleted from **SECTION A. COVERAGE, 2. Property Not Covered;**

(2) We will not pay for:

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

(3) We will not pay for "loss" due to any ordinance or law that:

- (a) You were required to comply with before the "loss", even if the building or structure was undamaged; and
- (b) With which you failed to comply.

(4) The terms of this Additional Coverage apply separately to each building or structure covered by this Coverage Part.

The most we will pay under this Additional Coverage is \$10,000 per building. This is in addition to the Limit of Insurance shown in the Declarations for the building suffering "loss".

h. Pollutant Clean Up and Removal

We will pay your expenses to extract "pollutants" from land or water at the "premises" if the discharge, dispersal, seepage,

migration, release, escape or emission of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the "coverage term". The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

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

The most we will pay under this Additional Coverage for each "premises" is \$10,000 for the sum of all covered expenses arising out of Covered Causes of Loss during each "coverage term". This Coverage is in addition to the Limit of Insurance shown in the Declarations.

i. Preservation of Property

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

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the "loss" occurs within 60 days after the property is first moved.

This Coverage is included within Limit of Insurance shown in the Declarations for such Covered Property.

j. Rewards

We will pay to provide a reward for information that leads to a conviction for arson, theft, vandalism, or burglary. The conviction must involve a covered "loss" caused by arson, theft, vandalism, or burglary.

The most we will pay for "loss" in any one occurrence under this Additional Coverage is \$10,000. This Coverage is in addition to the Limit of Insurance shown in the Declarations.

5. Coverage Extensions

Unless amended within a particular Coverage Extension, each Extension applies to property located in or on the building described in the Declarations or in the open (or in a vehicle or portable storage unit) within 1,000 feet of the "premises".

The limits applicable to the Coverage Extensions are in addition to the Limit of Insurance shown in the Property Declarations. Limits of Insurance specified in these Extensions apply per location unless stated otherwise.

SECTION E. ADDITIONAL CONDITIONS, 1. Coinsurance, does not apply to these Coverage Extensions.

a. Accounts Receivable

SECTION C. DEDUCTIBLE does not apply to this Coverage Extension.

(1) When you sustain direct "loss" to your accounts receivable records caused by a Covered Cause of Loss, we will pay:

- (a) All amounts due from your customers that you are unable to collect;
- (b) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
- (c) Collection expenses in excess of your normal collection expenses that are made necessary by the "loss"; and
- (d) Other reasonable expenses that you incur to re-establish your records of accounts receivable.

(2) Coverage does not apply to:

- (a) Records of accounts receivable in storage away from the "premises"; or
- (b) Contraband, or property in the course of illegal transportation or trade.

(3) We will extend coverage to include:

(a) Removal

If you give us written notice within 30 days of removal of your records of accounts receivable because of imminent danger of direct "loss" from a Covered Cause of Loss, we will pay for "loss" while they are:

- 1) At a safe place away from your "premises"; or
- 2) Being taken to and returned from that place.

This Removal coverage is included within the Limit of Insurance applicable to this Coverage Extension.

(b) Away From Your Premises

The most we will pay in any one occurrence is \$5,000, regardless of the number of locations, for "loss" caused by a Covered Cause of Loss to Accounts Receivable while they are away from your "premises".

This Away From Premises Limit is in addition to the Limit of Insurance applicable to this Coverage Extension.

(4) **SECTION A. COVERAGE, 3. Covered Causes of Loss, b. Exclusions** does not apply to this Coverage Extension, except as follows:

- (a) **Exclusion (1)(c) Governmental Action;**
- (b) **Exclusion (1)(d) Nuclear Hazard;**
- (c) **Exclusion (1)(f) War and Military Action.**

(5) In addition to Paragraph **a.(4)** of this Coverage Extension, we will not pay for "loss" resulting from any of the following:

(a) Dishonest or criminal acts by:

- 1) You, your partners, employees, directors, trustees or authorized representatives;
- 2) A manager or a member if you are a limited liability company;
- 3) Anyone else with an interest in the records of accounts receivable, or their employees or authorized representatives; or
- 4) Anyone else entrusted with the records of accounts receivable for any purpose.

This Paragraph **a.(5)(a)** applies whether or not such persons are acting alone or in collusion with other persons or such act occurs during the hours of employment.

However, this Paragraph **a.(5)(a)** does not apply to dishonest acts of a carrier for hire or to acts of destruction by your employees. However, theft by employees is still not covered.

(b) 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.

- (c) Bookkeeping, accounting or billing errors or omissions.
- (d) Electrical or magnetic injury, disturbance or erasure of "electronic data" that is caused by or results from:
 - 1) Programming errors or faulty machine instructions;
 - 2) Faulty installation or maintenance of data processing equipment or component parts;
 - 3) An occurrence that took place more than 100 feet from your "premises"; or
 - 4) Interruption of electrical power supply, power surge, blackout or brownout if the cause of such occurrence took place more than 100 feet from your "premises".

But we will pay for direct "loss" caused by lightning.

- (e) Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- (f) A "loss" that requires any audit of records or any inventory computation to prove its factual existence.

(6) Determination of Receivables:

- (a) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of direct "loss", the following method will be used:
 - 1) Determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the direct "loss" occurs; and
 - 2) Adjust that total for any normal fluctuations in the amount of accounts receiv-

able for the month in which the direct "loss" occurred or for any demonstrated variance from the average for that month.

- (b) The following will be deducted from the total amount of accounts receivable, however that amount is established:
 - 1) The amount of the accounts for which there is no direct "loss"; and
 - 2) The amount of the accounts that you are able to re-establish or collect; and
 - 3) An amount to allow for probable bad debts that you are normally unable to collect; and
 - 4) All unearned interest and service charges.

The most we will pay for "loss" in any one occurrence under this Coverage Extension is \$25,000.

b. Business Income and Extra Expense

SECTION C. DEDUCTIBLE does not apply to this Coverage Extension.

(1) Business Income

We will pay for the actual loss of "Business Income" and "Rental Value" you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct "loss" to property at a "premises" caused by or resulting from any Covered Cause of Loss. With respect to "loss" to personal property in the open or personal property in a vehicle or portable storage unit, the "premises" include the area within 1,000 feet of the building or 1,000 feet of the "premises", whichever is greater.

With respect to the requirements of the preceding paragraph, if you are a tenant and occupy only part of the site at which the "premises" are located, for the purpose of this Coverage Extension only, your "premises" is the portion of the building that you rent, lease or occupy, including:

- (a) Any area within the building or on the site at which the "premises" are located if that area ser-

vices or is used to gain access to the "premises"; and

- (b) Your personal property in the open (or in a vehicle or portable storage unit) within 1,000 feet of the building or 1,000 feet of the "premises", whichever is greater.

(2) Extra Expense

- (a) We will pay Extra Expense you sustain during the "period of restoration". Extra Expense means necessary expenses you sustain (as described in Paragraphs **(2)(b)**, **(c)** and **(d)**) during the "period of restoration" that you would not have sustained if there had been no direct "loss" to property caused by or resulting from a Covered Cause of Loss.
- (b) If these expenses reduce the otherwise payable "Business Income" "loss", we will pay expenses (other than the expense to repair or replace property as described in Paragraph **(2)(c)**) to:
 - 1) Avoid or minimize the "suspension" of business and to continue "operations" either:
 - a) At the "premises"; or
 - b) At replacement "premises" or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location; or
 - 2) Minimize the "suspension" of business if you cannot continue "operations".
- (c) We will also pay expenses to:
 - 1) Repair or replace property; or
 - 2) Research, replace or restore the lost information on damaged "valuable papers and records";

but only to the extent this payment reduces the otherwise payable "Business Income" "loss". If any property obtained for temporary use during the "period of restoration" remains after the resumption of normal

"operations", the amount we will pay under this Coverage will be reduced by the salvage value of that property.

- (d) Extra Expense does not apply to "loss" to Covered Property as described in the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**.

(3) Civil Authority

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

- (a) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage; and
- (b) 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.

This Civil Authority coverage for "Business Income" will begin immediately after the time of that action and will apply for a period of up to 30 days from the date of that action.

This Civil Authority coverage for Extra Expense will begin immediately after the time of that action and will end:

- 1) 30 consecutive days after the time of that action; or
- 2) When your "Business Income" coverage ends;

whichever is later.

(4) Alterations and New Buildings

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

- (a) New buildings or structures, whether complete or under construction;
- (b) Alterations or additions to existing buildings or structures; and
- (c) Machinery, equipment, supplies or building materials located on or within 1,000 feet of the "premises" and:
 - 1) Used in the construction, alterations or additions; or
 - 2) Incidental to the occupancy of new buildings.

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

(5) Newly Purchased or Leased Locations

We will pay the actual loss of "Business Income" you sustain and Extra Expense you incur due to direct "loss" to Covered Property at any location you purchase or lease caused by or resulting from a Covered Cause of Loss. This coverage for the Newly Purchased or Leased Locations will end when any of the following first occurs:

- (a) This policy expires;
- (b) You report values to us;
- (c) 90 days pass from the date you acquire or begin to construct the Covered Property.

(6) Extended Business Income

- (a) For "Business Income" Other Than "Rental Value", if the necessary "suspension" of your "operations" produces a "Business Income" or Extra Expense "loss" payable under this Coverage Part, we will pay for the actual loss of "Business Income" you sustain and Extra Expense you incur during the period that:
 - 1) Begins on the date property (except "finished stock") is actually repaired, rebuilt or replaced and "operations" are resumed; and
 - 2) Ends on the earlier of:

- a) 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 "loss" had occurred; or
- b) 60 consecutive days after the date determined in **b.(6)(a)1)** above.

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

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

- (b) For "Rental Value", if the necessary "suspension" of your "operations" produces a "Rental Value" "loss" payable under this Coverage Part, we will pay for the actual loss of "Rental Value" you incur during the period that:
 - 1) Begins on the date property is actually repaired, rebuilt or replaced and tenantability is restored; and
 - 2) Ends on the earlier of:
 - a) The date you could restore tenant occupancy, with reasonable speed, to the level which would generate the "Rental Value" that would have existed if no direct "loss" had occurred; or
 - b) 60 consecutive days after the date determined in **b.(6)(b)1)** above.

However, Extended Business Income does not apply to loss of "Rental Value" incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of

Loss in the area where the "premises" are located.

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

(7) Interruption of Computer Operations

- (a) Subject to all provisions of this Coverage Extension, 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" as described in **SECTION A. COVERAGE, 5. Coverage Extensions, d. Electronic Data.**
- (b) Paragraph **b.(7)(a)** 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 Paragraph **b.(7)(c)** has not been exhausted.
- (c) The most we will pay under Paragraph **b.(7)** of this Coverage Extension is \$2,500 for all "loss" sustained and expense incurred in the "coverage term", regardless of the number of interruptions or the number of "premises" or computer systems involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for subsequent interruptions in that "coverage term". A balance remaining at the end of a "coverage term" does not carry over to the next "coverage term". With respect to an interruption that begins in a "coverage term" and continues or results in additional "loss" or expense in a subsequent "coverage term", all "loss" and expense is deemed to be sustained in the "coverage term" in which the interruption began.

This \$2,500 coverage for Interruption of Computer Operations does not increase the Limit of Insurance provided in this Coverage Extension.

The most we will pay for "loss" in any one occurrence under this "Business Income" and Extra Expense Coverage Extension is \$25,000.

c. Collapse

The coverage provided under this Coverage Extension applies only to an abrupt collapse as described and limited in Paragraphs **c.(1)** through **c.(7)** below.

- (1) For the purpose of this Coverage Extension only, abrupt collapse means an abrupt falling down or caving in of a building or structure or any part of a building or structure with the result that the building or structure or part of the building or structure cannot be occupied for its intended purpose.
- (2) We will pay for direct "loss" to Covered Property, caused by abrupt collapse of a building or structure or any part of a building or structure insured under this Coverage Part, or that contains Covered property insured under this Coverage Part, if such collapse is caused by one or more of the following:
 - (a) Building or structure decay that is hidden from view, unless the presence of such decay is known or should reasonably have been 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 or should reasonably have been 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 materials or methods in construction, remodeling, or renovation if the abrupt collapse occurs after construction, remodeling, or renovation is complete but only if the collapse is caused in part by:
 - 1) A cause of loss listed in Paragraph **c.(2)(a)** or **c.(2)(b)** of this Coverage Extension;
 - 2) One or more of the "specified causes of loss";

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

if an abrupt collapse is caused by a cause of loss listed in Paragraph **c.(2)(a)** through **c.(2)(d)**, we will pay for "loss" to that property only if:

- (a) Such "loss" is a direct result of the abrupt collapse of a building or structure insured under this Coverage Part; and
 - (b) The property is Covered Property under this Coverage Part.
- (5) If personal property abruptly falls down or caves in and such collapse

is **not** the result of abrupt collapse of a building or structure, we will pay for direct "loss" 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 **c.(2)(a)** through **c.(2)(d)** of this Coverage Extension;
- (b) The personal property that collapses is inside a building; and
- (c) The property that collapses is not of a kind listed in Paragraph **c.(4)** above of this Coverage Extension, regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph **c.(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 Coverage Extension 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 Coverage Extension shall not increase the Limit of Insurance provided in this Coverage Part.
- (8) The term Covered Cause of Loss includes Collapse as described and limited in Paragraphs **c.(1)** through **c.(7)**.

d. Electronic Data

- (1) This Coverage Extension does not apply to your "stock" of prepackaged software, or to "electronic data" which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system.
- (2) We will pay for the cost to replace or restore "electronic data" which has been destroyed or corrupted by a Covered Cause of Loss that applies to **SECTION A. COVERAGE, 1. Covered Property, d. Business Personal Property**. To the extent that "electronic data" is not replaced or restored, the "loss" will be valued at the cost of replacement of the me-

dia on which the "electronic data" was stored with blank media of substantially identical type.

- (3) For the purposes of this Coverage Extension only, Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including "electronic data") or a network to which it is connected, that is designed to damage or destroy any part of the system or disrupt its normal operation. However, there is no coverage for "loss" caused by or resulting from manipulation of a computer system (including "electronic data") by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system or "electronic data".
- (4) The most we will pay for all direct "loss" under this Coverage Extension, regardless of the number of "premises" or computer systems involved, is \$2,500. This limit is the most we will pay for the total of all direct "loss" arising out of all occurrences that take place in the "coverage term". If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent "loss" sustained in the "coverage term". A balance remaining in a "coverage term" does not carry over to the next "coverage term". With respect to an occurrence which begins in the "coverage term" and continues or results in additional "loss" in a subsequent "coverage term", all "loss" is deemed to be sustained in the "coverage term" in which the occurrence began.

e. Exhibitions, Fairs or Trade Shows

We will pay for direct "loss" caused by a Covered Cause of Loss to your Covered Property, including covered property of others, while it is located at exhibitions, fairs or trade shows. This Coverage Extension does not apply while Covered Property is in transit to or from the exhibition, fair or trade show.

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

The Limit of Insurance provided under this Coverage Extension does not apply per location.

f. Fences

We will pay for direct "loss" caused by a Covered Cause of Loss to your outdoor fences that are located within 1,000 feet of the "premises" and not otherwise insured as Covered Property in this Coverage Part.

The most we will pay for "loss" in any one occurrence under this Coverage Extension is \$5,000.

g. Fungi, Wet Rot, Dry Rot, and Bacteria - Limited Coverage

(1) The coverage described in Paragraphs **g.(2)** and **g.(3)** of this Coverage Extension only apply when the "fungi", wet or dry rot or bacteria is the result of a Covered Cause of Loss that occurs during the "coverage term" 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.

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

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

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

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

(3) For the coverage described under Paragraph **g.(2)** of this Coverage Extension, the most we will pay for "loss", regardless of the number of claims, is \$15,000. This limit is the most we will pay for the total of all "loss" arising out of all occurrences that take place in the "coverage term". With respect to a particular occurrence of "loss" which results in "fungi", wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the "fungi", wet or dry rot or bacteria continues to be pre-

sent or active, or recurs, in a subsequent "coverage term".

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

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

- (5) The terms of this Coverage Extension do not increase or reduce the coverage provided under:

(a) **SECTION A. COVERAGE, 5. Coverage Extensions, c. Collapse;**

(b) **SECTION A. COVERAGE, 5. Coverage Extensions, s. Water, Other Liquids, Powder or Molten Material Damage**

- (6) The following (6)(a) or (6)(b) apply only if "Business Income", "Rental Value", or Extra Expense Coverage applies to the "premises" and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable "Business Income", "Rental Value", or Extra Expense Coverage.

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

(b) If a covered "suspension" of "operations" was caused by "loss" other than "fungi", wet or dry rot or bacteria but remedia-

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

- (7) This Coverage Extension does not apply to lawns, trees, plants or shrubs that are part of any vegetative roof.

h. Glass

- (1) If a Covered Cause of Loss occurs to building glass that is Covered Property, we will also pay necessary expenses you incur to:

(a) Put up temporary plates or board up openings if repair or replacement of damaged glass is delayed;

(b) Repair or replace encasing frames;

(c) Remove or replace obstructions (except expenses to remove or replace window displays); and

(d) Repair or replace alarm tapes.

- (2) If you are a tenant at a covered "premises" and:

(a) The building you occupy is not Covered Property; and

(b) You are legally liable for direct "loss" to the building glass in that building;

such building glass, for the purposes of this Paragraph h.(2), is Covered Property. The most we will pay for "loss" in any one occurrence is \$5,000. This building glass is subject to the building deductible as described in **SECTION C. DEDUCTIBLE**.

- (3) For the purposes of this Coverage Extension only, **SECTION A. COVERAGE, 3. Covered Causes of Loss, b. Exclusions** does not apply except as follows:

(a) **Exclusion (1)(b) Earth Movement;**

(b) **Exclusion (1)(c) Governmental Action;**

- (c) **Exclusion (1)(d) Nuclear Hazard;**
- (d) **Exclusion (1)(f) War and Military Action;**
- (e) **Exclusion (2)(d)1** Wear and tear; and
- (f) As listed in **Exclusion (2)(d)2**: Rust or other corrosion, hidden or latent defect or any quality in property that causes it to damage or destroy itself.

i. **Newly Purchased, Leased or Constructed Property**

(1) Buildings

If buildings are Covered Property in this Coverage Part, we will pay for direct "loss" caused by a Covered Cause of Loss to:

- (a) Your new buildings or additions while being built on the "premises";
- (b) Buildings you newly purchase or become newly required to insure by written contract that are:
 - 1) Intended for use by you as a warehouse; or
 - 2) Similarly used by you as buildings insured under this Coverage Part.

The most we will pay for "loss" in any one occurrence to a building under this Coverage Extension is 1,000,000 for each building.

(2) Business Personal Property

- (a) If business personal property is Covered Property in this Coverage Part, we will pay for direct "loss" caused by a Covered Cause of Loss to business personal property you newly purchase or are required to insure by written contract:
 - 1) While located at buildings described in Paragraph **a.(1)** of this Coverage Extension; or
 - 2) While located in a leased building or space therein that you are not required to insure. Such lease must be for a period of 12 consecutive months or longer.

- (b) Paragraph **a.(2)(a)** of this Coverage Extension does not apply to:

- 1) Any business personal property covered under **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions, e. Exhibitions, Fairs, or Trade Shows or m. Property Off Premises;**
- 2) Any business personal property that is covered under **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions, p. Transportation** or is otherwise considered to be in-transit to or from a "premises".
- 3) Business personal property of others that is temporarily in your possession in the course of installing or performing work on such property, or temporarily in your possession in the course of your manufacturing or wholesaling activities.

The most we will pay for "loss" in any one occurrence to your Business Personal Property under this Coverage Extension is \$500,000 at each building.

(3) Period of Coverage

Coverage provided under this Coverage Extension will end when any of the following first occurs:

- (a) This policy expires,
- (b) For buildings described in Paragraph **(1)(a)** of this Coverage Extension, 90 days pass from the date you begin construction on that part of the building that would qualify as Covered Property;
- (c) For business property described in Paragraph **(1)(b)** and Paragraph **(2)(a)1**, 90 days after your purchase or lease;
- (d) For business personal property described in Paragraph **(2)(a)2**, 90 days from the effective date

of the lease of the building space in the building; or

(e) You report values to us.

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

j. Nonowned Building Damage

If you are a tenant at a covered "premises" and:

- (1) The building you occupy is not Covered Property; and
- (2) You are legally liable for direct "loss" to that building;

We will pay for direct "loss" to that building caused by burglary, robbery, theft or attempted theft.

This Coverage Extension does not apply to:

- (1) Glass, including lettering and ornamentation, and also necessary:
 - (a) Repair or replacement of encasing frames or alarm tapes; and
 - (b) Expenses incurred to board up openings or remove or replace obstruction.
- (2) Building materials and equipment removed from the "premises".

This Coverage Extension does not apply if you have purchased other insurance in your name on the building you occupy as required by the lease.

The most we will pay for "loss" in any one occurrence under this Coverage Extension is \$25,000.

k. Outdoor Property

We will pay for direct "loss" caused by a Covered Cause of Loss to the following types of your Covered Property:

- (1) Radio antennas, television antennas or satellite dishes (including their lead-in wiring, masts and towers);
- (2) Trees, shrubs or plants (other than trees, shrubs or plants which are "stock" or part of a vegetative roof), including debris removal ; and
- (3) If you are a tenant, to your awnings that are attached to a building you occupy;

but only if caused by or resulting from any of the following causes of loss if they are included as Covered Causes of Loss under this Coverage Part:

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

We will pay for the debris removal expenses of the above type property that are not your Covered Property if such debris is on your "premises" due to the Covered Causes of Loss described in this Coverage Extension. If you are a tenant, we do not pay debris removal expenses for trees, plants or shrubs owned by the landlord or owner of the building you occupy.

No other coverage for debris removal expenses provided in this Coverage Part applies to this Outdoor Property Coverage Extension.

The most we will pay for "loss" in any one occurrence under this Coverage Extension is \$5,000, but not more than \$1,000 for any one tree, shrub or plant.

l. Personal Effects

If business personal property is Covered Property in this Coverage Part, we will pay for direct "loss" caused by a Covered Cause of Loss to personal effects owned by:

- (1) You, your officers, or your partners, or if you are a limited liability company, your members or your managers; or
- (2) Your employees (including temporary and leased employees), including tools owned by your employees that are used in your business. However, employee tools are not covered for theft.

This Coverage Extension does not apply to "money" or "securities".

If theft is included as a Covered Cause of Loss under this Coverage Part, then this Coverage Extension has a \$500 per occurrence limitation for direct "loss" by theft.

The most we will pay for "loss" in any one occurrence under this Coverage Extension is \$10,000.

m. Property Off Premises

(1) We will pay for direct "loss" caused by a Covered Cause of Loss to your Covered Property, including covered personal property of others, while it is away from the "premises", if it is:

- (a) Temporarily at a location you do not own, lease or operate; or
- (b) In storage at a location you lease, provided the lease was executed for the first time after the beginning of the current "coverage term".

(2) This Coverage Extension does not apply to Covered Property at exhibitions, fairs, trade show, or in transit.

The most we will pay for "loss" in any one occurrence under this Coverage Extension is \$10,000.

The Limit of Insurance provided by this Coverage Extension does not apply per location.

n. Signs

We will pay for direct "loss" caused by a Covered Cause of Loss, including debris removal expense, to signs not otherwise insured by this Coverage Part.

The most we will pay for "loss" in any one occurrence under this Coverage Extension is \$5,000.

The Limit of Insurance provided by this Coverage Extension does not apply per location.

o. Trailers (Nonowned Detached)

(1) If business personal property is Covered Property in this Coverage Part, we will pay for direct "loss" caused by a Covered Cause of Loss to trailers that you do not own, provided that:

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

(2) We will not pay for any direct "loss" that occurs:

(a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;

(b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.

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

(4) This Coverage Extension does not apply to any property inside or on the trailer.

The most we will pay for "loss" in any one occurrence under this Coverage Extension is \$5,000.

p. Transportation

We will pay for direct "loss" caused by a Covered Cause of Loss to your Covered Property, including covered personal property of others while it is in or on a vehicle, including loading and unloading of the property.

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

The Limit of Insurance provided by this Coverage Extension does not apply per location.

q. Utility Services

We will pay for:

(1) Direct "loss" to Covered Property at your "premises" except for direct "loss" resulting from the partial or complete failure of Wastewater Removal Services; and

(2) Loss of "Business Income" you sustain and Extra Expenses you incur as provided in **SECTION A. COVERAGE, 5. Coverage Extensions, b. Business Income and Extra Expense;**

caused by or resulting from the partial or complete failure of utility services to the "premises".

The partial or complete failure of the utility services listed below must be caused by direct "loss" caused by a Covered Cause of Loss to the following property:

(1) Power Supply Property, meaning the following types of property supplying

electricity, steam or natural gas to the "premises":

- (a) Utility generating plants;
 - (b) Switching stations;
 - (c) Substations;
 - (d) Transformers; and
 - (e) Transmission, distribution, service, or similar lines, excluding all such overhead lines of any type.
- (2) Water Supply Property, meaning the following types of property supplying water to the "premises":
- (a) Pumping stations; and
 - (b) Water mains.
- (3) Wastewater Removal Property, meaning a utility system for removing wastewater and sewage from the "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 Coverage Extension does not apply to interruption in service caused by or resulting from a discharge of water or sewage due to heavy rainfall or flooding.
- (4) Communication Supply Property, meaning property supplying communication services, including service relating to Internet access or access to any electronic, cellular or satellite network; telephone, radio, microwave or television services to the "premises", such as:
- (a) Communication transmission, distribution, service or similar lines, including fiber optic lines, excluding all such overhead lines of any type;
 - (b) Coaxial cables; and
 - (c) Microwave radio relays, excluding satellites.

This Coverage Extension does not apply to "loss" to "electronic data", including destruction or corruption of "electronic data".

The most we will pay for all direct "loss" and loss of "Business Income" and Extra Expense in any one occurrence is \$25,000.

r. **Valuable Papers and Records**

SECTION C. DEDUCTIBLE does not apply to this Coverage Extension.

- (1) Subject to Paragraph r.(3) of this Coverage Extension, we will pay necessary costs you incur to re-search, replace or restore lost or damaged information on "valuable papers and records" that are your property or the property of others in your care, custody or control; resulting from direct "loss" caused by a Covered Cause of Loss.
- (2) Coverage does not apply to:
- (a) Property that cannot be replaced with other property of like kind and quality;
 - (b) Property held as samples or for delivery after sale;
 - (c) Property in storage away from the "premises", except as provided in Paragraph r.(4)(b) of this Coverage Extension;
 - (d) Contraband, or property in the course of illegal transportation or trade;
 - (e) "Valuable papers and records" in the form of "electronic data", including the materials on which the "electronic data" is recorded.
- (3) The most we will pay for "loss" is the least of the following amounts:
- (a) The cost of reasonably restoring the damaged property to its condition immediately before the "loss";
 - (b) The cost of replacing the damaged property with substantially identical property; or
 - (c) The actual cash value of the damaged property at the time of "loss".

However, we will not pay for "loss" unless or until the damaged property is actually replaced or restored; and then only if such replacement or restoration occurs within 36 months from the date of direct "loss".

- (4) We will extend coverage to include:
- (a) **Removal**
If you give us written notice within 30 days of removal of your "valuable papers and records"

because of imminent danger of direct "loss" from a Covered Cause of Loss, we will pay for direct "loss" while they are:

- 1) At a safe place away from your "premises"; or
- 2) Being taken to and returned from that place.

This Removal coverage is included within the Limits of Insurance applicable to this Coverage Extension.

(b) Away From Your Premises

We will pay up to \$5,000 in any one occurrence, regardless of the number of locations, for direct "loss" caused by a Covered Cause of Loss to "valuable papers and records" while they are away from your "premises".

This Away From Premises limit is in addition to the Limit of Insurance applicable to this Coverage Extension.

(5) SECTION A. COVERAGE, 3. Covered Causes of Loss, b. Exclusions does not apply to this Coverage Extension except as follows:

- (a) **Exclusion (1)(c) Governmental Action;**
- (b) **Exclusion (1)(d) Nuclear Hazard; and**
- (c) **Exclusion (1)(f) War and Military Action.**

(6) In addition to Paragraph **r.(5)** of this Coverage Extension, we will not pay for direct "loss" resulting from any of the following:

- (a) Dishonest or criminal acts by:
 - 1) You, your partners, employees, directors, trustees or authorized representatives;
 - 2) A manager or a member if you are a limited liability company;
 - 3) Anyone else with an interest in the records of accounts receivable, or their employees or authorized representatives; or
 - 4) Anyone else entrusted with the records of accounts receivable for any purpose.

This Paragraph **r.(6)(a)** applies whether or not such persons are acting alone or in collusion with other persons or such act occurs during the hours of employment.

However, this Paragraph **r.(6)(a)** does not apply to dishonest acts of a carrier for hire or to acts of destruction by your employees. However, theft by employees is still not covered.

- (b) Errors or omissions in processing or copying. However, we will pay for that portion of direct "loss" caused by resulting fire or explosion if these causes of loss would be covered by this Coverage Part.
- (c) Electrical or magnetic injury, disturbance or erasure of electronic recordings. But we will pay for direct "loss" caused by lightning.
- (d) Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

The most we will pay for "loss" in any one occurrence is \$25,000.

s. Water Damage, Other Liquids, Powder or Molten Material Damage

If a covered direct "loss" to which this insurance applies was caused by or resulted from water or other liquid, powder or molten material damage, we will also pay the cost to tear out and replace any otherwise undamaged part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes.

SECTION B. LIMITS OF INSURANCE

The most we will pay for "loss" in any one occurrence is the applicable Limit of Insurance shown in the Declarations, except as amended in **SECTION A. COVERAGE, 3. Covered Causes of Loss, c. Limitations, 4. Additional Coverages, and 5. Coverage Extensions.**

SECTION C. DEDUCTIBLE

Except as otherwise provided; in any one occurrence of direct "loss" we will first reduce the amount of "loss" if required by **SECTION E. ADDITIONAL CONDITIONS, 1. Coinsurance** or **SECTION F. OPTIONAL COVERAGES, 1. Agreed Value.** If the adjusted amount of direct "loss" is less than or equal to the Deductible, we will not pay for that direct "loss". If the adjusted amount of direct "loss" exceeds the Deductible, we will then

subtract the Deductible from the adjusted amount of direct "loss", and will pay the resulting amount or the Limit of Insurance, whichever is less.

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

1. Deductible Examples

Example No. 1:

(This example assumes there is no coinsurance penalty as outlined in **SECTION E. ADDITIONAL CONDITIONS, 1. Coinsurance**).

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

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

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

$$\$60,100 - \$250 = \$59,850 \text{ "Loss" Payable - Bldg. 1}$$

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

$$\text{Total amount of "loss" payable: } \$59,850 + \$80,000 = \$139,850.$$

Example No. 2:

(This example also assumes there is no coinsurance penalty).

The Deductible and Limits of Insurance are the same as those in Example No. 1:

"Loss" to Bldg. 1: \$70,000 (Exceeds Limit of Insurance plus Deductible)

"Loss" to Bldg. 2: \$90,000 (Exceeds Limit of Insurance plus Deductible)

"Loss" Payable - Bldg. 1: \$60,000 (Limit of Insurance)

"Loss" Payable - Bldg. 2: \$80,000 (Limit of Insurance)

$$\text{Total amount of "loss" payable: } \$140,000.$$

2. Glass Deductible

When direct "loss" to the building you occupy only involves building glass, the Deductible for that "loss" will be the lesser of:

- a. \$500; or
- b. The Deductible shown in the Declarations for that Covered Property.

SECTION D. LOSS CONDITIONS

The following conditions apply in addition to the **COMMON POLICY CONDITIONS** and the **COMMERCIAL PROPERTY CONDITIONS**.

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

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

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

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

3. Duties in the Event of Loss or Damage

a. In the event of "loss" to Covered Property, you must see that the following are done in order for coverage to apply:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the "loss". Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the "loss" occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage. If feasible, set the damaged property aside and in the best possible order for examination. Keep a

record of your expenses necessary to protect the Covered Property for consideration in the settlement of the claim. This will not increase your limit of insurance. However, in no event will we pay for any subsequent "loss" resulting from a cause of loss that is not a Covered Cause of Loss.

- (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" 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) Submit 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) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

4. Loss Payment

- a. In the event of "loss" insured by this Coverage Part, 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.

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of **SECTION D. LOSS CONDITIONS, 7. Valuation** or any applicable provision that amends or supercedes this valuation condition.

- b. The cost of repair or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property, except as provided in **SECTION A. COVERAGE, 4. Additional Coverages, g. Ordinance or Law**.
- c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- d. We will not pay you more than your financial interest in the Covered Property.
- e. We may adjust "losses" with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- f. Our payment for "loss" to personal property of others and personal effects will only be for the account of the owner of the property.
- g. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- h. We will pay for insured "loss" within 30 days after we receive the sworn proof of loss if you have complied with all of the terms of this Coverage Part; and
 - (1) We have reached agreement with you on the amount of "loss"; or
 - (2) An appraisal award has been made.

i. **Loss Payment - Ordinance or Law.**

With respect to **SECTION A. COVERAGE, 4. Additional Coverages, g. Ordinance or Law:**

(1) **Loss of Use of Undamaged Parts of Building**

When there is a loss in value of an undamaged portion of a building or structure to which this coverage applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:

(a) If **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION F. OPTIONAL COVERAGES, 3. Replacement Cost** applies and the property is repaired or replaced, on the same "premises" 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 limit of insurance indicated in **SECTION A. COVERAGE, 4. Additional Coverages g. Ordinance or Law for Loss of Use of Undamaged Parts of Building** for the building that has suffered "loss".

(b) If **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION F. OPTIONAL COVERAGES, 3. Replacement Cost** applies and the property is not repaired or replaced, or if the Replacement Cost Coverage Option does not apply, we will not pay more than the lesser of:

- 1) The "actual cash value" of the building at the time of "loss"; or
- 2) The limit of insurance indicated in **SECTION A. COVERAGE, 4. Additional Coverages, g. Ordinance or Law for Loss of Use of Undamaged Parts of Building** for the building that has suffered "loss".

(2) Demolition Costs

Loss payment for Demolition Costs 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 "premises"; or

(b) The limit of insurance indicated in **SECTION A. COVERAGE, 4. Additional Coverages, g. Ordinance or Law for Demolition Costs** for the building that has suffered "loss".

(3) Increased Costs of Construction

Loss payment for **Increased Costs of Construction** will be determined as follows:

(a) We will not pay for the increased cost of construction until the property is actually repaired or replaced, at the same "premises" or another location and unless the repairs or replacement are made as soon as reasonably possible after the direct "loss", 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 lesser of:

- 1) The increased cost of construction at the same "premises"; or
- 2) The limit of insurance indicated in **SECTION A. COVERAGE, 4. Additional Coverages, g. Ordinance or Law for Increased Costs of Construction** for the building that has suffered "loss".

(c) If the ordinance or law requires relocation to another location the most we will pay for the increased cost of construction is the lesser of:

- 1) The increased cost of construction at the new location; or
- 2) The limit of insurance indicated in **SECTION A. COVERAGE, 4. Additional Coverages, g. Ordinance or Law for Increased Costs of Construction** for the building that has suffered "loss".

(4) Proportional Payments

If the building or structure sustains both direct "loss" that is covered un-

der this Coverage Part and direct "loss" that is not covered under this Coverage Part; and as a result of the direct "loss" in its entirety you are required to comply with the ordinance or law, we will not pay the full amount of direct "loss" otherwise payable under the terms of **SECTION A. COVERAGE, 4. Additional Coverages, g. Ordinance or Law**. Instead, we will pay a proportion of such direct "loss"; meaning the proportion that the covered direct "loss" bears to the total direct "loss".

j. Loss Determination - Business Income and Extra Expense

With respect to **SECTION A. COVERAGE, 5. Coverage Extensions, b. Business Income and Extra Expense**,

- (1) The amount of "Business Income" and "Rental Value" "loss" will be determined based on:
 - (a) The Net Income of the business before the direct "loss" occurred;
 - (b) The likely Net Income of the business if no direct "loss" 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;
 - (c) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct "loss"; and
 - (d) Other relevant sources of information, including:
 - 1) Your financial records and accounting procedures;
 - 2) Bills, invoices and other vouchers; and
 - 3) Deeds, liens or contracts.
- (2) The amount of Extra Expense will be determined based on:
 - (a) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct "loss"

had occurred. We will deduct from the total of such expenses:

- 1) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
 - 2) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
- (b) Necessary expenses that reduce the "Business Income" and "Rental Value" "loss" that otherwise would have been incurred.

(3) Resumption of Operations

We will reduce the amount of your:

- (a) "Business Income" and "Rental Value" "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 "premises" or elsewhere.
 - (b) Extra Expense "loss" to the extent you can return "operations" to normal and discontinue such Extra Expense.
- (4) If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

k. Party Walls

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 all other provisions of this **SECTION D. LOSS CONDITIONS, 4. Loss Payment** including:

- (1) Limit of Insurance shown in the Declarations;
- (2) **SECTION D. LOSS CONDITIONS, 7. Valuation**; and
- (3) **SECTION E. ADDITIONAL CONDITIONS, 1. Coinsurance**.

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 **COMMERCIAL PROPERTY CONDITIONS, I. Transfer Of Rights Of Recovery Against Others To Us** in this Coverage Part.

5. Recovered Property

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

6. Vacancy

a. Description of Terms

- (1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in **(1)(a)** and **(1)(b)** below:
 - (a) When this Coverage Part 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 Coverage Part 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:
 - 1) Rented to a lessee or sublessee and used by them to conduct their customary operations; or
 - 2) 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 direct "loss" occurs has been vacant for more than 60 consecutive days before that "loss", we will:

- (1) Not pay for any "loss" caused by any of the following, even if they are Covered Causes of Loss:
 - (a) Vandalism;
 - (b) Sprinkler leakage, unless you have protected the system against freezing;
 - (c) Building glass breakage;
 - (d) Water damage;
 - (e) Theft; or
 - (f) Attempted theft.
- (2) Reduce the amount we would otherwise pay for the "loss" by 15% with respect to Covered Causes of Loss other than those listed in **b.(1)(a)** through **b.(1)(f)** of this Loss Condition.

7. Valuation

We will determine the value of Covered Property in the event of direct "loss" as follows:

- a. At "Actual Cash Value" as of the time of direct "loss", except as provided in **b.**, **c.**, **d.**, and **e.** below.
- b. If the Limit of Insurance for Building satisfies **SECTION E. ADDITIONAL CONDITIONS, 1. Coinsurance**, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property. However, the following property will be valued at actual cash value even when attached to the building:

- (1) Awnings or floor coverings;
- (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
- (3) Outdoor equipment or furniture.
- c. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.

- d. Glass at the cost of replacement with safety glazing material if required by law.
- e. Tenant's Improvements and Betterments at:
 - (1) Replacement Cost of the lost or damaged property if you make repairs promptly.
 - (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
 - (a) Multiply the original cost by the number of days from the "loss" or damage to the expiration of the lease; and
 - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.
 - (3) Nothing if others pay for repairs or replacement.
 - (4) For the purposes of valuation, tenants' improvements and betterments are not considered to be the personal property of others.

SECTION E. ADDITIONAL CONDITIONS

The following conditions apply in addition to the **COMMON POLICY CONDITIONS** and the **COMMERCIAL PROPERTY CONDITIONS**.

1. Coinsurance

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

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

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

- (1) Multiply the value of Covered Property at the time of direct "loss" by the Coinsurance percentage;
- (2) Divide the Limit of Insurance of the property by the figure determined in step (1);

- (3) Multiply to the total amount of "loss", before the application of any deductible, by the figure determined in step (2); and
- (4) Subtract the deductible from the figure determined in step (3).

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

Example No. 1 (Underinsurance):

The value of the property is:	\$250,000
The coinsurance percentage is:	80%
The Limit of Insurance is:	\$100,000
The Deductible is:	\$250
The amount of "loss" is:	\$40,000

Step (1):

$\$250,000 \times 80\% = \$200,000$ (the minimum amount of insurance to meet your Coinsurance requirements)

Step (2):

$\$100,000$ divided by $\$200,000 = .50$

Step (3):

$\$40,000 \times .50 = \$20,000$

Step (4):

$\$20,000 - \$250 = \$19,750$.

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

Example No. 2 (Adequate Insurance):

The value of the property is:	\$250,000
The coinsurance percentage is:	80%
The Limit of Insurance is:	\$200,000
The Deductible is:	\$250
The amount of "loss" is:	\$40,000

Step (1):

$\$250,000 \times 80\% = \$200,000$ (the minimum amount of insurance to meet your Coinsurance requirements)

Step (2):

$\$200,000 : \$200,000 = 1.00$

Step (3):

$\$40,000 \times 1.00 = \$40,000$

Step (4):

$\$40,000 - \$250 = \$39,750$.

We will pay no more than \$39,750 "loss" in excess of the Deductible. No penalty applies.

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

Example No. 3:

The values of the property are:

Bldg. at Location No. 1:	\$75,000
Bldg. at Location No. 2:	\$100,000
Personal Property at Location No. 2:	<u>\$75,000</u>
	250,000

The coinsurance percentage is: 90%
The Limit of Insurance for Buildings and Personal

Property at Location Nos. 1 and 2 is:	\$180,000
The Deductible is:	\$1,000
The amount of "loss" is:	
Bldg. at Location No. 2:	\$30,000
Personal Property at Location No. 2:	<u>\$20,000</u>
	\$50,000

Step (1):

$\$250,000 \times 90\% = \$225,000$
(the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

Step (2):

$\$180,000 : \$225,000 = .80$

Step (3):

$\$50,000 \times .80 = \$40,000$

Step (4):

$\$40,000 - \$1,000 = \$39,000.$

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

2. Mortgage Holders

- a. The term "mortgage holder" includes trustee.
- b. We will pay for covered "loss" to buildings or structures to each mortgage holder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgage holder has the right to receive loss payment even if the mortgage holder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply

with the terms of this Coverage Part, the mortgage holder will still have the right to receive loss payment if the mortgage holder:

- (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
- (2) Submits a signed, sworn statement 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 mortgage holder.

All of the terms of this Coverage Part will then apply directly to the mortgage holder.

- e. If we pay the mortgage holder for any "loss" and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

- (1) The mortgage holder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
- (2) The mortgage holder's right to recover the full amount of the mortgage holder's claim will not be impaired.

At our option, we may pay to the mortgage holder 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 mortgage holder 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 mortgage holder at least ten days before the expiration date of this policy.

SECTION F. OPTIONAL COVERAGES

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

1. Agreed Value

- a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for direct "loss" to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Limit of Insurance indicated in the most current Statement of Values that applies to this Coverage Part.
- b. If the Agreed Value Optional Coverage is deleted from the policy, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage does not apply.
- c. The terms of this Optional Coverage apply only to "loss" that occurs:
 - (1) On or after the effective date of this Optional Coverage; and
 - (2) Before the policy expiration date.
- d. This Agreed Value Optional Coverage does not apply to **SECTION A. COVERAGE, 5. Coverage Extensions, b. Business Income and Extra Expense.**

2. Inflation Guard

- a. The Limit of Insurance for property to which this Optional Coverage applies will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase will be:
 - (1) The Limit of Insurance that applied on the beginning of the current "coverage term" or any other Coverage Part change amending the Limit of Insurance, multiplied by
 - (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), multiplied by
 - (3) The number of days since the beginning of the current "coverage term" or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365. In the event of "loss", this number of days ends at the original date of "loss".

Example:

If: The applicable Limit of Insurance is: \$100,000

The Annual percentage increase is: 8%

The number of days since the beginning of the policy year (or last policy change) is: 146

The amount of increase is
 $\$100,000 \times .08 \times (146/365) = \$3,200$

3. Replacement Cost

- a. Replacement Cost (without deduction for depreciation) replaces "Actual Cash Value" in **SECTION D. LOSS CONDITIONS, 7. Valuation** of this **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**.
- b. This Optional Coverage does not apply to:
 - (1) Personal Property of others, except leased personal property as described in **SECTION A. COVERAGE, 1. Covered Property, d.(7)**. The valuation of such leased personal property will be based on the amount for which you are liable under the lease, but not to exceed the replacement cost of the leased item.
 - (2) Personal effects;
 - (3) Contents of a residence;
 - (4) Manuscripts;
 - (5) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac;
 - (6) "Stock" unless the Replacement Cost including "Stock" option is shown in the Declarations; or
 - (7) Property, that at the time of "loss":
 - (a) Is outdated, or obsolete and is stored or not being used; or
 - (b) Has no practical value to you.
- c. You may make a claim for "loss" 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" settled on an "Actual Cash Value" basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the "loss".
- d. We will not pay on a replacement cost basis for any "loss":
 - (1) Until the lost or damaged property is actually repaired or replaced with other property of generally the same construction and used for the same

purpose as the lost or damaged property; and

- (2) Unless the repairs or replacement have been completed or at least underway within 2 years following the date of "loss".

e. We will not pay more for "loss" on a replacement cost basis than the least of:

- (1) The Limit of Insurance applicable to the lost or damaged property;

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

(a) Of comparable material and quality; and

(b) Used for the same purpose; or

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

f. The cost of repair or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use, or repair of any building or structure except as provided in **SECTION A. COVERAGE, 4. Additional Coverages, g. Ordinance or Law.**

SECTION G. DEFINITIONS

1. "Actual cash value" means replacement cost less a deduction that reflects depreciation, age, condition and obsolescence.

2. "Business Income" means the:

a. Net Income (net profit or loss before income taxes) that would have been earned or incurred; and

b. Continuing normal operating expenses sustained, including payroll.

3. "Computer programs" 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. "Coverage term" means the following individual increment, or if a multi-year policy period, increments, of time, which comprise the policy period of this Coverage Part:

a. The year commencing on the Effective Date of this Coverage Part at 12:01 A.M. standard time at your mailing address shown in the Declarations, and if a multi-year policy period, each consecutive annual period thereafter, or portion thereof if

any period is for a period of less than 12 months, constitute individual "coverage terms". The last "coverage term" ends at 12:00 A.M. standard time at your mailing address shown in the Declarations on the earlier of:

(1) The day the policy period shown in the Declarations ends; or

(2) The day the policy to which this Coverage Part is attached is terminated or cancelled.

b. However, if after the issuance of this Coverage Part, any "coverage term" is extended for an additional period of less than 12 months, that additional period of time will be deemed to be part of the last preceding "coverage term".

5. "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.

6. "Finished stock" means stock you have manufactured, except "stock" you have manufactured that is held for sale on the "premises" of any retail outlet insured under this Coverage Part.

7. "Fungi" means any type or form of fungus, and includes, but is not limited to, any form or type of mold, mushroom or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.

8. "Loss" means accidental physical loss or accidental physical damage.

9. "Money" means:

a. Currency, coins and bank notes whether or not in current use; and

b. Travelers checks, registered checks and money orders held for sale to the public.

10. "Operations" means:

a. Your business activities occurring at the "premises"; and

b. The tenantability of the "premises", if coverage for "Business Income" including "Rental Value" or "Rental Value" applies.

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

a. Begins at the time of direct "loss".

b. Ends on the earlier of:

- (1) The date when the property at the "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.
- c. "Period of restoration" does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:
- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
 - (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants".
- d. The expiration date of the policy will not cut short the "period of restoration".
12. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, asbestos, chemicals, petroleum, petroleum products and petroleum by-products, and waste. Waste includes materials to be recycled, reconditioned or reclaimed. "Pollutants" include but are not limited to substances which are generally recognized in industry or government to be harmful or toxic to persons, property, or the environment regardless of whether injury or damage is caused directly or indirectly by the "pollutants" and whether:
- a. You are regularly or otherwise engaged in activities which taint or degrade the environment; or
 - b. You use, generate or produce the "pollutant".
13. "Premises" means the Locations and Buildings described in the Declarations.
14. "Rental Value" means "Business Income" that consists of :
- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the "premises" described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the "premises" which is occupied by you; and
 - b. Continuing normal operating expenses incurred in connection with that "premises", including:
 - (1) Payroll; and
 - (2) The amount of charges, which are the legal obligation of the tenant(s) but would otherwise be your obligations.
15. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:
- a. Tokens, tickets, revenue and other stamps whether or not in current use; and
 - b. Evidences of debt issued in connection with credit or charge cards, which are not of your own issue; but does not include "money". Lottery tickets held for sale are not "securities" or evidences of debt.
16. "Sinkhole collapse" means the sudden settlement or collapse of earth supporting the Covered Property into subterranean voids created by the action of water on a limestone or similar rock formation. This does not include:
- a. The cost of filling sinkholes;
 - b. Sinking or collapse of land into man-made subterranean cavities; or
 - c. The value of the land.
17. "Specified causes of loss" means fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; "sinkhole collapse"; volcanic action; falling objects; weight of snow, ice or sleet; and water damage.
- a. Falling objects does not include "loss" 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.
 - b. 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 "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" otherwise excluded under the terms of **BUILDING AND BUSINESS PERSONAL PROPERTY, SECTION A. COVERAGE, 3. Covered Causes of Loss, (g) Water**. Therefore, for example, there is no coverage under this Coverage Part 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 Exclusion **(g) Water**, there is no coverage for "loss" 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 **18.b.(1)** or **18.b.(2)** of this definition of "Specified causes of loss", such

water is not subject to the provisions of Exclusion **(g) Water**.

- 18.** "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.
- 19.** "Suspension" means:
 - a.** The slowdown or cessation of your business activities; and
 - b.** That a part or all of the "premises" is rendered untenable.
- 20.** "Valuable papers and records" means inscribed, printed or written documents, manuscripts or records, including abstracts, books, card index systems, deeds, drawings, films, maps, mortgages, or proprietary information.

But "valuable papers and records" does not mean "money" or "securities" or "electronic data", including the materials on which the "electronic data" is recorded.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLOOD COVERAGE SUPPLEMENTAL SCHEDULE

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

SUPPLEMENTAL SCHEDULE

Blanket Flood Coverage

(Enter an "x" in the appropriate box to activate Coverage)

- The Blanket Flood Limit of Insurance applies at all "premises" shown in the Declarations for the following Covered Property:

Blanket Flood Limit of Insurance 100,000 **Flood Deductible** 25,000

- Building Business Income Extra Expense Business Personal Property
 Business Personal Property - Reporting Property in the Open
- The Blanket Flood Limit of Insurance applies at all "premises" shown below for the following Covered Property:

Blanket Flood Limit of Insurance _____ **Flood Deductible** _____

- Building Business Income Extra Expense Business Personal Property
 Business Personal Property - Reporting Property in the Open

Loc #

Bldg #

SUPPLEMENTAL SCHEDULE

Scheduled Flood Coverage

Flood Coverage applies only at the "premises" and to the Covered Property as shown below:

Loc #	Bldg #	Covered Property*	Flood Limit of Insurance	Flood Deductible
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* Covered Property should be described as Building, Business Personal Property, Business Personal Property - Reporting, Business Income, Extra Expense, or Property in the Open.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLOOD COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

FLOOD COVERAGE SCHEDULE

A. Coverage and Coverage Locations

(Enter an "x" in the appropriate box)

- Coverage for Flood applies at all locations and for all Coverages shown in the Declarations

Limit of Insurance

\$ SEE FA104S

- Coverage applies for Flood at the Locations and Covered Property scheduled below:

\$ _____

Loc Bldg Covered Property

\$

B. Annual Aggregate

The most we will pay for "loss" from flood shall not exceed:

\$ _____ in any single "coverage term", regardless of the number of floods

C. Flood Deductible

\$ _____ is the deductible per flood

- D. **Underlying Insurance Waiver** ("x" box if this condition applies)

See **SECTION L. Other Insurance** for an explanation of this option.

A. Flood Coverage

1. This endorsement applies to the Covered Property and Coverages for which a Flood Limit of Insurance is shown in the Flood Coverage Schedule or in the Declarations.
2. For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 3. Covered Causes of Loss, a. Covered Causes of Loss** is deleted in its entirety and replaced by the following:

a. Covered Causes of Loss

- (1) Flood, meaning the partial or complete inundation of normally dry land areas due to:
 - (a) The unusual or rapid accumulation or runoff of rain or surface waters from any source; or
 - (b) Waves, tidal waters, tidal waves (including tsunami); or
 - (c) Water from rivers, ponds, lakes, streams or any other body of water that rises above, overflows from, or is not contained within its natural or man-made boundary; and

All whether driven by wind or not, including storm surge.

- (2) Mudslides or mudflows, which are caused by flooding as defined in Paragraph **a.(1)** above. Mudslide or mudflow involves a river of liquid and flowing mud on the surface of normally dry land areas as when earth is carried by a current of water and deposited along the path of the current.
- (3) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph **a.(1)** and **a.(2)** above, or material carried or otherwise moved by mudslide or mudflow.

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

B. Covered Property for Flood

Unless the following property has already been endorsed to become Covered Property, for the purposes of this endorsement only, the

following is added to **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 1. Covered Property**:

1. Foundations below the lowest basement floor or the subsurface of the ground; and
2. Underground pipes, flues and drains.

C. Property Not Covered by Flood

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 2. Property Not Covered** is amended to include the following:

1. **Property Not Covered** includes any building or other property that is not eligible for flood insurance pursuant to the provisions of the Coastal Barrier Resources Act, 16 U.S.C. 3501 et seq. and the Coastal Barrier Improvement Act of 1990, Pub. L. 101-591, 16 U.S.C. 3501 et seq.
2. **Property Not Covered** includes boat-houses and open structures, and any property in or on the foregoing, if the structure is located on or over a body of water.
3. Even if bulkheads, pilings, piers, wharves, docks, or retaining walls that are not part of a building have been removed from **Property Not Covered** and added under **1. Covered Property** by separate endorsement, this Flood Coverage Endorsement does not apply to such property.

D. Revised Exclusions

For the purposes of this endorsement only:

1. In **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 3. Covered Causes of Loss, b. Exclusions, (1)(g) Water** is amended to include the following:

To the extent that a part of this Water exclusion might conflict with coverage provided by this endorsement, that part of the Water exclusion does not apply.

2. **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 3. Covered Causes of Loss, b. Exclusions, (1)(b) Earth Movement** is amended to include the following:

To the extent that a tsunami causes the overflow of tidal waters, then Paragraph 1) does not apply.

E. Exclusions

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 3. Covered Causes of Loss, b. Exclusions, (2)** is amended to include the following:

Pre-Existing Flood or Flood at Inception

We will not pay for any "loss" caused by or resulting from any flood that begins before or within 72 hours after the inception date of this endorsement. However, this limitation does not apply to a particular location if flood coverage was in effect for that location for at least 72 hours immediately prior to the inception date of this endorsement, under a policy issued by us or by another insurer, and this policy replaces the previous policy without a lapse in coverage. If you request and we provide an increase in the stated Limit of Insurance for flood during the term of this policy, with the exception of an increase at the time of renewal of the policy, the increase will not apply to "loss" from any flood that begins before or within 72 hours after your request was made.

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

Destabilization of Land

We will not pay for any "loss" caused by or resulting from destabilization of land arising from the accumulation of water in subsurface land areas.

Cost of Restoring or Remediating Land

As stated in **A. COVERAGE, 2. Property Not Covered**, land is not covered property, nor is the cost of excavations, grading, backfilling or filling. Therefore, coverage under this endorsement does not include the cost of restoring or remediating land due to the collapse or sinking of land caused by or resulting from flood. However, coverage under this endorsement includes damage to the covered portions of the building and to covered personal property, caused by collapse or sinking of land along the shore of a body of water as the result of erosion or undermining caused by waves or currents of water which exceed the cyclical levels and cause flood.

Water Backup Discharged From Sewers, Drains, Septic or Sump Pump Systems

We will not pay for any "loss" caused by discharge of water or waterborne material from sewers, drains, septic systems, or sump pump systems or related equipment unless such discharge results from flood and occurs within 72 hours after the flood recedes.

Property in the Open

We do not cover any "loss" by flood to personal property in the open except to the extent that such coverage, if any, is specified in the Flood Coverage Schedule or in the Declarations.

F. Debris Removal from Flood

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 4. Additional Coverages, b. Debris Removal** (and any additional limit for Debris Removal under a LIMIT OF INSURANCE clause or an endorsement) is deleted in its entirety and replaced by the following:

b. Debris Removal

- (1) We will pay your expense to remove debris of Covered Property and other debris that is on the "premises" when such debris is caused by or results from flood. However, we will not pay to remove deposits of mud or earth from the grounds of the "premises".
- (2) We will also pay the expense to remove debris of Covered Property that has floated or been hurled off the "premises" by flood.
- (3) This Debris Removal Coverage does not increase the applicable Limit of Insurance for flood. Therefore, the most we will pay for the total of debris removal and "loss" to Covered Property is the Limit of Insurance for flood that applies to the Covered Property at the affected "premises" covered under this endorsement.

G. Flood for Newly Purchased, Leased or Constructed Property

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions, i. Newly Purchased, Leased or Constructed Property** is amended to include the following:

- (4) With respect to a building or structure covered under this Coverage Extension, the amounts of coverage stated in Paragraphs (1) and (2) of this Coverage Extension do not apply to flood coverage. Instead, the most we will pay for all "loss" to property covered under this Coverage Extension is 10% of the total of all Limits of Insurance for flood coverage as provided under this endorsement. Such coverage does not increase the Limit of Insurance for flood.

- (5) With respect to Flood Coverage, this Coverage Extension does not apply to any building or structure that is not fully enclosed by walls and roof.

H. Anti-Stacking of Flood Coverage

For the purposes of this endorsement only with respect to any applicable **Additional Coverages** and **Coverage Extensions** in the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**, other than those addressed in **SECTIONS F. and G.** of this endorsement, amounts payable under such other provisions, as set forth therein, do not increase the Limit of Insurance for flood.

I. Limit of Insurance for Flood

1. General Information

- a. Flood coverage may be written at a Limit of Insurance that is equal to or less than the Limit of Insurance which applies to other Covered Causes of Loss (e.g., fire) under this **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**.
- b. The Limit of Insurance for flood is shown in the **Flood Coverage Schedule** or in the Declarations. If such Limit of Insurance is not shown, then the Limit of Insurance applicable to fire also applies to flood.

2. Application of Limit and Aggregate

- a. The Limit of Insurance for flood is the most we will pay in a single occurrence of flood for "loss" caused by the flood. If there is more than one flood in a "coverage term" the most we will pay for the total of all "loss" sustained during that "coverage term" and caused by flood is the amount that is identified as the Annual Aggregate for flood as shown in the **Flood Coverage Schedule** or the Declarations.
- b. If the Limit of Insurance and the Annual Aggregate amount are the same, or if there is no amount stated as an Annual Aggregate, then the Limit of Insurance is the most we will pay for the total of all "loss" that is caused by flood in a "coverage term", even if there is more than one occurrence of flood during that "coverage term". Thus, if the first flood does not exhaust the applicable Limit of Insurance, then the balance of that Limit of Insurance is available for subsequent floods.
- c. If a single occurrence of flood begins during one "coverage term" and ends

during the following "coverage term", any Limit of Insurance or Annual Aggregate applicable to the following "coverage term" will not apply to that flood.

- d. If a Blanket Limit of Insurance option is selected on the **Flood Coverage Schedule**, that Blanket Limit of Insurance does not apply separately to the Locations, Covered Property or Coverages listed. The Blanket Limit of Insurance is the most we will pay for all "loss" to the indicated Covered Property/Coverages at the Locations listed, subject to all other applicable provisions of this **Flood Coverage Endorsement**.

3. Ensuing Loss

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

EXAMPLES - ENSUING LOSS

The following two examples use these facts: In both examples assume the policy contains the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM** (which covers fire) and this **FLOOD COVERAGE ENDORSEMENT**. A building is damaged by flood and by fire which is caused by the flood. The value of the damaged building is \$1,000,000. The Limit of Insurance applicable to the building is \$800,000. The Limit of Insurance for flood is \$400,000. The flood deductible amount is \$5,000.

EXAMPLE #1

The damage due to flood is \$500,000. The damage due to fire is \$500,000.

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

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

Total Loss Payment is \$800,000.

EXAMPLE #2

The damage due to flood is \$800,000. The damage due to fire is \$100,000.

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

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

Total Loss Payment is \$500,000.

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

J. Deductible

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION C. DEDUCTIBLE** is amended to include the following:

Flood Deductible

- a. The deductible for coverage provided under this endorsement is the deductible applicable to flood as shown in the **Flood Coverage Schedule**.
- b. We will not pay that part of the "loss" that is attributable to any deductible(s) in the National Flood Insurance Program policy.
- c. If flood results in another Covered Cause of Loss and if both Covered Causes of Loss cause "loss", then only the higher deductible applies (e.g., the Flood Deductible or the fire deductible).
- d. The Flood Deductible does not apply to the following:
 - (1) **SECTION A. COVERAGE, 5. Coverage Extensions, h. Glass;** and
 - (2) If endorsed to this policy, the following Coverage Forms:
 - (a) **BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM;**
 - (b) **BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM;** and
 - (c) **EXTRA EXPENSE COVERAGE FORM.**

K. Coinsurance

1. **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION E. ADDITIONAL CONDITIONS, 1. Coinsurance** does not apply to this endorsement.

L. Other Insurance

For the purposes of this endorsement only, **SECTION G. Other Insurance** of the **COM-**

MERCIAL PROPERTY CONDITIONS form is deleted in its entirety and replaced by the following:

G. Other Insurance

1. Underlying Insurance Requirement

If the "loss" is also covered under a National Flood Insurance Program (NFIP) policy, or if the property is eligible to be written under an NFIP policy but there is no such policy in effect, then we will pay only the amount of "loss" in excess of the maximum limit that is eligible to be written under that NFIP policy. This provision applies whether or not the maximum NFIP limit was obtained or maintained, and whether or not you can collect on the NFIP policy. We will not, under any circumstances, pay more than the applicable Limit of Insurance for flood as stated in the Flood Coverage Schedule or the Declarations of this Coverage Part.

However, this Provision **G.1. Underlying Insurance Requirement** does not apply under the following circumstances:

- a. At the time of "loss", the property is eligible to be written under an NFIP policy but such policy is not in effect due solely to ineligibility of the property at the time this **FLOOD COVERAGE ENDORSEMENT** was written; or
 - b. An NFIP policy is not in effect because we have agreed to write this **FLOOD COVERAGE ENDORSEMENT** without underlying NFIP coverage. There is such an agreement only if the **Flood Coverage Schedule** or the Declarations indicate that the **Underlying Insurance Waiver** applies.
2. If there is other insurance covering the "loss", other than that described in **G.1.** above, we will pay our share of the "loss". Our share is the proportion that the applicable Limit of Insurance under this endorsement bears to the total of the applicable Limits of Insurance under all other such insurance. But we will not pay more than the applicable Limit of Insurance stated in the Flood Coverage Schedule or the Declarations of this Coverage Part.

WATER UTILITIES COMMERCIAL PROPERTY ENDORSEMENT

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WATER UTILITIES COMMERCIAL PROPERTY ENDORSEMENT

WATER UTILITIES SCHEDULE OF COVERAGE LIMITS

<u>Blanket Coverages:</u>	<u>Blanket Coverage Limit:</u>
	\$ 150,000 in total for all "loss" arising from all Blanket Coverages arising from a single occurrence, except as noted otherwise in the form.
Accounts Receivable	
Debris Removal	
Electronic Data Processing Property (EDP):	
Duplicate and Backup Electronic Data	\$2,000 in addition to the Blanket Coverage Limit
Newly Purchased or Leased EDP	\$10,000 in addition to the Blanket Coverage Limit
In Transit or Away From Premises	\$10,000 as part of the Blanket Coverage Limit
Worldwide Laptop Coverage	
Ordinance or Law (Increased Construction Costs and Demolition)	
Peak Season	
Personal Property of Others	
Tenant Move Back Expenses	
Valuable Papers and Records	

<u>Other Coverages</u> <i>(not subject to Blanket Coverage Limit):</i>	<u>Limit of Insurance:</u>
Brands and Labels	\$25,000
Business Income and Extra Expense:	\$100,000
Business Income From Dependent Properties	\$5,000 (sublimit, subject to a 24 hour deductible)
Interruption of Computer Operations	\$25,000 (sublimit, subject to a 24 hour deductible)
Fine Arts	\$25,000
Fire Department Service Charge	\$25,000
Fire Protection Equipment Recharge	\$50,000
Inflation Guard	4% on covered Buildings
Nonowned Building Damage:	
Loss caused by theft, burglary or robbery	Up to the Business Personal Property (BPP) Limit of Insurance
Loss by any other Covered Cause of Loss	\$25,000 or the BPP Limit of Insurance (whichever is less)
Ordinance or Law (other than Increased Construction Costs and Demolition)	Subject to the Building Limit of Insurance
Outdoor Property	\$25,000 (\$1,000 for any one tree, shrub or plant)
Paved Surfaces	\$20,000
Personal Effects	\$25,000 (\$1,000 for "loss" by theft)
Piping and Penstock	\$100,000
Pollutant Clean Up and Removal	\$25,000
Signs	\$10,000
Supervisory Control and Data Acquisition System (SCADA) Improvements	Lesser of 25% of "loss" or \$100,000
Temperature Change	\$5,000
Underground Property	Subject to the Building Limit of Insurance
Utility Services:	
Direct and indirect damage, excluding overhead distribution and transmission lines	\$100,000
Overhead distribution and transmission lines	\$5,000 sublimit (24 hour waiting period)
Water Backup Discharged from Sewers, Drains, Septic or Sump Pump Systems	\$10,000

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WATER UTILITIES COMMERCIAL PROPERTY ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

The insurance coverage and Limits of Insurance provided by this endorsement are excess of, and apply in addition to, any similar or identical coverage provided by any other endorsement attached to this Coverage Part, or by any other Coverage Part forming a part of the policy of insurance of which this Coverage Part forms a component.

A. Accounts Receivable

For the purposes of this endorsement only,

1. In **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions, a. Accounts Receivable**, the last paragraph is deleted in its entirety and replaced by the following:

The most we will pay for loss in any one occurrence under **Accounts Receivable** is the Blanket Coverage Limit indicated in the Water Utilities Schedule of Coverage Limits. Amounts payable under **5. Coverage Extensions, a. Accounts Receivable, (3)(b) Away From Your Premises** are subject to a separate Away From Your Premises Limit and are not included within the Blanket Coverage Limit.

2. In **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions, a. Accounts Receivable**, the second paragraph in **(3)(b) Away From Your Premises** is deleted in its entirety and replaced by the following:

The \$5,000 Away From Your Premises Limit is not included within the Blanket Coverage Limit. This Away From Your Premises Limit is separate from the Blanket Coverage Limit.

B. Brands and Labels

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions** is amended to include the following:

Brands and Labels

1. If branded or labeled merchandise that is Covered Property is damaged by a Covered Cause of Loss, we may take all or

any part of the property at an agreed or appraised value. If so, you may:

- a. Stamp "salvage" on the merchandise or its containers, if the stamp will not physically damage the merchandise; or
- b. Remove the brands or labels, if doing so will not physically damage the merchandise. You must relabel the merchandise or its containers to comply with the law.

2. The most we will pay for loss in any one occurrence under **Brands and Labels** is the **Brands and Labels** Limit of Insurance indicated in the Water Utilities Schedule of Coverage Limits.

C. Business Income and Extra Expense

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions, b. Business Income and Extra Expense**, is modified as follows for this endorsement only:

1. Business Income From Dependent Properties

- a. For **Business Income From Dependent Properties** only, Paragraph **(1)** is deleted in its entirety and replaced by the following:

- (1)** 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 "loss" to "dependent property" caused by or resulting from any Covered Cause of Loss.

However, coverage under this endorsement does not apply when the only direct "loss" to

"dependent property" is direct "loss" to "electronic data", including destruction or corruption of "electronic data". If the "dependent property" sustains direct "loss" to "electronic data" and other property, coverage under this endorsement will not continue once the other property is repaired, rebuilt, or replaced.

b. Limit of Insurance for Dependent Properties

The most we will pay for loss in any one occurrence under **Business Income From Dependent Properties** is the Limit of Insurance indicated in the Water Utilities Schedule of Coverage Limits. This Limit of Insurance is included within, and is not in addition to the Limit of Insurance for the **Business Income and Extra Expense** Coverage Extension.

c. Loss Determination for Dependent Properties

For this endorsement only, the following is added:

Resumption of Operations

We will reduce the amount of your:

- (1) "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.
- (2) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

d. Definitions

SECTION G. DEFINITIONS is amended to include the following definitions:

- (1) "Dependent Property" means property operated by others whom you depend on to:
 - (a) Deliver materials or services to you, or to others for your account (Contributing Locations). But any property which delivers the following services is not a

Contributing Location with respect to such services:

- 1) Water Supply services;
 - 2) Power Supply services; or
 - 3) Communication supply services, including services relating to internet access or access to any electronic network;
- (b) Accept your products or services;
 - (c) Manufacture products for delivery to your customers under contract of sale; or
 - (d) Attract customers to your business.
- (2) The "Period of restoration" Definition, with respect to "dependent property", is replaced by the following:
- "Period of restoration" means the period of time that:
- (a) Begins 24 hours after the time of direct "loss" caused by or resulting from any Covered Cause of Loss at the "premises" of the "dependent property"; and
 - (b) Ends on the date when the property at the premises of the "dependent property" should be repaired, rebuilt or replaced with reasonable speed and similar quality.
- "Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:
- (a) Regulates the construction, use or repair, or requires the tearing down of any property; or
 - (b) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

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

2. Interruption of Computer Operations

- a. For **Interruption of Computer Operations** only, all references to \$2,500 in **b. Business Income and Extra Expense, (7)(c)** are deleted and replaced with the following:

The **Interruption of Computer Operations** Limit of Insurance indicated in the Water Utilities Schedule of Coverage Limits.

- b. For **Interruption of Computer Operations** only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION G. DEFINITIONS, 11.** "Period of restoration", Paragraph **a.** is deleted in its entirety and replaced by the following:

- a. Begins 24 hours after the time of direct "loss".

3. Business Income and Extra Expense Revised Limits of Insurance

The last paragraph is deleted in its entirety and replaced by the following:

The most we will pay for loss in any one occurrence under the **Business Income and Extra Expense** Coverage Extension is the **Business Income and Extra Expense** Limit of Insurance indicated in the Water Utilities Schedule of Coverage Limits.

D. Debris Removal

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions** is amended to include the following:

In the event that the limits of insurance stated in **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 4. Additional Coverages, b. Debris Removal** are insufficient to fully cover a direct "loss" insured thereunder, you may apply the Blanket Coverage Limit as indicated in the Water Utilities Schedule of Coverage Limits of this endorsement to such direct "loss" as is insured under Additional Coverage **b. Debris Removal**.

E. Electronic Data Processing Property

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVER-**

AGE, 5. Coverage Extensions is amended to include the following:

Electronic Data Processing Property

(1) Covered Property

You may extend the Coverage provided by this Coverage Part to apply to direct "loss" to Covered Property consisting of your:

- (a) Data processing equipment;
- (b) Air conditioning and other electrical equipment, used exclusively with your data processing equipment;
- (c) Programming documentation and instruction manuals;
- (d) "Electronic data", but only as excess over what is valid and collectible under **SECTION A. COVERAGE, 5. Coverage Extensions, d. Electronic Data**;
- (e) Media, meaning materials on which "electronic data" is recorded, such as magnetic tapes, disc packs, paper tapes and cards, floppy discs and compact discs used in processing units; and
- (f) Property of others in your care, custody or control that is similar to property described in (1)(a) through (e) above.

(2) Property Not Covered

This Coverage Extension does not apply to:

- (a) Accounts, records, documents and other "valuable papers and records" unless they are programming documentation or instruction manuals.

However, we will cover these items once they are converted to "electronic data" form.

- (b) "Electronic data" or media that cannot be replaced with similar property of equal quality.
- (c) Your property that you have rented or leased to someone else and that property is not at your "premises".
- (d) Any machine or apparatus that is used for research, medical, diagnostic, surgical, dental or pathological purposes.
- (e) "Production equipment".

(3) Exclusions

(a) For this Coverage Extension only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 3. Covered Causes of Loss, b. Exclusions** does not apply except as follows:

- 1) **Exclusion (1)(c) Governmental Action;**
- 2) **Exclusion (1)(d) Nuclear Hazard;**
- 3) **Exclusion (1)(f) War and Military Action;**
- 4) **Exclusion (2)(b) Delay or Loss of Use;**
- 5) **Exclusion (2)(d) Miscellaneous Causes of Loss, 1) Wear and tear;**
- 6) **Exclusion (2)(h) Dishonest or Criminal Acts;**
- 7) **Exclusion (3)(b) Acts or Decisions; and**
- 8) **Exclusion (3)(c) Defects, Errors and Omissions.**

(b) In addition to Paragraph (3)(a) of this Coverage Extension, we will not pay for the following:

Hidden or latent defect, gradual deterioration, and depreciation. However, if direct "loss" by a Covered Cause of Loss results, we will pay for that resulting direct "loss".

(4) Duplicate and Backup "Electronic Data"

We will pay for direct "loss" resulting from any of the Covered Causes of Loss to duplicate and backup "electronic data" that you store at a "premises" not described in the **COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS** providing such "electronic data" is not covered by another policy. The most we will pay for loss in any one occurrence is the **Electronic Data Processing Property, Duplicate and Backup "Electronic Data"** sublimit of insurance indicated in the Water Utilities Schedule of Coverage Limits. This Limit of Insurance for **Duplicate and Backup "Electronic Data"** is in addition to the other limits provided by this Coverage Extension.

(5) Newly Purchased or Leased Electronic Data Processing Property

For this Coverage Extension only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions, i. Newly Purchased, Leased or Constructed Property** is deleted in its entirety and replaced by the following:

Newly Purchased or Leased Electronic Data Processing Property

If Business Personal Property is Covered Property in this Coverage Part:

(a) We will pay for direct "loss" from a Covered Cause of Loss to newly purchased or leased Covered Property while at:

- 1) Locations that are newly purchased or leased;
- 2) Your newly constructed buildings or additions at a "premises"; or
- 3) Any "premises" described in the **COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS**.

(b) Insurance under this Coverage Extension for such newly acquired property, or Covered Property already insured by this Coverage Extension which is moved to a newly acquired location, will end when any of the following first occurs:

- 1) This Coverage Part expires;
- 2) 90 days pass from the date you acquire your new property or move Covered Property to a newly acquired location; or
- 3) You report values to us.

The most we will pay for loss in any one occurrence is the **Electronic Data Processing Property, Newly Purchased or Leased Electronic Data Processing Property** sublimit of insurance indicated in the Water Utilities Schedule of Coverage Limits. This Limit of Insurance for **Newly Purchased or Leased Electronic Data Processing Property** is in addition to the other limits provided by this Coverage Extension.

(6) In Transit or Away From Premises

For this Coverage Extension only, **SECTION A. COVERAGE, 5. Coverage Extensions, e. Exhibitions, Fairs, or Trade Shows, m. Property Off Prem-**

ises and p. **Transportation** are deleted in their entirety and replaced by the following:

- (a) You may extend the insurance provided by this Coverage Extension to apply to Covered Property:
 - 1) While in or on a vehicle, including loading and unloading; or
 - 2) While at a location that is not your "premises".
- (b) This **In Transit or Away From Premises** coverage does not apply per location.

The most we will pay for loss in any one occurrence is the **Electronic Data Processing Property, in Transit or Away From Premises** limit of insurance indicated in the Water Utilities Schedule of Coverage Limits. This Limit of Insurance for **in Transit or Away From Premises** coverage is not in addition to the other limits provided by this Coverage Extension.

(7) **Worldwide Laptop Coverage**

- (a) We will pay for direct "loss" from a Covered cause of Loss to your laptops, notebooks and similar highly portable personal computers, including their peripherals and accessories, while such specific Covered Property is:
 - 1) In your or your employee's care, custody and control;
 - 2) Not located at a "premises" you own or lease; and
 - 3) Not located in the coverage territory stated in Paragraph 2. of the Commercial Property Condition **H. Policy Period, Coverage Territory**, provided that location is not under a United States Department of State trade or travel restriction at the time of direct "loss".
- (b) This **Worldwide Laptop Coverage** does not apply per location.

The most we will pay for loss in any one occurrence is the **Worldwide Laptop Coverage** Limit of Insurance indicated in the Water Utilities Schedule of Coverage Limits

(8) **Electronic Data Processing Property Deductible**

For this Coverage Extension only, **SECTION C. DEDUCTIBLE** is amended to include the following:

We will not pay for "loss" in any one occurrence unless the amount of "loss" exceeds the Deductible shown in the Declarations. We will then pay the amount of "loss" in excess of the Deductible, up to the Limit of Insurance provided by this Coverage Extension.

However, "loss" caused by or resulting from any of the following Causes of Loss will have the greater of the Deductible shown in the **COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS** or \$1,000 as the applicable deductible:

- a. "Loss" caused by faulty construction, error in design or processing, or service or work upon the data processing system;
- b. "Loss" resulting in mechanical breakdown, short circuiting, blowout, or other electrical damage, unless caused by lightning; or
- c. "Loss" caused by or resulting from interruption of power supply, power surge, blackout or brownout.

(9) **Electronic Data Processing Property Valuation**

For this Coverage Extension only, **SECTION D. LOSS CONDITIONS, 7. Valuation** is deleted in its entirety and replaced by the following:

7. **Valuation of Electronic Data Processing Property**

In the event of direct "loss", we will determine the value of Covered Property as described in Paragraph (1) of this Coverage Extension as follows:

- a. Except for "electronic data"
 - (1) If you repair or replace this Electronic Data Processing property within a reasonable time following the direct "loss", the property will be valued at the full cost of repair or replacement.

However, the most we will pay is the least of the following:

- (a) The actual cost to repair or restore the property with materials of like kind and quality;
 - (b) The cost of replacing that property with property of similar quality and function;
 - (c) The amount you actually and necessarily spend to repair or replace the property; or
 - (d) The Limit of Insurance applicable to the property.
- (2) If you do not repair or replace this property within a reasonable time following a direct "loss", the most we will pay will be the least of the following:
- (a) "Actual cash value" of the property;
 - (b) "Actual cash value" of repairs with material of like kind and quality; or
 - (c) The Limit of Insurance applicable to the property.

We reserve the right to repair or replace the property or to pay for the property in money.

In the event of direct "loss", the value of property will be determined at the time of direct "loss".

b. For "electronic data"

We will not pay more than the actual reproduction costs of your "electronic data". If you do not replace or reproduce your "electronic data" following the direct "loss", the most we will pay is the cost of blank media as described in Paragraph **C.(1)(e)** of this Coverage Extension.

(10) Electronic Data Processing Property Additional Definition

The following definition is added to **SECTION G. DEFINITIONS** of the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**:

"Production equipment" means any machinery and related components, including any integrated or dedicated computer system, which is used, or can be used, to produce or process other tangible property.

The most we will pay for "loss" in any one occurrence for coverages described in Paragraphs **E.(1), E.(4), E.(5), E.(6)** and **E.(7)** for **Electronic Data Processing Property** is the Blanket Coverage Limit indicated in the Water Utilities Schedule of Coverage Limits.

F. Fine Arts

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions** is amended to include the following:

Fine Arts

- (1) You may extend the insurance provided by this Coverage Part to apply to paintings, etchings, pictures, tapestries, art glass windows, and other bona fide works of art of rarity, historical value, or artistic merit. The direct "loss" must be caused by or result from a Covered Cause of Loss.
- (2) For this Coverage Extension, the following exclusions in **SECTION A. COVERAGE, 3. Covered Causes of Loss, b. Exclusions** are deleted:
 - (a) Exclusion (1)(b) **Earth Movement**; and
 - (b) Exclusion (1)(g) **Water**.
- (3) For this Coverage Extension, **SECTION D. LOSS CONDITIONS, 7. Valuation** is deleted in its entirety and replaced by the following:

We will determine the value of Covered Property in the event of direct "loss" at the market value at the time of direct "loss".
- (4) The most we will pay for loss in any one occurrence " is the **Fine Arts** Limit of Insurance indicated in the Water Utilities Schedule of Coverage Limits regardless of the number or types of fine arts damaged.

G. Fire Department Service Charge

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 4. Additional Coverages, c. Fire Department Service Charge** is deleted in its entirety and replaced by the following:

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, the most we will pay in any one occurrence for direct "loss" is the **Fire Department Service Charge** Limit of Insurance indicated in the Water Utilities Schedule of Coverage Limits for your liability, which is determined prior to the direct "loss", for fire department service charges:

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

Such limit is the most we will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed. This Coverage is in addition to the Limits of Insurance shown in the Declarations and applies per location. 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.

H. Fire Protection Equipment Recharge

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 4. Additional Coverages, d. Fire Protection Equipment Recharge** is amended as follows:

The last paragraph is deleted and replaced by the following:

The most we will pay for loss in any one occurrence is the **Fire Protection Equipment Recharge** Limit of Insurance indicated in the Water Utilities Schedule of Coverage Limits. This Coverage is in addition to the Limits of Insurance shown in the Declarations.

I. Inflation Guard

For the purposes of this endorsement only, the **COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS** is amended to show "4%" in the **OPTIONAL COVERAGES - Inflation Guard** column for each scheduled Building Property. If an Inflation Guard percentage is already indicated on the **COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS** for that Building property, this 4% is excess of that Inflation Guard percentage for that Building property.

J. Nonowned Building Damage

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions, j. Nonowned Building Damage** is deleted in its entirety and replaced by the following:

If you are a tenant at a covered "premises" and:

- (1) The building you occupy is not Covered Property; and
- (2) You are legally liable for direct "loss" to that building:

We will pay for direct "loss" to that building caused by burglary, robbery, theft or attempted theft.

This Coverage Extension does not apply to:

- (1) Glass, including lettering and ornamentation, and also necessary:
 - (a) Repair or replacement of encasing frames or alarm tapes; and
 - (b) Expenses incurred to board up openings or remove or replace obstruction.
- (2) Building materials and equipment removed from the "premises".

The most we will pay for "loss" in any one occurrence under **Nonowned Building Damage** is:

- (1) The actual "loss" sustained up to the applicable Limit of Insurance for Business Personal Property for "loss" caused by theft, burglary or robbery, or the attempt of the foregoing; or
- (2) The applicable Limit of Insurance for Business Personal Property or the **Nonowned Building Damage** Limit of Insurance indicated in the Water Utilities Schedule of Coverage Limits, whichever is less, for "loss" caused by any other Covered Cause of Loss, not referenced in (1) above.

This Coverage Extension does not apply if you have purchased other insurance in your name on the building you occupy as required by the lease.

K. Ordinance or Law

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 4. Additional Coverages, g. Ordinance or Law**, the last Paragraph is deleted in its entirety and replaced by the following:

The most we will pay for loss in any one occurrence under Paragraph (a) **Loss of Use of Undamaged Parts of the Building** is the Limit of Insurance shown in the **COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS** as applicable to the covered building or structure sustaining "loss". This

Coverage is included within, and not in addition to, that applicable Limit of Insurance.

The most we will pay for all loss in any one occurrence under Paragraph **(b) Demolition Costs** and Paragraph **(c) Increased Costs of Construction** is the Blanket Coverage Limit shown in the Water Utilities Schedule of Coverage Limits of this endorsement per building or structure sustaining "loss". This is an additional Limit of Insurance applicable to the building or structure sustaining "loss".

L. Outdoor Property

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions, k. Outdoor Property**, the last paragraph is deleted in its entirety and replaced by the following:

The most we will pay for loss in any one occurrence is the **Outdoor Property** Limit of Insurance indicated in the Water Utilities Schedule of Coverage Limits, but not more than \$1,000 for any one tree, shrub, or plant.

M. Paved Surfaces

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 4. Additional Coverages**, is amended to include the following:

(1) Paved Surfaces

We will pay for direct "loss" resulting from any of the Covered Causes of Loss to bridges, roadways, walks, patios or other paved surfaces.

(2) For this Additional Coverage, **SECTION A. COVERAGE, 2. Property Not Covered, i. Paved Surfaces** is deleted and replaced by the following:

i. Paved Surfaces

Bridges, roadways, walks, patios or other paved surfaces;

except as provided in **SECTION A. COVERAGE, 4. Additional Coverages**.

(3) The most we will pay for loss in any one occurrence is the **Paved Surfaces** Limit of Insurance indicated in the Water Utilities Schedule of Coverage Limits.

N. Peak Season

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions** is amended to include the following:

Peak Season

1. In the event that the limit of insurance stated in the Declarations for Business Personal Property is insufficient to fully insure a covered direct "loss" due to a Peak Season Demand for your inventory, you may apply the Blanket Coverage Limit indicated in the Water Utilities Schedule of Coverage Limits to that direct "loss".
2. Peak Season Demand means a temporary (90 consecutive days or less) increase in your inventory to meet a seasonal demand as verified by:
 - a. Your previous inventory records for that historical period of time; and
 - b. Custom and practice in your industry.

O. Personal Effects

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions, i. Personal Effects**, the last two paragraphs are deleted in their entirety and replaced by the following:

If theft is included as a Covered Cause of Loss under this Coverage Part, then this Coverage Extension has a \$1,000 per occurrence limitation for direct "loss" by theft.

The most we will pay for loss in any one occurrence is the **Personal Effects** Limit of Insurance indicated in the Water Utilities Schedule of Coverage Limits.

P. Personal Property of Others

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions** is amended to include the following:

Personal Property of Others

In the event that the limit of insurance stated in the Declarations for Business Personal Property is insufficient to fully insure a covered direct "loss" to both your Covered Property and that which would specifically be the subject of **SECTION A. COVERAGE, 1. Covered Property, d. Business Personal Property, Subpart (8)**, you may apply the Blanket Coverage Limit indicated in the Water Utilities Schedule of Coverage Limits to such property as contemplated by **SECTION A. COVERAGE, 1. Covered Property, d. Business Personal Property, Subpart (8)**.

Q. Piping and Penstock

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions** is amended to include the following:

Piping and Penstock

- (1) We will pay for direct "loss" from a Covered cause of Loss to piping and penstock owned by you that is attached to your distribution or collection system, but only if a direct "loss" is caused by or results from any of the following:
 - (a) Fire;
 - (b) Lightning;
 - (c) Explosion;
 - (d) Riot or civil commotion;
 - (e) Vehicles or aircraft;
 - (f) Falling Objects; or
 - (g) Wind or hail.
- (2) Piping and penstock includes above and below ground water, sewer and irrigation lines; water and sewer mains; pipes, valves, hydrants, meters, fittings and pumps, that are not located at a "premises" you own or lease.
- (3) This Coverage Extension does not apply to property otherwise covered under the **Underground Property** Coverage Extension of this endorsement.
- (4) The most we will pay for loss in any one occurrence is the **Piping and Penstock** Limit of Insurance indicated in the Water Utilities Schedule of Coverage limits for all direct "loss", loss of "Business Income", "Rental Value", and Extra Expense.
- (5) This Coverage Extension does not apply per location.

R. Pollutant Clean Up and Removal

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 4. Additional Coverages, h. Pollutant Clean Up and Removal**, the last paragraph is deleted in its entirety and replaced by the following:

The most we will pay for each "premises" is the **Pollutant Clean Up and Removal** Limit of Insurance indicated in the Water Utilities Schedule of Coverage Limits. This limit includes the sum of all covered expenses arising out of Covered Causes of Loss during

each "coverage term". This is in addition to the Limits of Insurance shown in the **COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS**.

S. Signs

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions, n. Signs**, the second paragraph is deleted in its entirety and replaced by the following:

The most we will pay for loss in any one occurrence is the **Signs** Limit of Insurance indicated in the Water Utilities Schedule of Coverage Limits.

T. "SCADA" Improvements

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions** is amended to include the following:

"SCADA" Improvements

- (1) You may extend the insurance provided by this Coverage Part to apply to the direct increased cost to improve your "SCADA" system in the event of direct "loss" to Covered Property which is a part of your "SCADA" system due to a Covered Cause of Loss.
- (2) Coverage does not apply to:
 - a. Increases in size or capacity of the system;
 - b. Property valued on an Actual Cash Value basis;
 - c. Replacement of component parts or undamaged sensors;
 - d. The cost to move undamaged equipment that has been permanently installed; or
 - e. Cameras used for security purposes.
- (3) The most we will pay for loss is the **"SCADA" Improvements** Limit of in any one occurrence Insurance indicated in the Water Utilities Schedule of Coverage Limits.
- (4) For this Coverage Extension only, the following is added to **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION G. DEFINITIONS**:

"SCADA" means Supervisory Control and Data Acquisition System. The system is used to detect leaks, analyze and

monitor water flow and other measurable items necessary to maintain "operations" of water, wastewater, and irrigation facilities.

U. Temperature Change

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions** is amended to include the following:

Temperature Change

(1) Coverage

- (a) For this Coverage Extension only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 1. Covered Property** is deleted in its entirety and replaced by the following:

Covered Property means "perishable stock" located in a building at a "premises".

- (b) For this Coverage Extension only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 2. Property Not Covered** is deleted in its entirety and replaced by the following:

Covered Property does not include:

"Perishable Stock" Not in Buildings

"Perishable stock" located on buildings, in or on vehicles, or otherwise in the open.

(2) Covered Causes of Loss

For this Coverage Extension only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 3. Covered Causes of Loss, a. Covered Causes of Loss** is deleted in its entirety and replaced by the following:

(a) Covered Causes of Loss

Covered Causes of Loss means direct "loss" from "temperature change" to Covered Property unless direct "loss" is:

- 1) Excluded in **SECTION A. COVERAGE, 3. Covered Causes of Loss, b. Exclusions**; or

- 2) Limited in **SECTION A. COVERAGE, 3. Covered Causes of Loss, c. Limitations**;

that follow.

(3) Excluded Causes of Loss

- (a) For this Coverage Extension only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM SECTION A. COVERAGE, 3. Covered Causes of Loss, b. Exclusions** does not apply to this Coverage Extension, except as follows:

- 1) **Exclusion (1)(b) Earth Movement;**
- 2) **Exclusion (1)(c) Governmental Action;**
- 3) **Exclusion (1)(d) Nuclear Hazard;**
- 4) **Exclusion (1)(f) War and Military Action;**
- 5) **Exclusion (1)(g) Water;** or
- 6) **Exclusion (1)(h) "Fungi", Wet Rot, Dry Rot, and Bacteria.**

- (b) In addition to Paragraph 3.a. of this Coverage Extension, we will not pay for direct "loss" caused by or resulting from any of the following:

- 1) The disconnecting of any heating, refrigerating, cooling or humidity control system from the source of its power;
- 2) The deactivation of electrical power caused by the manipulation of any switch or other device (on "premises") used to control the flow of electrical power or current;
- 3) The inability of an Electrical Utility Company or other power source to provide sufficient power due to:
 - (a) Lack of fuel, or
 - (b) Governmental order;
- 4) The inability of a power source at the "premises" to provide sufficient power due to the lack of generating capacity to meet demand; or
- 5) Breaking of any glass that is a permanent part of any heating, refrigeration, cooling or humidity control unit.

(4) Limits of Insurance

For this Coverage Extension only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION B. LIMITS OF INSURANCE** is deleted in its entirety and replaced by the following:

SECTION B. LIMITS OF INSURANCE

- a. The most we will pay for all loss in any one occurrence is the **Temperature Change** Limit of Insurance indicated in the Water Utilities Schedule of Coverage Limits including any applicable "Business Income" and Extra Expense.
- b. The **Temperature Change** Limit of Insurance is not an additional amount of insurance and will not increase the Limit of Insurance shown in the **COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS** for Business Personal Property or "stock".

(5) Duties in the Event of Loss

For this Coverage Extension only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION D. LOSS CONDITIONS, 3. Duties in the Event of Loss or Damage, a.(2)** is deleted in its entirety and replaced by the following:

- (2) All claims under this "Temperature Change" Coverage Extension should be reported immediately upon occurrence. Include a description of the damaged "stock". All damaged "stock" must be available for inspection and verification.

(6) Definitions

The following are added to **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION G. DEFINITIONS:**

- a. "Perishable stock" means personal property:
 - (1) Preserved and maintained under controlled conditions; and
 - (2) Susceptible to direct "loss" if the controlled conditions change.
- b. "Temperature change" means:
 - (1) The fluctuation or total interruption of electrical power, either on or off "premises", resulting from conditions beyond your control.

- (2) Mechanical breakdown of any refrigerating or cooling apparatus or equipment (on "premises") including the blowing of any fuse, fuses, or circuit breakers.

- (3) Contamination by refrigerant.

- (4) The freezing of "perishable stock" resulting from the faulty operation of any stationary heating plant, when such "perishable stock" is contained within a building at the "premises".

V. Tenant Move Back Expenses

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions** is amended to include the following:

Tenant Move Back Expenses

1. We will reimburse you for expenses you pay for Covered Move Back Costs of your tenants who temporarily vacate a portion of the building at a "premises". The vacancy must have occurred while the portion of the building rented by your tenant could not be occupied due to direct "loss" to your Covered Property caused by or resulting from a Covered Cause of Loss during the "coverage term". The move back must be completed within 60 calendar days after the portion of the building rented by your tenant has been repaired or rebuilt and is ready for occupancy.
2. Covered Move Back Costs means only documented, reasonable and necessary costs of:
 - a. Packing, insuring and transporting business personal property;
 - b. Re-establishing electric utility and communication services, less refunds from discontinued services;
 - c. Assembling and setting up fixtures and equipment; or
 - d. Unpacking and re-shelving stock and supplies.
3. If your tenants have valid and collectible insurance for Covered Move Back Costs, we will pay only for the amount of Covered Move Back Costs in excess of the amount payable from such other insurance.
4. The most we will pay for loss in any one occurrence is the Blanket Coverage Lim-

it indicated in the Water Utilities Schedule of Coverage Limits.

W. Underground Property

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions** is amended to include the following:

Underground Property

(1) We will pay for direct "loss" caused by a Covered Cause of Loss to the following types of your Covered Property:

- (a) Foundations of covered buildings, structures, machinery or boilers, if their foundations are below the lowest basement floor or the surface of the ground if there is no basement; and
- (b) Underground pipes, flues or drains within 1,000 feet of the "premises" if they are attached to Covered Property on that "premises".

(2) For this Coverage Extension, **SECTION A. COVERAGE, 2. Property Not Covered, g. Foundations** is deleted in its entirety and replaced by the following:

g. Foundations

Foundations of buildings, structures, machinery or boilers, if their foundations are below:

- (1) The lowest basement floor; or
- (2) The surface of the ground, if there is no basement;

except as provided in **SECTION A. COVERAGE, 5. Coverage Extensions**.

(3) For this Coverage Extension, **SECTION A. COVERAGE, 2. Property Not Covered, n. Underground Pipes, Flues or Drains** is deleted in its entirety and replaced by the following:

n. Underground Pipes, Flues or Drains

Underground pipes, flues or drains, except as provided in **SECTION A. COVERAGE, 5. Coverage Extensions**.

(4) The most we will pay for loss in any one occurrence is the Building Limit of Insurance applicable to the Covered Property stated in the **COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS**. This does not act to increase the

limit of insurance applicable to the damaged property.

X. Utility Services

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions, q. Utility Services** is deleted in its entirety and replaced by the following:

q. Utility Services

We will pay for:

- (1) Direct "loss" to Covered Property at your "premises" except for direct "loss" resulting from the partial or complete failure of Wastewater Removal Services; and
- (2) Loss of "Business Income" and Extra Expense you sustain including the insurance provided in **SECTION A. COVERAGE, 5. Coverage Extensions, b. Business Income and Extra Expense** to loss caused by or resulting from the partial or complete failure of the utility services to the "premises".

The partial or complete failure of the utility services listed below must be caused by direct "loss" caused by a Covered Cause of Loss to the following property:

- (1) Power Supply Services, meaning the following types of property supplying electricity, steam or natural gas to the "premises":
 - (a) Utility generating plants;
 - (b) Switching stations;
 - (c) Substations;
 - (d) Transformers; and
 - (e) Transmission, distribution, service, or similar lines, including all such overhead lines of any type.
- (2) Water Supply Services, meaning the following types of property supplying water to the "premises":
 - (a) Pumping stations; and
 - (b) Water mains.
- (3) Wastewater Removal Property, meaning a utility system for removing wastewater and sewage from the "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 Coverage Extension does not apply to interruption in service caused by or resulting from a discharge of water or sewage due to heavy rainfall or flooding.

(4) Communication Supply Services, meaning property supplying communication services, including service related to Internet access or access to any electronic, cellular, or satellite network; telephone, radio, microwave, or television services to the "premises", such as:

- (a) Communication transmission, distribution, service, or similar lines including fiber optic lines, including all such overhead lines of any type;
- (b) Coaxial cables; and
- (c) Microwave radio relays, excluding satellites.

(5) This Coverage Extension does not apply to direct "loss" to "electronic data", including destruction or corruption of "electronic data".

(6) When direct "loss" from the partial or complete interruption of utility services to a "premises" is caused solely by direct "loss" to overhead communication transmission, distribution, service, or similar lines, including fiber optic lines, including all such overhead lines of any type:

(a) The most we will pay for direct "loss" in any one occurrence and loss of "Business Income" and Extra Expense is \$5,000. This limit is part of, not in addition to, the limits provided by this Coverage Extension; and

(b) For loss of "Business Income" and Extra Expense, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION G. DEFINITIONS, 11.** "Period of restoration", Paragraph a. is deleted in its entirety and replaced by the following:

a. Begins:

- (1) 24 hours after the time of direct "loss" for "Business Income" Coverage; or

- (2) Immediately after the time of direct "loss" for Extra Expense Coverage.

The most we will pay for loss in any one occurrence is the **Utility Services** Limit of Insurance indicated in the Water Utilities Schedule of Coverage Limits. However, we will pay the actual loss of "Business Income" sustained in the first 24 hours after direct "loss" to property at a "premises" only if the necessary "suspension" of your "operations" exceeds 24 hours from the direct "loss" caused by or resulting from a Covered Cause of Loss.

Y. Valuable Papers and Records

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions, r. Valuable Papers and Records**, the last paragraph is deleted in its entirety and replaced by the following:

The most we will pay for loss in any one occurrence is the Blanket Coverage Limit indicated in the Water utilities Schedule of Coverage Limits. The \$5,000 Away From Your Premises Limit is not included within the Blanket Coverage Limit. This Away From Your Premises Limit is separate from the Blanket Coverage Limit.

Z. Water Backup Discharged from Sewers, Drains, Septic or Sump Pump Systems

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions** is amended to include the following:

Water Backup Discharged from Sewers, Drains, Septic or Sump Pump Systems

We will pay for direct "loss" to your Covered Property and loss of "Business Income" and Extra Expense caused by water or waterborne material that has entered and then backs up through and is discharged from a sewer, drain, septic or sump pump system or related equipment.

- (1) For this Coverage Extension only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 3. Covered Causes of Loss, b. Exclusions, (1)(g) Water, 3)** is deleted in its entirety and replaced by the following:

- 3) Water that has entered and then backs up through and is discharged from a sewer, drain, septic or sump pump system or related equipment, except as provided in **SECTION A. COVERAGE, 5. Coverage Extensions, Water Backup Discharged from Sewers, Drains, Septic or Sump Pump Systems.**
- (2) For this Coverage Extension only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 3. Covered Causes of Loss, b. Exclusions, (1)(g) Water, 5)** is deleted in its entirety and replaced by the following:
- 5) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph (g)1, 3) or 4), or material carried or otherwise moved by mudslide or mudflow as described in Paragraph (g)2), except as provided in **SECTION A. COVERAGE, 5. Coverage Extensions, Water Backup Discharged from Sewers, Drains, Septic or Sump Pump Systems.**
- (3) For this Coverage Extension only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION C. DEDUCTIBLE** is amended to include the following:

We will not pay for direct "loss" in any one occurrence caused by or resulting from water or waterborne material that has entered and then backs up through and is discharged from a sewer, drain, septic or sump pump system or related equipment, until the amount of direct "loss" exceeds the Deductible shown in the **COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS**, or \$1,000, whichever is greater. We will then pay the amount of direct "loss" in excess of that deductible, up to the applicable limit indicated in Paragraph (4) of this extension.

- (4) The most we will pay for loss in any one occurrence is the **Water Backup Discharged from Sewers, Drains, Septic or Sump Pump Systems** Limit of Insurance indicated in the Water Utilities Schedule of Coverage Limits for all direct "loss", loss of "Business Income", "Rental Value", and Extra Expense.

AA. Blanket Coverage Limit

We will pay up to the Limit of Insurance stated in the Water Utilities Schedule of Coverage Limits in total in any one occurrence for the sum of all direct "loss" insured by the Blanket Coverages. You may apportion this Limit among these Blanket Coverages as you choose.



THE BRIDGE ENDORSEMENT

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THE BRIDGE ENDORSEMENT BRIDGE SCHEDULE OF COVERAGE LIMITS

<u>Coverages:</u>	<u>Limit of Insurance:</u>
Business Travel Benefit	\$50,000
Conference Cancellation	\$25,000
Donation Security	\$50,000
Emergency Travel Expense	\$50,000
Fundraising Event Cancellation Expense	\$25,000
Image Restoration and Counseling Expense	\$50,000
Key Individual Replacement Expense	\$50,000
Kidnap Expense	\$50,000
Lease Assessment	\$2,500
Leasehold Improvements	\$25,000
Political Unrest Evacuation Expense	\$25,000 (\$5,000 per employee)
Temporary Meeting Space Expense	\$25,000
Travel Delay Expense	\$1,500
Unauthorized Business Card Use	\$1,500
Workplace Violence Counseling Expense	\$50,000

<p>Deductible: \$500.00</p>
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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THE BRIDGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

The insurance coverage and Limits of Insurance provided by this endorsement are excess of, and apply in addition to, any similar or identical coverage provided by any other endorsement attached to this Coverage Part, or by any other Coverage Part forming a part of the policy of insurance of which this Coverage Part forms a component.

SECTION I - COVERAGES

A. Business Travel Benefit

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions** is amended to include the following:

Business Travel Benefit

1. We will pay you the business travel benefit if your current "director or officer" while occupying, as a fare-paying passenger, a public conveyance provided and operated by a commercial transportation carrier for regular passenger service by land, water, or air suffers "injury" while traveling for purposes related to your business pursuits during the "coverage term".
2. We will not pay business travel benefit for "injury" caused directly or indirectly by any of the following:
 - a. An intentional injury by the insured, "director or officer" or decedent;
 - b. An act of suicide or attempted suicide by the insured, "director or officer" or decedent;
 - c. An act of war; or
 - d. A disease process the insured, "director or officer" or decedent was diagnosed with prior to the suffered "injury" for which coverage under this Coverage Extension is sought.
3. For **Business Travel Benefit** only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION G. DEFINITIONS**, is amended to include the following:

"Injury" means:

- a. Accidental loss of life caused by physical injury to the body;
- b. Accidental loss of limbs or multiple fingers; or
- c. Accidental total loss of sight, speech or hearing.

The "injury" outlined in Paragraphs **a.**, **b.**, and **c.** above must physically occur to the current "director or officer".

4. For **Business Travel Benefit** only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION G. DEFINITIONS**, is amended to include the following:

"Director or officer" means that particular current director or current officer for which coverage under this Coverage Extension is sought.

The most we will pay for all "injury" under **Business Travel Benefit** in any one "coverage term" is the Limit of Insurance indicated in the Bridge Schedule of Coverage Limits.

Section **I, R. Deductible** applies.

B. Conference Cancellation

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions** is amended to include the following:

Conference Cancellation

1. We will reimburse the insured for any "business-related conference expense" incurred and not reimbursed by any other source as the result of a cancellation of a conference or convention. The cancellation must be the direct result of an order made by a civil authority responding to a "natural catastrophe" or to a "communica-

ble disease" outbreak during the "coverage term".

2. For **Conference Cancellation** only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION G. DEFINITIONS** is amended to include the following:

- a. "Business-related conference expense" means those expenses incurred by you for your employee(s) scheduled to attend a conference or convention provided that the employee(s) was (were) registered for the conference or convention at least 30 days prior to the conference's or convention's cancellation.
- b. "Communicable disease " means any disease or any related or resulting diseases, viruses, complexes, symptoms, manifestations, effects, conditions or illnesses, except this endorsement does not apply to any "loss" directly or indirectly attributable to Anthrax, Avian Influenza, Crimean-Congo Hemorrhagic Fever, Dengue Hemorrhagic Fever, Ebola Hemorrhagic Fever, Francisella Tularensis, Influenza, Lassa Fever, Marburg Hemorrhagic Fever, Meningococcal disease, Plague, Rift Valley Fever, Severe Acute Respiratory Syndrome, Smallpox, Tularemia, Yellow Fever or any pandemic or similar influenza which is defined by the United States Center for Disease Control as virulent human influenza that may cause global outbreak, or pandemic, or serious illness.
- c. "Natural catastrophe" means hurricane, tornado, earthquake or flood.

The most we will pay for all "business related conference expense" under **Conference Cancellation** in any one "coverage term" is the Limit of Insurance indicated in the Bridge Schedule of Coverage Limits.

Section **I, R. Deductible** applies.

C. Donation Security

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions** is amended to include the following:

Donation Security

1. We will reimburse you for a "failed donation" incurred and not reimbursed by any other source.

2. For non-cash donations, the value of the "failed donation" will be determined based on the fair market value of the non-cash item at the time of the "failed donation".
3. For **Donation Security** only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION G. DEFINITIONS** is amended to include the following:

"Failed donation" means notice to the insured during the "coverage term" of:

- a. The bankruptcy or reorganization of any donor whereby such bankruptcy or reorganization prevents the donor from honoring a written pledge, made during the "coverage term", of funds or other measurable, tangible property to the insured provided that the donor has never been in bankruptcy or filed for bankruptcy/reorganization prior to the time the donor's pledge was made to you; or
- b. The unemployment or "incapacitation" of an individual donor during the "coverage term" preventing the donor from honoring a prior written pledge of funds or other measurable, tangible property to the insured provided that, if the donor is an individual who becomes unemployed or "incapacitated":
 - (1) Neither you nor the donor shall have had reason to believe the donor would become unemployed or "incapacitated" prior to the donation date;
 - (2) The individual donor is unemployed or "incapacitated" for at least 60 days before payment is made by the Company; and
 - (3) There is a written pledge of funds or other measurable, tangible property dated during the "coverage term".

4. For **Donation Security** only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION G. DEFINITIONS** is amended to include the following:

"Incapacitated or incapacitation" means a person who is impaired by physical injury, physical illness, or physical disability. The cause of the physical injury, physical illness or physical disability must be accidental.

5. A donation amount which is to be collected by you over a period of more than 12 months will be deemed a single donation.

The most we will pay for all "failed donations" under **Donation Security** in any one "coverage term" is the Limit of Insurance indicated in the Bridge Schedule of Coverage Limits.

Section **I, R. Deductible** applies.

D. Emergency Travel Expense

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions** is amended to include the following:

Emergency Travel Expense

1. We will reimburse the reasonable "emergency travel expense", while traveling for purposes related to your business pursuits during the "coverage term", incurred by your current director or officer and necessitated by a "certified act of terrorism" which:
 - a. Occurs during the "coverage term"; or
 - b. Begins to occur during the "coverage term".
2. For **Emergency Travel Expense** only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION G. DEFINITIONS** is amended to include the following:
 - a. "Emergency travel expense" means:
 - (1) Hotel expense incurred, and not reimbursed by any other source, as the result of the cancellation of scheduled transportation by a commercial transportation carrier for regular passenger service by land, water, or air. The cancellation must occur within forty-eight hours of a "certified act of terrorism"; and
 - (2) The increased amount incurred and not reimbursed by any other source for air or train fare resulting from cancelling and re-scheduling a form of transportation to replace a similarly scheduled form of transportation canceled by a commercial transportation carrier.
 - b. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance 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 of affect the conduct of the United States Government by coercion.

The most we will pay for all emergency travel expenses under **Emergency Travel Expense** in any one "coverage term" is the Limit of Insurance indicated in the Bridge Schedule of Coverage Limits.

Section **I, R. Deductible** applies.

E. Fundraising Event Cancellation Expense

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions** is amended to include the following:

Fundraising Event Cancellation Expense

1. We will reimburse you for fundraising event related expense incurred, and not reimbursed by any other source, due to the cancellation of a fundraising event. However:
 - a. The canceled fundraising event must not be rescheduled within the "coverage term"; and
 - b. The fundraising event cancellation must be the direct result of an order made by a civil authority responding to a "natural catastrophe" or a "communicable disease" outbreak during the "coverage term".
2. For **Fundraising Event Cancellation Expense** only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION G. DEFINITIONS** is amended to include the following:
 - a. "Communicable disease" means any disease or any related or resulting diseases, viruses, complexes, symptoms, manifestations, effects, condi-

tions or illnesses, except this endorsement does not apply to any "loss" directly or indirectly attributable to Anthrax, Avian Influenza, Crimean-Congo Hemorrhagic Fever, Dengue Hemorrhagic Fever, Ebola Hemorrhagic Fever, Francisella Tularensis, Influenza, Lassa Fever, Marburg Hemorrhagic Fever, Meningococcal disease, Plague, Rift Valley Fever, Severe Acute Respiratory Syndrome, Smallpox, Tularemia, Yellow Fever or any pandemic or similar influenza which is defined by the United States Center for Disease Control as virulent human influenza that may cause global outbreak, or pandemic, or serious illness.

- b. "Natural catastrophe" means hurricane, tornado, earthquake or flood.

The most we will pay for all fundraising event cancellation expenses under **Fundraising Event Cancellation Expense** in any one "coverage term" is the Limit of Insurance indicated in the Bridge Schedule of Coverage Limits.

Section **I, R. Deductible** applies.

F. Image Restoration and Counseling Expense

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 4. Additional Coverages** is amended to include the following:

Image Restoration and Counseling Expense

1. We will pay your "image restoration and counseling expense" resulting from a "covered event" that occurs during the "coverage term".
2. For **Image Restoration and Counseling Expense** only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION G. DEFINITIONS** is amended to include the following:
 - a. "Covered event" means an actual or alleged act, attempt or threat of sexual misconduct or sexual molestation directed at one or more of your clients while in your care, custody and control, committed by you, any of your partners, directors, officers, employees, independent contractors or volunteers.
 - b. "Image restoration and counseling expense" means reasonable fees

and expenses you necessarily incur after a "covered event" occurs for:

- (1) The services of a public relations or similar professional image restoration organization to assist or advise you in order to minimize negative publicity and restore or otherwise positively communicate the image of your "operations".
- (2) Legal counseling and professional psychological counseling or other necessary professional mental health treatment for you, any of your partners, directors, officers or employees as a result of a "covered event". These "image restoration and counseling expenses" are payable only if and when the accused is acquitted or is discharged from being accused of committing the "covered event".
- (3) The recruitment of a replacement for an officer who has been relieved of their duties in your "operations" as a result of the "covered event".

The most we will pay for all "image restoration and counseling expense" under **Image Restoration and Counseling Expense** in any one "coverage term" is the Limit of Insurance indicated in the Bridge Schedule of Coverage Limits.

Section **I, R. Deductible** applies.

G. Key Individual Replacement Expense

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions** is amended to include the following:

Key Individual Replacement Expense

1. We will pay the reasonable "replacement expense" incurred, and not reimbursed by any other source, to replace your Chief Executive Officer or your Executive Director if your incumbent Chief Executive Officer or Executive Director is unable to continue due to death or permanent disability resulting from an injury that takes place during the "coverage term".
2. For **Key Individual Replacement Expense** only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION G. DEFINITIONS**, is amended to include the following:

"Replacement expense" means:

- a. Costs of advertising the employment position opening;
- b. Travel, lodging, and meals incurred in interviewing job applicants for the position opening; and
- c. Reasonable extra expenses incurred with our prior consent in finding, interviewing and negotiating with the job applicants including, but not limited to, overtime pay, costs to verify the background and references of the applicants and legal expenses incurred to draw up employment contracts.

The most we will pay for all "replacement expense" under **Key Individual Replacement Expense** in any one "coverage term" is the Limit of Insurance indicated in the Bridge Schedule of Coverage Limits.

Section **I, R. Deductible** applies.

H. Kidnap Expense

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions** is amended to include the following:

Kidnap Expense

1. We will pay the reasonable "kidnap expense" incurred by you or your current director or officer as a result of the "kidnap" of a "covered person" that takes place during the "coverage term".

This coverage does not apply to any "kidnapping" by or at the direction of any past or present family member of the "covered person".

2. For **Kidnap Expense** only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION G. DEFINITIONS** is amended to include the following:

- a. "Covered person" means:
 - (1) Any current director or officer of the named insured; or
 - (2) The spouse, parent, or child of a current director or officer of the named insured.
- b. "Kidnap", "kidnapped", or "kidnapping" means the illegal taking and holding of a "covered person" by an individual who demands a "ransom". The "ransom" must specifically be demanded from your assets as a

condition for the release of the "covered person".

- c. "Kidnap expense" means:
 - (1) Fees and expenses of an independent negotiator you have hired with our prior approval;
 - (2) Incurred interest of loans taken for the purpose of paying "ransom", provided that the loan is repaid within seven days of the insured receiving reimbursement from us;
 - (3) Travel and accommodation expenses incurred by any current director or officer of the named insured;
 - (4) Reward paid by the insured, with our prior approval, to an "informant" for information which leads to the arrest and conviction of parties responsible for a "kidnapping", provided that the offer of such reward is approved by the local law enforcement officials; and
 - (5) Gross salary including bonuses and allowances paid by you to your "kidnapped" director or officer which is contractually due at the time the "kidnapping" occurs. The salary will be paid for a period beginning on the date of the "kidnap" and will end upon the earlier of:
 - (a) Up to 30 days after the release of the director or officer, if the director or officer has not yet returned to work;
 - (b) The discovery of the death of the director or officer;
 - (c) 120 days after we receive the last credible evidence following the "kidnapping" that the director or officer is still alive;
 - (d) 12 months after the date of the "kidnapping"; or
 - (e) The exhaustion of the kidnap expense limit.
- d. "Ransom" means money or other consideration demanded or paid for the release of a "covered person".

The most we will pay for all "kidnap expense" under **Kidnap Expense** in any one "coverage

term" is the Limit of Insurance indicated in the Bridge Schedule of Coverage Limits.

Section **I, R. Deductible** applies.

I. Lease Assessment

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 4. Additional Coverages** is amended to include the following:

Lease Assessment

Your Business Personal Property insurance coverage is extended to apply to your share of any assessment charged to all tenants by the building owner as a result of direct damage caused by or resulting from a Covered Cause of Loss that occurs during the "coverage term" to building property you occupy at a "premises" as agreed to in your written lease agreement.

The most we will pay for all "loss" under **Lease Assessment** in any one "coverage term" is the Limit of Insurance indicated in the Bridge Schedule of Coverage Limits.

Section **I, R. Deductible** applies.

J. Leasehold Improvements

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 4. Additional Coverages** is amended to include the following:

Leasehold Improvements

If your lease is cancelled in accordance with a valid lease provision as the direct result of a Covered Cause of Loss to property during the "coverage term" at a "premises" you occupy as a tenant, and you cannot legally remove Tenant Improvements and Betterments, as described in **SECTION A. COVERAGE, 1. Covered Property, d. Business Personal Property, (6)** we will extend your Business Personal Property insurance coverage to apply to the unamortized value of Tenant Improvement and Betterment that remain and that you were forced to abandon.

The most we will pay for all "loss" under **Leasehold Improvements** in any one "coverage term" is the Limit of Insurance indicated in the Bridge Schedule of Coverage Limits.

Section **I, R. Deductible** applies.

K. Political Unrest Evacuation Expense

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVER-**

AGE, 5. Coverage Extensions is amended to include the following:

Political Unrest Evacuation Expense

1. We will reimburse any current director, officer, employee or volunteer of the named insured for "emergency evacuation expense" that is incurred as the direct result of "political unrest" outside of the United States of America, its territories and possessions, Puerto Rico or Canada. We will only pay "emergency evacuation expense" directly related to traveling for your business pursuits and we will only pay "emergency evacuation expenses" not reimbursed by any other source. The "political unrest" must occur in the country where your current director, officer, employee or volunteer is traveling and the "political unrest" must occur during the "coverage term".

No coverage is granted for travel to countries in a state of "political unrest" at the time of departure of the travel or countries under a United States Department of State trade or travel restriction at the time of incident of "political unrest".

2. For **Political Unrest Evacuation Expense** only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION G. DEFINITIONS** is amended to include the following:

a. "Emergency evacuation expense" means:

- (1) Additional lodging expenses;
- (2) Additional transportation costs;
- (3) The cost of obtaining replacement of lost or stolen travel documents necessary for evacuation from the area of "political unrest"; and
- (4) Translation services, message transmittals and other communication expenses provided that these expenses are not otherwise reimbursable.

b. "Political unrest" means:

- (1) A short-term condition of disturbance, turmoil or agitation within a foreign country that poses imminent risks to the security of citizens of the United States;
- (2) A long-term condition of disturbance, turmoil or agitation that makes a foreign country danger-

ous or unstable for citizens of the United States; or

- (3) A condition of disturbance, turmoil or agitation in a foreign country that constrains the United States Government's ability to assist citizens of the United States, due to the closure or inaccessibility of an embassy or consulate or because of a reduction of its staff for which either an alert or travel warning has been issued by the United States Department of State.

The most we will pay for all "emergency evacuation expenses" under **Political Unrest Evacuation Expense** in any one "coverage term" is the Limit of Insurance indicated in the Bridge Schedule of Coverage Limits.

Section **I, R. Deductible** applies.

L. Premises Boundary Increase

Any reference to 1,000 feet in **BUILDING AND PERSONAL PROPERTY COVERAGE FORM,**

1. **SECTION A. COVERAGE, 1. Covered Property, a. Building, (5)(b);** or
2. **SECTION A. COVERAGE, 1. Covered Property, b. Outdoor Signs;** or
3. **SECTION A. COVERAGE, 1. Covered Property, d. Business Personal Property;** or
4. **SECTION A. COVERAGE, 3. Covered Causes of Loss, c. Limitations, (2) Limitations - Various Property for Specified Causes, (b), 1);** or
5. **SECTION A. COVERAGE, 5. Coverage Extensions;** or
6. **SECTION A. COVERAGE, 5. Coverage Extensions, b. Business Income and Extra Expense, (1) Business Income;** or
7. **SECTION A. COVERAGE, 5. Coverage Extensions, b. Business Income and Extra Expense, (4) Alterations and New Buildings, (c);** or
8. **SECTION A. COVERAGE, 5. Coverage Extensions, f. Fences;**

is increased to 1,800 feet.

M. Temporary Meeting Space Expense

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions** is amended to include the following:

Temporary Meeting Space Expense

We will reimburse you the meeting space rental expense incurred, and not reimbursed by any other source, due to the temporary unavailability of your primary meeting office space on the "premises". The unavailability of your primary meeting space must be the result of direct "loss" to a climate control system or hot water heater during the "coverage term". However, **Temporary Meeting Space Expense** does not apply to the renting of a temporary meeting space solely for use by you, your "employees", your officers or directors unless the temporary meeting space is also required for meeting with vendors, clients or customers outside your organization.

The most we will pay for all temporary meeting space rental expenses under **Temporary Meeting Space Expense** in any one "coverage term" is the Limit of Insurance indicated in the Bridge Schedule of Coverage Limits.

Section **I, R. Deductible** applies.

N. Travel Delay Expense

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions** is amended to include the following:

Travel Delay Expense

1. We will reimburse your current director or officers any "travel delay expense" incurred, and not reimbursed by any other source, as a result of delay or cancellation of any regularly scheduled travel on a commercial transportation carrier. The regularly scheduled travel must be directly related to your business pursuits and the cause of the cancellation must occur during the "coverage term". However, we will only pay for "travel delay expense" first incurred seventy-two (72) hours after the cancellation occurred.

We will not pay for "travel delay expense" due to a "certified act of terrorism".

2. For Travel Delay Expense only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION G. DEFINITIONS** is amended to include the following:
 - a. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terror-

ism 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 of affect the conduct of the United States Government by coercion.

b. "Travel delay expense" means the following travel-related expense for which your director or officer produces a receipt:

- (1) Meals and lodging;
- (2) Alternative transportation;
- (3) Clothing and necessary toiletries; or
- (4) Emergency prescription and non-prescription drug expenses.

The most we will pay for all "travel delay expense" under **Travel Delay Expense** in any one "coverage term" is the Limit of Insurance indicated in the Bridge Schedule of Coverage Limits.

Section **I, R. Deductible** applies.

O. Unauthorized Business Card Use

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 4. Additional Coverages** is amended to include the following:

Unauthorized Business Card Use

1. We will pay for your loss of "money" or charges and costs you incur that result directly from the unauthorized use of credit, debit or charge cards issued in your business name, including:
 - (a) Fund transfer cards;
 - (b) Charge plates; or
 - (c) Telephone cards.
2. For this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE,**

2. Property Not Covered, a. Accounts, Deeds, Money or Securities is deleted in its entirety and replaced with the following:

Accounts, Deeds, Money or Securities

Except as provided in SECTION A. COVERAGE, 4. Additional Coverages, Unauthorized Business Card Use; and **5. Coverage Extensions, a. Accounts Receivable**, Accounts, bills, currency, deeds, food stamps or other evidences of debt, "money", notes or "securities".

3. The most we will pay for all loss of money or charges and costs under **Unauthorized Business Card Use** in any one "coverage term" is the Limit of Insurance indicated in the Bridge Schedule of Coverage Limits.

Section **I, R. Deductible** applies.

P. Unintentional Error in Description

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION E. ADDITIONAL CONDITIONS** is amended to include the following:

An unintentional error in the description of the occupancy or address of Covered Property will not impair this insurance, provided you report the error to us as soon as practicable after the error becomes known to you.

Q. Workplace Violence Counseling Expense

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 4. Additional Coverages** is amended to include the following:

Workplace Violence Counseling Expense

1. We will reimburse you for emotional counseling expense incurred and not reimbursed by any other source resulting from a "workplace violence" incident at your "premises" during the "coverage term". The emotional counseling expenses incurred must have been for:
 - a. Your employees who were victims of, or witnesses to the "workplace violence";
 - b. The spouse, parents or children of your employees who were victims of, or witnesses to the "workplace violence"; and

- c. Any other person or persons who directly witnessed the "workplace violence" incident.
2. For **Workplace Violence Counseling Expense** only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION G. DEFINITIONS** is amended to include:

"Workplace violence" means any intentional use of deadly force by any person with intent to cause harm and that results in physical injury or death of any person while on the insured's "premises".

The most we will pay for all emotional counseling expense under **Workplace Violence Counseling Expense** in any one "coverage term" is the Limit of Insurance indicated in the Bridge Schedule of Coverage Limits.

Section **I, R. Deductible** applies.

R. Deductible

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FROM, SECTION C. DEDUCTIBLE** is deleted in its entirety and replaced by the following:

We will not pay for an insured event in any one occurrence until the amount of the insured event exceeds the Deductible indicated in the Bridge Schedule of Coverage Limits. We will then pay the amount of the insured event in excess of the Deductible, up to the applicable Limit of Insurance in the Bridge Schedule of Coverage Limits in this endorsement.

SECTION II - CONDITIONS

- A. For purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION D. LOSS CONDITIONS, 3. Duties In The Event of Loss or Damage** is deleted in its entirety and replaced by the following:

3. Duties In The Event of an Insured Event

- a. In the event of an insured event for which this coverage is sought, you must see that the following are done in order for coverage to apply:

- (1) Notify the police if a law may have been broken; however, this does not apply to **SECTION I - COVERAGES, H. KIDNAP EXPENSE**.
- (2) Give us prompt notice of the insured event. Include a description of any property involved.

- (3) As soon as possible, give us a description of how, when and where the insured event occurred.
- (4) Take all reasonable steps to protect any property involved from further damage. If feasible, set the damaged property aside and in the best possible order for examination. Keep a record of your expenses necessary to protect any property involved for consideration in the settlement of the claim. This will not increase your limit of insurance. However, in no event will we pay for any subsequent insured event resulting from a cause of loss that is not a Covered Cause of Loss.
- (5) At our request, give us complete inventories of any damaged and undamaged property. Include quantities, costs, values and the amount claimed as the result of the insured event.
- (6) As often as may be reasonably required, permit us to inspect any property proving the insured event 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) Submit 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) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.

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

B. For purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION D. LOSS CONDITIONS, 4. Loss Payment**, Paragraphs **a.** through **h.** are deleted in their entirety and replaced by the following:

a. In the event of an event insured by this Coverage Part, 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.

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of **SECTION D. LOSS CONDITIONS, 7. Valuation** or any applicable provision that amends or supercedes this valuation condition.

b. The cost of repair or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property, except as provided in **SECTION A. COVERAGE, 4. Additional Coverages, g. Ordinance or Law**.

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

d. We will not pay you more than your financial interest in any property for which coverage is sought.

e. We may adjust amounts payable as the result of an insured event 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 property for which coverage is sought.

f. Our payment for "loss" to personal property of others and personal effects will only be for the account of the owner of the property.

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

h. We will pay for an insured event within 30 days after we receive the sworn proof of loss if you have complied with all of the terms of this Coverage Part; and

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

(2) An appraisal award has been made.

C. For purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION D. LOSS CONDITIONS, 7. Valuation**, the first sentence is deleted in its entirety and replaced by the following:

7. Valuation

We will determine the value of any property involved in the event of an insured event as follows:

a. At "Actual Cash Value" as of the time of the insured event, except as provided in **b.**, **c.**, **d.**, and **e.** below.

COMMERCIAL PROPERTY CONDITIONS

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

A. Concealment, Misrepresentation or Fraud

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

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

B. Control of Property

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

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

C. Insurance Under Two or More Coverages

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

D. Legal Action Against Us

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

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

E. Liberalization

If, within 60 days prior to the beginning of this Coverage Part or during the policy period, we make any changes to any forms or endorsements of this Coverage Part for which there is currently no separate premium charge, and that change provides more coverage than this Coverage Part, the change will be considered as included until the end of the current policy period. We will make no additional premium charge for this additional coverage during the interim.

F. No Benefit to Bailee

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

G. Other Insurance

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered "loss". Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same "loss", other than that described in 1. above, we will pay only for the amount of covered "loss" in excess of the amount due from that other insurance, whether you can collect on it or not. **However, we will not reimburse any deductible or difference between Actual Cash Value and Replacement Cost valuations.** We will not pay more than the applicable Limit of Insurance.

H. Policy Period, Coverage Territory

Under this Coverage Part:

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

I. Transfer of Rights of Recovery Against Others to Us

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

1. Prior to a direct "loss" to your Covered Property or Covered Income.
2. After a direct "loss" to your Covered Property or Covered Income only if, at time of direct "loss", that party is one of the following:
 - a. Someone insured by this insurance;

- b. A business firm:
 - (1) Owned or controlled by you; or
 - (2) That owns or controls you; or
- c. Your tenant.

This will not restrict your insurance.

MINE SUBSIDENCE COVERAGE (KENTUCKY)

In consideration of an additional premium, this policy is extended to insure against direct loss by Mine Subsidence but only with respect to Structures specifically listed in the Schedule or Declarations to which this coverage applies. With respect to Mine Subsidence:

- I. The Property Covered provisions of this policy are replaced by the following:

PROPERTY COVERED

Structure, meaning any building, or fixture permanently affixed to realty, listed in the Schedule or Declarations for Mine Subsidence Coverage, including:

- A. Cost of excavation, grading or fillings;
- B. Foundation of buildings, boilers or engines which are below the undersurface lower basement floor, or where there is no basement, below the surface of the ground;
- C. Underground pilings, piers, flues and drains; and
- D. Pilings which are below the low water mark.

DEBRIS REMOVAL: This insurance covers expense incurred in the removal of the debris of the property covered hereunder which may be occasioned by loss by Mine Subsidence. The total amount recoverable under this form for both loss to property and debris removal expense shall not exceed the amount of Mine Subsidence Coverage applying to a described property.

- II. The Property Not Covered provisions of this policy are amended by adding:

- 1. Personal Property.
- 2. Land.

- III. The Deductible provisions of this policy are replaced by the following:

DEDUCTIBLE CLAUSE

The sum of 2% of the Amount of Insurance, but not less than \$250 nor more than \$500, shall be deducted from each loss separately occurring to the Property Covered.

The deductible shall apply separately to each structure.

- IV. The Perils Insured Against Provisions are replaced by the following:

PERIL INSURED AGAINST

This policy insures against direct loss to structures by Mine Subsidence which means collapse of man-made underground coal mines.

However, Mine Subsidence does not include direct loss caused by:

- A. Earthquake or earth movement;
 - B. Landslide;
 - C. Volcanic eruption; and
 - D. Collapse of storm or sewer drains.
- V. If this policy contains an earth movement exclusion, it is replaced by the following:

Earth Movement, including but not limited to earthquake, landslide, mud flow, earth sinking, earth rising or shifting. However, this exclusion does not apply to direct loss caused by Mine Subsidence, as insured against in this policy.

- VI. The Coinsurance Clause and the Extension of Coverage provisions of this policy are deleted.

- VII. The following provisions are added:

LIMITATIONS AND LOSS PAYMENTS

The limit of liability for all direct loss caused by Mine Subsidence to any one structure in any one occurrence shall not exceed the lesser of the following:

- A. \$300,000, or
- B. The amount shown in the Schedule or Declarations for Mine Subsidence Coverage.

There is a maximum Limit of Insurance for additional living expense of \$25,000. This amount is not included in the amount shown for structures. This limit applies to dwelling (residential) risks only.

Loss Payment is limited to the amount available in the Mine Subsidence Insurance Fund to reimburse the Company.

In the event of loss to any structure insured by this form in excess of the deductible amount, the Company shall be liable for no greater portion of such loss than the amount provided by this form shall bear to all Mine Subsidence Coverage, whether collectible or not.

KENTUCKY MINE SUBSIDENCE WAIVER FORM

WAIVER OF INSURANCE

I (WE) DO NOT DESIRE MINE SUBSIDENCE INSURANCE COVERAGE AND HEREBY WAIVE ANY RIGHT TO SUCH COVERAGE, UNDER THIS POLICY OR ANY FUTURE POLICY COVERING MY (OUR) INTEREST IN THE PROPERTY DESCRIBED IN THE POLICY (IN THE APPLICATION), UNLESS I (WE) REQUEST MINE SUBSIDENCE COVERAGE, IN WRITING, AT SOME FUTURE DATE.

*

Signature of Named Insured(s)

ETD 049 53 41

Policy Number (If Renewed)

Date signed

*IF INSURED IS A CORPORATION, HAVE AN OFFICER OF THE CORPORATION SIGN WITH HIS TITLE.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EQUIPMENT BREAKDOWN COVERAGE

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

A. COVERAGE

1. **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE** is amended by adding the following:

We will pay for direct "loss" to Covered Property caused by or resulting from an "accident" at the "premises".

2. **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 3. Covered Causes of Loss, b. Exclusions** is amended by:

- a. Adding the following to **(1)(e) Utility Services, (1)(g) Water 1, (2)(a) Electrical Current, (2)(d) Miscellaneous Causes of Loss, (2)(j) Exposure to Weather, (3)(a) Weather Conditions, (3)(b) Acts or Decisions, and (3)(c) Defects, Errors, and Omissions**:

However, this exclusion does not apply if the causes of loss are caused by, or result from, an "accident" to Covered Property at the "premises".

- b. Deleting in its entirety **(2)(e) Explosion of Steam Apparatus**.

3. **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 3. Covered Causes of Loss, c. Limitations** is amended by:

- a. Deleting in its entirety **(1)(a) Steam Apparatus** and **(1)(b) Hot Water Boilers**.

- b. Adding the following:

The following limitations apply only to "loss" covered by this endorsement. The sublimits provided in Paragraphs **(1), (2)** and **(3)** below are included within, and are not in addition to, the Limit of Insurance shown in the Declarations as applicable to the Covered Property. These limits, or the applicable Limit of Insurance shown in the Declarations as applicable to the Covered Property, whichever is less, apply. These limits apply to direct "loss" only.

- (1) Ammonia Contamination Limitation**

If Covered Property is contaminated by ammonia as a result of an "accident" to Covered Property at the "premises", the most we will pay for this kind of loss, including salvage expense, is \$100,000 per location.

- (2) Data, Media and Software Restoration**

If "electronic data" is destroyed or corrupted as a result of an "accident" to covered equipment, the most we will pay for the expenses incurred by you for the restoration of that "electronic data" is \$100,000 for all loss sustained in the "coverage term", regardless of the number of "accidents" or the number of "premises" involved.

- (3) "Hazardous Substance" Limitation**

The following applies despite the operation of **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 3. Covered Causes of Loss, b. Exclusions, (1)(a) Ordinance or Law**.

If Covered Property is damaged, contaminated or polluted by a "hazardous substance" other than ammonia as a result of an "accident" to Covered Property at the "premises", the most we will pay for any additional expenses incurred by you for clean up, repair, replacement or disposal of that property is \$100,000. As used here, additional expenses mean expenses incurred beyond those for which we would be liable if no "hazardous substance" had been involved.

4. For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A.**

COVERAGE, 5. Coverage Extensions, g. Fungi, Wet Rot, Dry Rot, and Bacteria – Limited Coverage, Paragraph (3) is deleted in its entirety and replaced by the following:

- (3) For the coverage described under Paragraph **g.(2)** of this Coverage Extension, the most we will pay for loss, regardless of the number of claims, is \$100,000. This limit is the most we will pay for the total of all loss arising out of all occurrences that take place in the "coverage term". With respect to a particular occurrence of "loss" which results in "fungi", wet or dry rot or bacteria, we will not pay more than a total of \$100,000 even if the "fungi", wet or dry rot or bacteria continues to be present or active, or recurs, in a subsequent "coverage term".

B. ADDITIONAL COVERAGES

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 4. Additional Coverages** is amended as follows:

1. Paragraph **a. Change in Temperature or Humidity** is deleted in its entirety.

2. The following are added:

a. Drying Out

If electrical equipment included in Covered Property requires "drying out" as a result of a "flood", the reasonable expense incurred for the "drying out" will be covered.

b. Expediting Expenses

With respect to "loss" covered by this endorsement, and with respect to your damaged Covered Property, we will pay the reasonable extra cost to:

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

c. Non-Owned Utility Service Equipment

We will pay for indirect loss resulting from an "accident" to non-owned utility equipment described in **E. Definitions, 1.a.(7)** but we will not pay for any expense to repair or replace direct "loss" to non-owned utility equipment that:

- (1) You do not own, lease or rent; or
- (2) That is not in your care custody and control.

These Additional Coverages are included within, and not in addition to, the Limits of Insurance shown in the Declarations. All other terms and conditions of this Coverage Part, including deductibles, apply to these Additional Coverages.

C. DEDUCTIBLE

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION C. DEDUCTIBLE** is amended by adding the following:

The deductible applicable to "loss" covered by this endorsement is \$500, or the deductible indicated in the Declarations as being applicable to the lost or damaged Covered Property, whichever is greater.

D. ADDITIONAL CONDITIONS

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION E. ADDITIONAL CONDITIONS** is amended by adding the following:

Suspension

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

1. Your last known address; or
2. The address where the covered equipment is located.

Once suspended in this way, your insurance can be reinstated only by written notice from us.

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

E. DEFINITIONS

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION G. DEFINITIONS** is amended by adding the following:

- 1.a. "Accident" means a sudden and accidental breakdown of the following covered equipment:

- (1) Any boiler;

- (2) Any fired or unfired pressure vessel subject to vacuum or internal pressure other than the static pressure of its contents;
- (3) Any piping and its accessory equipment;
- (4) Any refrigeration or air conditioning system;
- (5) Any mechanical or electrical machine or apparatus used for the generation, transmission or utilization of mechanical or electrical power; or
- (6) Any "production machinery".
- (7) Equipment of a type described in definition a.(1) through (6) above which you do not own, lease or rent and is not in your care, custody or control that is on or within one mile of a covered "location", and is supplying you with electricity, gas, water, steam, heat, refrigeration, air conditioning or communication services.

At the time the breakdown occurs, it must become apparent by physical damage that the covered equipment or part thereof requires repair or replacement.

When the covered equipment or part thereof experiencing a problem is "electronic circuitry" that suddenly loses its ability to function as designed or intended with no apparent physical damage, we will concede physical damage has occurred if the covered equipment or part thereof can be restored to normal operation by replacing one or more "electronic circuitry" components.

- b. None of the following is an "accident":
 - (1) Depletion, deterioration, corrosion or erosion;
 - (2) Wear and tear;
 - (3) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
 - (4) The functioning of any safety or protective device;
 - (5) The breakdown of any structure or foundation supporting covered equipment or any of its parts;
 - (6) Any condition that can be reasonably remedied by normal maintenance such as:
 - (a) Replacing expendable parts;
 - (b) Recharging batteries; or

- (c) Rebooting, reloading or updating software or firmware; or
- (7) Any condition caused by or related to:
 - (a) Incompatibility of covered equipment or part thereof with any software or equipment installed, introduced or networked within the prior 30 days; or
 - (b) Programming error, programming limitation, computer virus, malicious code, loss of data, loss of access, or other condition within or involving data or media of any kind.

- c. None of the following are covered equipment:
 - (1) Any sewer piping, underground gas piping, or piping forming a part of a sprinkler system;
 - (2) Water piping other than boiler feed water piping, boiler condensate return piping or water piping forming a part of a refrigeration or air conditioning system;
 - (3) Insulating or refractory material;
 - (4) Vehicle, elevator, escalator, conveyor, hoist or crane;
 - (5) Felt, wire, screen, swing hammer, grinding disc, cable, chain, belt, rope or nonmetallic part;
 - (6) Die, mold, extrusion plate, cutting blade or any part or tool subject to periodic replacement for production or maintenance purposes;
 - (7) Penstock, draft tube or well casing; or
 - (8) Excavation or construction equipment or any equipment mounted thereon.

d. If a strike, riot, civil commotion, act of sabotage or vandalism results in an "accident", this insurance applies. However, the War and Military Action Exclusion and the conditions of this Coverage Part still apply.

2. "Drying out" means restoration of electrical equipment to service following a "flood" by removal of excess moisture from that equipment including:

- a. Application of heat or controlled electrical current, circulation of air, or use of dehumidification equipment, after rinsing the electrical equipment with clean fresh water if necessary to flush away "flood" debris;

- b. "Drying out" can be done in place or equipment can be disconnected and removed to a repair facility for drying if necessary.
 - c. "Drying out" does not include or apply to:
 - (1) Replacement or repair of any electrical equipment or parts thereof; or
 - (2) Any expense related to deconstruction, demolition, or reconstruction of any building component, structure or part thereof to gain access to electrical equipment.
3. "Electronic circuitry" means microelectronic components, including but not limited to circuit boards, integrated circuits, computer chips and disk drives.
4. "Flood" means a general and temporary condition of partial or complete inundation of normally dry land areas due to:
- a. The overflow of inland or tidal waters;
 - b. The unusual or rapid accumulation or runoff of surface waters from any source; or
 - c. Mudslides or mudflows, which are caused by flooding as defined above in Paragraph
- 4.b. For the purposes of this Covered Cause of Loss, a mudslide or mudflow involves a river of liquid and flowing mud on the surface of normally dry land areas as when earth is carried by a current of water and deposited along the path of the current.
- All flooding in a continuous or protracted event will constitute a single "flood".
5. "Hazardous substance" means a substance declared to be hazardous to health by a governmental agency.
6. "Production machinery" means:
- a. Production or process machine or apparatus that processes, forms, cuts, shapes, grinds or conveys raw material, material in process or finished products, and the computers and their peripherals that control or operate such a machine or apparatus.
 - b. Machine or apparatus used for research, medical, diagnostic, surgical, dental or pathological purposes, and computers and their peripherals that control or operate such a machine or apparatus.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

EARTHQUAKE AND VOLCANIC ERUPTION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

A. Application of Earthquake Coverage

1. This endorsement applies to the Covered Property and Coverages for which a Limit of Insurance is shown in the Declarations and Earthquake is indicated as a Covered Cause of Loss.
2. To the extent that the Earth Movement Exclusion of any other form attached to this Coverage Part might conflict with coverage provided under this endorsement, that Earth Movement Exclusion does not apply.

B. Additional Covered Causes of Loss - Earthquake and Volcanic Eruption

For the purposes of this endorsement only, the following are added as Covered Causes of Loss to any other Coverage Form endorsed to this Coverage Part:

1. Earthquake, including tremors and after-shocks and any earth sinking, rising or shifting related to such event.
2. Volcanic Eruption, meaning the eruption, explosion or effusion of a volcano.

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

C. Additional Covered Causes of Loss - Earthquake and Volcanic Eruption - Sprinkler Leakage Only

If the Declarations indicate that this endorsement covers Earthquake - Sprinkler Leakage Only, then Section **B.** of this endorsement is deleted and replaced by the following:

The following are added as Covered Causes of Loss to any other Coverage Form endorsed to this Coverage Part:

1. Sprinkler Leakage resulting from Earthquake.
2. Sprinkler Leakage resulting from Volcanic Eruption. Volcanic Eruption means the eruption, explosion or effusion of a volcano.

All Earthquake shocks or Volcanic Eruptions that occur within any 168-hour period will con-

stitute a single Earthquake or Volcanic Eruption. The expiration of this Coverage Part will not reduce the 168-hour period.

D. Amended Exclusions and Provisions

For the purposes of this endorsement only:

1. The following provisions:
 - a. **SECTION A. COVERAGE, 3. Covered Causes of Loss, b. Exclusions and c. Limitations of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM;** and
 - b. **SECTION E. EXCLUSIONS of the MORTGAGE INTEREST COVERAGE FORM;**

apply to coverage provided under this endorsement, except as provided in Section **D.2.** and **D.3.** below.

2. The following exclusions:
 - a. **SECTION A. COVERAGE, 3. Covered Causes of Loss, b. Exclusions, (2)(k) Collapse of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM;** and
 - b. **SECTION E. EXCLUSIONS, 4.a. Collapse of the MORTGAGE INTEREST COVERAGE FORM;**

do not apply to collapse caused by Earthquake or Volcanic Eruption.

3. The following provisions:
 - a. **SECTION A. COVERAGE, 5. Coverage Extensions, c. Collapse of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM;** and
 - b. **SECTION H. ADDITIONAL COVERAGE - COLLAPSE of the MORTGAGE INTEREST COVERAGE FORM;**

do not apply to the coverage provided under this endorsement. This endorsement includes coverage for collapse caused by Earthquake or Volcanic Eruption.

4. Any Ordinance or Law Exclusion in this Coverage Part continues to apply with respect to any direct "loss" under this Coverage Part including any direct "loss" under this endorsement, unless Ordinance or Law Coverage is added by endorsement.

E. Additional Exclusions

1. Pre-Existing Earthquake

We will not pay for direct "loss" caused by or resulting from any Earthquake or Volcanic Eruption that begins before the inception of this insurance.

2. Tidal Wave or Tsunami

We will not pay for direct "loss" caused directly or indirectly by tidal wave or tsunami, even if attributable to an Earthquake or Volcanic Eruption.

3. Exterior Masonry Veneer

We will not pay for direct "loss" to exterior masonry veneer (except stucco) on wood frame walls caused by or resulting from the Earthquake or Volcanic Eruption. The value of such veneer will not be included in the value of Covered Property or the amount of "loss" when applying the **Property Damage Deductible** applicable to this endorsement.

This Exclusion **E.3.** does not apply if:

- a. The Declarations indicate that the "Including Masonry Veneer" option applies or the "premises" description in the Declarations specifically states "Including Masonry Veneer"; or
- b. Less than 10% of the total outside wall area is faced with masonry veneer (excluding stucco).

4. Cost of Restoring Land

Coverage under this endorsement does not include the cost of restoring or remediating land or the cost of excavations, grading, backfilling or filling.

F. Earthquake Property Damage Deductible

1. The provisions of Section **F.3.** of this endorsement are applicable to all Coverage Forms except:
 - a. **BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM;**
 - b. **BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM;**
 - c. **EXTRA EXPENSE COVERAGE FORM;**
 - d. **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Cov-**

erage Extensions, b. Business Income and Extra Expense.

2. If the Declarations indicate that this endorsement covers Earthquake - Sprinkler Leakage Only, then the Deductible set forth in Section **F.3.** of this endorsement does not apply to such coverage. The applicable Deductible for such coverage is the same Deductible that applies to Fire.
3. The Deductible, if any, in this Coverage Part is replaced by the following with respect to Earthquake and Volcanic Eruption:

a. All Policies

- (1) The Deductible provisions apply to each Earthquake or Volcanic Eruption.
- (2) Separate Deductibles are calculated for, and apply to, each building and business personal property at each building and business personal property in the open. Deductibles are separately calculated and applied even if:
 - (a) Two or more buildings sustain direct "loss";
 - (b) Business personal property at two or more buildings sustains direct "loss"; or
 - (c) A building and the business personal property in that building sustain direct "loss".
- (3) We will not pay for direct "loss" until the amount of "loss" exceeds the applicable Deductible. We will then pay the amount of "loss" in excess of that Deductible, up to the applicable Limit of Insurance, after any reduction required by any of the following: Coinsurance Condition, Agreed Value Optional Coverage, Additional Condition - Need for Adequate Insurance, or Additional Condition - Need for Full Reports.
- (4) When property is covered under the Coverage Extension for Newly Purchased, Leased or Constructed Property, in determining the amount, if any, that we will pay for direct "loss", we will deduct an amount equal to a percentage of the value of the property at time of "loss". The applicable percentage for Newly Purchased, Leased or Constructed Property is the highest percentage shown in the Declarations for any "premises".

- (5) If there is direct "loss" caused by Earthquake or Volcanic Eruption, and direct "loss" caused by a Cause of Loss (e.g., fire) that is covered by means of an exception to the Earth Movement Exclusion, then the only applicable Deductible provisions are those stated in this endorsement.

b. Calculation of the Deductible - Specific Insurance Other Than Builders Risk

(1) Property Not Subject to Value Reporting Forms

In determining the amount, if any, that we will pay for direct "loss", we will deduct an amount equal to a percentage (as shown in the Declarations, concerning the Earthquake - Volcanic Eruption Deductible) of the Limit of Insurance applicable to the property that has sustained direct "loss".

(2) Property Subject to Value Reporting Forms

In determining the amount, if any, that we will pay for direct "loss", we will deduct an amount equal to a percentage (as shown in the Declarations, concerning the Earthquake - Volcanic Eruption Deductible) of the value of the property that has sustained direct "loss". The value to be used is the latest value shown in the most recent Report of Values on file with us.

However:

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

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

(1) Property Not Subject to Value Reporting Forms

In determining the amount, if any, that we will pay for direct "loss", we will deduct an amount

equal to a percentage (as shown in the Declarations, concerning the Earthquake - Volcanic Eruption Deductible) of the value of the property that has sustained direct "loss". The value to be used is that shown in the most recent Statement of Values on file with us.

(2) Property Subject to Value Reporting Forms

In determining the amount, if any, that we will pay for property that has sustained direct "loss", we will deduct an amount equal to a percentage (as shown in the Declarations, concerning the Earthquake - Volcanic Eruption Deductible) of the value of that property as of the time of direct "loss".

G. Examples - Application of Deductible in F.3.:

Example #1 - Specific Insurance (F.3.b.(1))

The amount of direct "loss" to the damaged building is \$60,000.

The value of the damaged building at time of "loss" is \$100,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum Limit of Insurance needed to meet the coinsurance requirement is \$80,000 (80% of \$100,000).

The **actual** Limit of Insurance on the damaged building is \$70,000.

The Deductible is 5%.

Step (1): $\$70,000 \div \$80,000 = .875$

Step (2): $\$60,000 \times .875 = \$52,500$

Step (3): $\$70,000 \times 5\% = \$3,500$

Step (4): $\$52,500 - \$3,500 = \$49,000$

The most we will pay is \$49,000. The remainder of the "loss", \$11,000, is not covered due to the Coinsurance penalty for inadequate insurance (Steps (1) and (2)) and the application of the Deductible (Steps (3) and (4)).

Example #2 - Specific Insurance (F.3.b.(1))

The amounts of direct "loss" to the damaged property are \$60,000 (building) and \$40,000 (business personal property in building).

The value of the damaged building at time of "loss" is \$100,000. The value of the business personal property in that building is \$80,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum Limits of Insurance needed to meet the coinsurance requirement are \$80,000 (80% of \$100,000) for the building and \$64,000 (80% of \$80,000) for the business personal property.

The **actual** Limits of Insurance on the damaged property are \$80,000 on the building and \$64,000 on the business personal property (therefore no Coinsurance penalty).

The Deductible is 10%.

Building

Step (1): $\$80,000 \times 10\% = \$8,000$

Step (2): $\$60,000 - \$8,000 = \$52,000$

Business Personal Property

Step (1): $\$64,000 \times 10\% = \$6,400$

Step (2): $\$40,000 - \$6,400 = \$33,600$

The most we will pay is \$85,600. That portion of the total "loss" not covered due to application of the Deductible is \$14,400.

Example #3 - Blanket Insurance (F.3.c.(1))

The sum of the values of Building #1 (\$500,000), Building #2 (\$500,000) and Building #3 (\$1,000,000), as shown in the most recent Statement of Values on file with us, is \$2,000,000.

The Coinsurance percentage shown in the Declarations is 90%; the minimum Blanket Limit of Insurance needed to meet the coinsurance requirement is \$1,800,000 (90% of \$2,000,000).

The **actual** Blanket Limit of Insurance covering Buildings #1, #2, and #3, shown in the Declarations, is \$1,800,000 (therefore no Coinsurance penalty).

Buildings #1 and #2 have sustained damage; the amounts of direct "loss" to these buildings are \$40,000 (Building #1) and \$60,000 (Building #2).

The Deductible is 5%.

Building #1

Step (1): $\$500,000 \times 5\% = \$25,000$

Step (2): $\$40,000 - \$25,000 = \$15,000$

Building #2

Step (1): $\$500,000 \times 5\% = \$25,000$

Step (2): $\$60,000 - \$25,000 = \$35,000$

The most we will pay is \$50,000. That portion of the total "loss" not covered due to application of the Deductible is \$50,000.

Example #4 - Blanket Insurance (F.3.c.(1))

The sum of the values of Building #1 (\$500,000), Building #2 (\$500,000), Business Personal Property at Building #1 (\$250,000) and Business Personal Property at Building #2

(\$250,000), as shown in the most recent Statement of Values on file with us, is \$1,500,000.

The Coinsurance percentage shown in the Declarations is 90%; the minimum Blanket Limit of Insurance needed to meet the coinsurance requirement is \$1,350,000 (90% of \$1,500,000).

The **actual** Blanket Limit of Insurance covering Buildings #1 and #2 and Business Personal Property at Buildings #1 and #2, shown in the Declarations, is \$1,350,000. Therefore there is no Coinsurance penalty.

Building #1 and Business Personal Property at Building #1 have sustained damage; the amounts of direct "loss" are \$95,000 (Building) and \$5,000 (Business Personal Property).

The Deductible is 10%.

Building

Step (1): $\$500,000 \times 10\% = \$50,000$

Step (2): $\$95,000 - \$50,000 = \$45,000$

Business Personal Property

Step (1): $\$250,000 \times 10\% = \$25,000$

The "loss", \$5,000, does not exceed the deductible.

The most we will pay is \$45,000. The remainder of the building "loss", \$50,000, is not covered due to application of the Deductible. There is no "loss" payment for the business personal property.

H. Business Income and Extra Expense Period of Restoration

This Section H. is applicable only to the Coverage Forms specified below:

- 1. BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM;**
- 2. BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM;**
- 3. EXTRA EXPENSE COVERAGE FORM; and**
- 4. BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions, b. Business Income and Extra Expense.**

The "period of restoration" definition stated in the Coverage Form, or in any endorsement amending the beginning of the "period of restoration", applies to each Earthquake or Volcanic Eruption. A single Earthquake or Volcanic Eruption is defined in Sections B. and C. of this endorsement.

THE CINCINNATI INSURANCE COMPANY

A Stock Insurance Company

COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS

Attached to and forming part of POLICY NUMBER: ETD 049 53 41

Named Insured is the same as it appears in the Common Policy Dedarations

LIMITS OF INSURANCE

EACH OCCURRENCE LIMIT	\$ 1,000,000	
GENERAL AGGREGATE LIMIT	\$ 2,000,000	
PRODUCTS-COMPLETED OPERATIONS AGGREGATE LIMIT	\$ 2,000,000	
PERSONAL & ADVERTISING INJURY LIMIT	\$ 1,000,000	ANY ONE PERSON OR ORGANIZATION
DAMAGE TO PREMISES RENTED TO YOU LIMIT		ANY ONE
\$100,000 limit unless otherwise indicated herein:	\$ SEE GA267	PREMISES
MEDICAL EXPENSE LIMIT		
\$5,000 limit unless otherwise indicated herein:	\$ SEE GA267	ANY ONE PERSON

CLASSIFICATION	CODE NO.	PREMIUM BASE	RATE		ADVANCE PREMIUM	
			Products / Completed Operations	All Other	Products / Completed Operations	All Other
LOC. 1 - KY CONTRACTORS - SUBCONTRACTED WORK	91591 E	11,000 TOTAL COST	1.191	.204	13	2
EXCAVATION	94007 B	IF ANY	10.502	16.157	STA	STA
WATER COMPANIES INCL PROD AND/OR COMP OP	99943 B	403,000		10.135		4,084
AUTOMATIC ADDITIONAL INSURED - CONTRACTORS OPERATIONS	29923					102
ALL OTHER COVERAGES	29977					102

The General Liability Coverage Part is subject to an annual minimum premium.

TOTAL ANNUAL PREMIUM \$ 4,303

FORMS AND / OR ENDORSEMENTS APPLICABLE TO COMMERCIAL GENERAL LIABILITY COVERAGE PART:

GA101	12/04	COMMERCIAL GENERAL LIABILITY COVERAGE FORM
CG0300	01/96	DEDUCTIBLE LIABILITY INSURANCE
CG2132	05/09	COMMUNICABLE DISEASE EXCLUSION
GA255	09/10	WATER UTILITIES PROFESSIONAL LIABILITY EXTENSION
GA267	09/17	WATER UTILITIES COMMERCIAL GENERAL LIABILITY BROADENED ENDORSEMENT
GA3006	09/10	TOTAL POLLUTANT EXCLUSION WITH WATER COMPANY EXCEPTIONS

FORMS AND / OR ENDORSEMENTS APPLICABLE TO COMMERCIAL GENERAL LIABILITY COVERAGE PART:

GA3024	05/14	EXCLUSION - ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION AND DATA-RELATED LIABILITY - WITH LIMITED BODILY INJURY EXCEPTION
GA323	10/01	EXCLUSION - LEAD LIABILITY
GA472	09/18	CONTRACTORS ADDITIONAL INSURED - AUTOMATIC STATUS WHEN REQUIRED IN WRITTEN CONTRACT, AGREEMENT, PERMIT OR AUTHORIZATION

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

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

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

The word "insured" means any person or organization qualifying as such under **SECTION II - WHO IS AN INSURED**.

Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION V - DEFINITIONS**.

SECTION I - COVERAGES

COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

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

- (1) The amount we will pay for damages is limited as described in **SECTION III - LIMITS OF INSURANCE**; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under **SECTION I - COVERAGES, COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY**; **SECTION I - COVERAGES, COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY**; or medical expenses under **SECTION I - COVERAGES, COVERAGE C. MEDICAL PAYMENTS**.

No other obligation or liability to pay sums or perform acts or services is covered unless expressly provided for under

SUPPLEMENTARY PAYMENTS - COVERAGES A AND B.

- b. This insurance applies to "bodily injury" and "property damage" only if:
- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
 - (2) The "bodily injury" or "property damage" occurs during the policy period; and
 - (3) Prior to the "coverage term" in which "bodily injury" or "property damage" occurs, you did not know, per Paragraph **1.d.** below, that the "bodily injury" or "property damage" had occurred or had begun to occur, in whole or in part.
- c. "Bodily injury" or "property damage" which:
- (1) Occurs during the "coverage term"; and
 - (2) Was not, prior to the "coverage term", known by you, per Paragraph **1.d.** below, to have occurred;
- includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the "coverage term" in which it first became known by you.
- d. You will be deemed to know that "bodily injury" or "property damage" has occurred at the earliest time when any "authorized representative":
- (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";
 - (3) First observes, or reasonably should have first observed, the "bodily injury" or "property damage";
 - (4) Becomes aware, or reasonably should have become aware, by any means other than as described in (3) above, that "bodily injury" or "property damage" had occurred or had begun to occur; or
 - (5) Becomes aware, or reasonably should have become aware, of a

condition from which "bodily injury" or "property damage" is substantially certain to occur.

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

2. Exclusions

This insurance does not apply to:

a. Expected or Intended Injury

"Bodily injury" or "property damage" which may reasonably be expected to result from the intentional or criminal acts of the insured or which is in fact expected or intended by the insured, even if the injury or damage is of a different degree or type than actually expected or intended. 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. When a claim for such "bodily injury" or "property damage" is made, we will defend that claim provided the insured has assumed the obligation to defend such claim in the "insured contract". Such defense payments will not reduce the limits of insurance.

c. Liquor Liability

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

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or

- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

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

d. Workers' Compensation and Similar Laws

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

e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured sustained in the "workplace";
- (2) An "employee" of the insured arising out of the performance of duties related to the conduct of the insured's business; or
- (3) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraphs (1) or (2) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) 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. Pollutant

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release, escape or emission 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, Paragraph (a) does not apply to:

- 1) "Bodily injury" to any person injured while on any premises, site or location owned or occupied by, or rented or loaned to, you provided:

- a) The injury is caused by the inadequate ventilation of vapors;
- b) The person injured is first exposed to such vapors during the policy period; and
- c) Within 30 days of such first exposure, the person injured is clinically diagnosed or treated by a physician for the medical condition caused by the exposure to such vapors. However, Paragraph **c)** does not apply if the "bodily injury" is caused by vapors 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.

This exception **1)** shall apply only to Named Insureds; we shall have no duty to defend or pay damages for any person or organization that is not a Named Insured. However, this paragraph does not apply if the "bodily injury" is caused by vapors 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.

For the purpose of the exception granted in Paragraph **1)** only, vapors means any gaseous or airborne irritant or airborne contaminant, including smoke, fumes, vapor or soot, but excluding asbestos, which is discharged, dispersed, emitted, released or escapes from materials, machinery or equipment used in the service or maintenance of the premises. Vapors does not mean any gaseous or

airborne irritants or contaminants used in a manufacturing process or which is the product or by-product of any manufacturing process;

- 2) "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 this Coverage Part as an additional insured with respect to your ongoing operations or "your work" 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
- 3) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";

- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
 - 1) Any insured; or
 - 2) 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, Paragraph **(d)** does not apply to:
 - 1) "Bodily injury" or "property damage" arising out of the discharge, dispersal, seepage, migration, release, es-

cape or emission of fuels, lubricants or other operating fluids, or exhaust gases, which are needed to perform, or are the result of, 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, or exhaust gases, escape, seep or migrate, or are discharged, dispersed, released or emitted from a vehicle part designed to hold, store or receive them. This exception does not apply if the fuels, lubricants or other operating fluids, or exhaust gases, escape, seep or migrate, or are discharged, dispersed, released or emitted with the intent to cause "bodily injury" or "property damage" or with the knowledge that "bodily injury" or "property damage" is substantially certain to occur, or if such fuels, lubricants or other operating fluids, or exhaust gases, are brought on or to the premises, site or location with such intent to escape, seep or migrate, or be discharged, dispersed, released or emitted as part of the operations being performed by such insured, contractor or subcontractor;

- 2) "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
 - 3) "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 op-

erations 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, Paragraphs (2)(a) and (b) do not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

g. Aircraft, Auto or Watercraft

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

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

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) Less than 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 on, attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged; or

(b) The operation of any of the machinery or equipment listed in Paragraph **f.(2)** or **f.(3)** of the definition of "mobile equipment".

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

(1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or

(2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

i. War

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

(1) War, including undeclared or civil war;

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

(3) Insurrection, rebellion, revolution, usurped power, or action taken by

governmental authority in hindering or defending against any of these.

j. Damage to Property

"Property damage" to:

(1) Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person, 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 an insured;

(5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or

(6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire or explosion) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days, for which the amount we will pay is limited to the Damage To Premises Rented To You Limit as described in **SECTION III - LIMITS OF INSURANCE**.

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

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

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

k. Damage to Your Product

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

I. Damage to Your Work

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

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

m. Damage to Impaired Property or Property Not Physically Injured

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

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

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

n. Recall of Products, Work or Impaired Property

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

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

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

o. Personal and Advertising Injury

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

p. Asbestos

"Bodily injury" or "property damage" arising out of, attributable to, or any way related to asbestos in any form or transmitted in any manner.

q. Employment-Related Practices

"Bodily injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Other employment-related practices, policies, acts or omissions including but not limited to coercion, criticism, demotion, evaluation, failure to promote, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b) or (c) above is directed.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

r. Additional Insured Prior Knowledge

An additional insured added by attachment of an endorsement to this Coverage Part that is seeking coverage for a claim or "suit", if that additional insured knew, per the following paragraph, that "bodily injury" or "property damage" had occurred or had begun to occur, in whole or in part, prior to the "coverage term" in which such "bodily injury" or "property damage" occurs or begins to occur.

An additional insured added by attachment of an endorsement to this Coverage Part will be deemed to have known that "bodily injury" or "property damage" has occurred or has begun to occur at the earliest time when that additional insured, or any one of its owners, members, partners, managers, executive officers, "employees" assigned to manage that additional insured's insurance program, or "employees" assigned to give or receive notice of an "occurrence", "personal and advertising injury" offense, claim or "suit":

- (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";
- (3) First observes, or reasonably should have first observed, the "bodily injury" or "property damage";
- (4) Becomes aware, or reasonably should have become aware, by any means other than as described in (3) above, that "bodily injury" or "property damage" had occurred or had begun to occur; or
- (5) Becomes aware, or reasonably should have become aware, of a condition from which "bodily injury" or "property damage" is substantially certain to occur.

s. 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".

t. Distribution of Material in Violation of Statutes

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

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

Exclusions **c.** through **q.** do not apply to "property damage" by fire or explosion to premises while rented to you or temporarily occupied by you with permission of the owner, for which the amount we will pay is limited to the Damage to Premises Rented To You Limit as described in **SECTION III - LIMITS OF INSURANCE**.

COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:
 - (1) The amount we will pay for damages is limited as described in **SECTION III - LIMITS OF INSURANCE**; and
 - (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under **SECTION I - COVERAGES, COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY; SECTION I - COVERAGES, COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY**; or medical expenses under **SECTION I - COVERAGES, COVERAGE C. MEDICAL PAYMENTS**.

No other obligation or liability to pay sums or perform acts or services is covered unless expressly provided for under **SUPPLEMENTARY PAYMENTS - COVERAGES A AND B**.

- b. This insurance applies to "personal and advertising injury" only if:
 - (1) The "personal and advertising injury" is caused by an offense arising out of your business; and
 - (2) The "personal and advertising injury" offense was committed in the "coverage territory" during the policy period; and
 - (3) Prior to the "coverage term" in which the "personal and advertising injury" offense is committed, you did not know, per Paragraph **1.d.** below, that the offense had been committed or had begun to be committed, in whole or in part.
- c. "Personal and advertising injury" caused by an offense which:
 - (1) Was committed during the "coverage term"; and

- (2) Was not, prior to the "coverage term", known by you, per Paragraph 1.d. below, to have been committed;

includes any continuation, change or resumption of that offense after the end of the "coverage term" in which it first became known by you.

- d. You will be deemed to know that a "personal and advertising injury" offense has been committed at the earliest time when any "authorized representative":

- (1) Reports all, or any part, of the "personal and advertising injury" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "personal and advertising injury";
- (3) First observes, or reasonably should have first observed, the offense that caused the "personal and advertising injury";
- (4) Becomes aware, or reasonably should have become aware, by any means, other than as described in (3) above, that the offense had been committed or had begun to be committed; or
- (5) Becomes aware, or reasonably should have become aware, of a condition from which "personal and advertising injury" is substantially certain to occur.

2. Exclusions

This insurance does not apply to:

a. **Knowing Violation of Rights of Another**

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

b. **Material Published With Knowledge of Falsity**

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

c. **Material Published Prior to Coverage Term**

"Personal and advertising injury" arising out of oral or written publication of material whose first publication took place before the later of the following:

- (1) The inception of this Coverage Part; or
- (2) The "coverage term" in which insurance coverage is sought.

d. **Criminal Acts**

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

e. **Contractual Liability**

"Personal and advertising injury" for which the insured 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 "personal and advertising injury" is caused by or arises out of an offense committed subsequent to the execution of the contract or agreement. When a claim for such "personal and advertising injury" is made, we will defend that claim, provided the insured has assumed the obligation to defend such claim in the "insured contract". Such defense payments will not reduce the limits of insurance.

f. **Breach of Contract**

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

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

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

h. **Wrong Description of Prices**

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

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

"Personal and advertising injury" arising out of the infringement of copyright, pat-

ent, trademark, trade secret or other intellectual property rights.

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

j. Insureds in Media and Internet Type Businesses

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

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

However, this exclusion does not apply to Paragraphs 17. a., b. and c. of "personal and advertising injury" under **SECTION V - DEFINITIONS**.

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

k. Electronic Chatrooms or Bulletin Boards

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

l. Unauthorized Use of Another's Name or Product

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

m. Employment Related Practices

"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) Other employment-related practices, policies, acts or omissions including but not limited to coercion, criticism, demotion, evaluation, failure to promote, reassignment, discipline, defamiation, harassment, humiliation

or discrimination directed at that person; or

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

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

n. Pollutant

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

o. Pollutant-Related

Any loss, cost or expense arising out of any:

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

p. Asbestos

"Personal and advertising injury" arising out of, attributable to, or any way related to asbestos in any form or transmitted in any manner.

q. Additional Insured Prior Knowledge

An additional insured added by attachment of an endorsement to this Coverage Part that is seeking coverage for a claim or "suit", if that additional insured knew, per the following paragraph, that a "personal and advertising injury" offense had been committed or had begun to be committed, in whole or in part, prior to the "coverage term" in which such offense

was committed or began to be committed.

An additional insured added by attachment of an endorsement to this Coverage Part will be deemed to have known that a "personal and advertising injury" offense has been committed or has begun to be committed at the earliest time when that additional insured, or any one of its owners, members, partners, managers, executive officers, "employees" assigned to manage that additional insured's insurance program, or "employees" assigned to give or receive notice of an "occurrence", "personal and advertising injury" offense, claim or "suit":

- (1) Reports all, or any part, of the "personal and advertising injury" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "personal and advertising injury";
- (3) First observes, or reasonably should have first observed, the offense that caused the "personal and advertising injury";
- (4) Becomes aware, or reasonably should have become aware, by any means other than as described in (3) above, that the "personal and advertising injury" offense had been committed or had begun to be committed; or
- (5) Becomes aware, or reasonably should have become aware, of a condition from which "personal and advertising injury" is substantially certain to occur.

r. War

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

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

s. Distribution of Material in Violation of Statutes

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

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

COVERAGE C. MEDICAL PAYMENTS

1. Insuring Agreement

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

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

provided that:

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

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

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

2. Exclusions

We will not pay expenses for "bodily injury":

a. Any Insured

To any insured, except "volunteer workers".

b. Hired Person

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

c. Injury on Normally Occupied Premises

To a person injured on that part of premises you own or rent that the person normally occupies.

d. Workers' Compensation and Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

e. Athletic Activities

To any person injured while officiating, coaching, practicing for, instructing or participating in any physical exercises or games, sports, or athletic contests or exhibitions of an athletic or sports nature.

f. Products-Completed Operations Hazard

Included within the "products-completed operations hazard".

g. Coverage A Exclusions

Excluded under **COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY**.

SUPPLEMENTARY PAYMENTS - COVERAGES A AND B

We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

1. All expenses we incur.
2. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
3. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
4. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", in-

cluding actual loss of earnings up to \$250 a day because of time off from work.

5. All costs taxed against the insured in the "suit".
6. Prejudgment interest awarded against the insured on that part of the judgment we become obligated to pay and which falls within the applicable limit of insurance. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
7. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

SECTION II - WHO IS AN INSURED

1. If you are designated in the Declarations as:
 - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
 - b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
 - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
 - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
 - e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.
2. Each of the following is also an insured:
 - a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by

you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

(1) "Bodily injury" or "personal and advertising injury":

(a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;

(b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1)(a) above;

(c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (1)(a) or (b) above; or

(d) Arising out of his or her providing or failing to provide professional health care services.

(2) "Property damage" to property:

(a) Owned, occupied or used by; or

(b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by,

you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

c. Any person or organization having proper temporary custody of your property if you die, but only:

(1) With respect to liability arising out of the maintenance or use of that property; and

(2) Until your legal representative has been appointed.

d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

a. Insurance under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;

b. **COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and

c. **COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

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

SECTION III - LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

a. Insureds;

b. Claims made or "suits" brought; or

c. Persons or organizations making claims or bringing "suits".

2. a. The General Aggregate Limit is the most we will pay for the sum of:

(1) Medical expenses under **COVERAGE C. MEDICAL PAYMENTS**;

(2) Damages under **COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and

(3) Damages under **COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY**.

This General Aggregate Limit will not apply if either the Location General Aggregate

gate Limit of Insurance, Paragraph **2.b.**, or the Construction Project General Aggregate Limit of Insurance, Paragraph **2.c.** applies.

- b. A separate Location General Aggregate Limit of Insurance, equal to the amount of the General Aggregate Limit shown in the Declarations, shall apply to each location owned by, or rented or leased to you and is the most we will pay for the sum of:

(1) Damages under **COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and

(2) Medical expenses under **COVERAGE C. MEDICAL PAYMENTS**,

which can be attributed to operations at only a single location owned by, or rented or leased to you.

- c. A separate Construction Project General Aggregate Limit of Insurance, equal to the amount of the General Aggregate Limit shown in the Declarations, shall apply to each construction project and is the most we will pay for the sum of:

(1) Damages under **COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and

(2) Medical expenses under **COVERAGE C. MEDICAL PAYMENTS**;

which can be attributed only to ongoing operations and only at a single construction project.

- d. Only for the purpose of determining which General Aggregate Limit of Insurance, **2.a.**, **2.b.**, or **2.c.**, applies:

(1) Location means premises involving the same or connecting lots, or premises, whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.

(2) Construction project means a location you do not own, rent or lease where ongoing improvements, alterations, installation, demolition or maintenance work is performed by you or on your behalf. All connected ongoing improvements, alterations, installation, demolition or maintenance work performed by you or on

your behalf at the same location for the same persons or organizations, no matter how often or under how many different contracts, will be deemed to be a single construction project.

3. The Products-Completed Operations Aggregate Limit is the most we will pay under **COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY** for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".

4. Subject to **2.a.** above, the Personal and Advertising Injury Limit is the most we will pay under **COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY** for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.

5. Subject to **2. or 3.** above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:

a. Damages under **COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY**; and

b. Medical expenses under **COVERAGE C. MEDICAL PAYMENTS**;

because of all "bodily injury" and "property damage" arising out of any one "occurrence".

6. Subject to **5.** above, the Damage to Premises Rented to You Limit is the most we will pay under **COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY** for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire or explosion, while rented to you or temporarily occupied by you with permission of the owner.

7. Subject to **5.** above, the Medical Expense Limit is the most we will pay under **COVERAGE C. MEDICAL PAYMENTS** for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each "coverage term".

SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties in the Event of Occurrence, Offense, Claim or Suit

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or

a "personal and advertising injury" offense which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "occurrence" or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

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

c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us

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

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

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable

under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Liberalization

If, within 60 days prior to the beginning of this Coverage Part or during the policy period, we make any changes to any forms or endorsements of this Coverage Part for which there is currently no separate premium charge, and that change provides more coverage than this Coverage Part, the change will automatically apply to this Coverage Part as of the latter of:

- a. The date we implemented the change in your state; or
- b. The date this Coverage Part became effective; and

will be considered as included until the end of the current policy period. We will make no additional premium charge for this additional coverage during the interim.

5. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under **COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY** or **COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY** of this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

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

b. Excess Insurance

This insurance is excess over:

- (1) Any of the other insurance, whether primary, excess, contingent or on any other basis:
 - (a) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar insurance for "your work";
 - (b) That is Fire or Explosion insurance for premises rented to you or temporarily occupied by you with permission of the owner;
 - (c) That is insurance purchased by you to cover your liability as a tenant for "property damage" to

premises rented to you or temporarily occupied by you with permission of the owner; or

- (d) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to **SECTION I - COVERAGES, COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions, g. Aircraft, Auto or Watercraft.**

- (2) Any other primary insurance available to the insured covering liability for damages arising out of the premises or operations, or the products and completed operations, for which the insured has been added as an additional insured by attachment of an endorsement.
- (3) Any other insurance:
- (a) Whether primary, excess, contingent or on any other basis, except when such insurance is written specifically to be excess over this insurance; and
- (b) That is a consolidated (wrap-up) insurance program which has been provided by the prime contractor/project manager or owner of the consolidated project in which you are involved.

When this insurance is excess, we will have no duty under **COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY** or **COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY** to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

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

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

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance

shown in the Declarations of this Coverage Part.

c. **Method of Sharing**

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

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

6. **Premium Audit**

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If:
- (1) The earned premium is less than the deposit premium, we will return the excess to the first Named Insured; or
- (2) The earned premium is greater than the deposit premium, the difference will be due and payable to us by the first Named Insured upon notice from us.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

7. **Representations**

By accepting this Coverage Part, you agree:

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

8. **Separation of Insureds**

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

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

9. Transfer of Rights of Recovery Against Others to Us

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

10. Two or More Coverage Forms or Policies Issued by Us

If this Coverage Part and any other Coverage Form, Coverage Part or policy issued to you by us or any company affiliated with us apply to the same "occurrence" or "personal and advertising injury" offense, the aggregate maximum limit of insurance under all the Coverage Forms, Coverage Parts or policies shall not exceed the highest applicable limit of insurance under any one Coverage Form, Coverage Part or policy. This condition does not apply to any Coverage Form, Coverage Part or policy issued by us or an affiliated company specifically to apply as excess insurance over this Coverage Part.

11. When We Do Not Renew

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

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

SECTION V - DEFINITIONS

1. "Advertisement" means a notice that is broadcast, telecast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. "Advertisement" includes a publicity article. For 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. "Authorized representative" means:

- a. If you are designated in the Declarations as:

- (1) An individual, you and your spouse are "authorized representatives".
 - (2) A partnership or joint venture, your members, your partners, and their spouses are "authorized representatives".
 - (3) A limited liability company, your members and your managers are "authorized representatives".
 - (4) An organization other than a partnership, joint venture or limited liability company, your "executive officers" and directors are "authorized representatives". Provided you are not a publicly traded organization, your stockholders are also "authorized representatives".
 - (5) A trust, your trustees are "authorized representatives".
- b. Your "employees":
- (1) Assigned to manage your insurance program; or
 - (2) Responsible for giving or receiving notice of an "occurrence", "personal and advertising injury" offense, claim or "suit";
- are also "authorized representatives".

3. "Auto" means:

- a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
- b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

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

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

5. "Coverage term" means the following individual increment, or if a multi-year policy period, increments, of time, which comprise the policy period of this Coverage Part:

- a. The year commencing on the Effective Date of this Coverage Part at 12:01 AM standard time at your mailing address shown in the Declarations, and if a multi-year policy period, each consecutive annual period thereafter, or portion thereof if any period is for a period of less than 12 months, constitute individual "coverage terms". The last "coverage term" ends at

- 12:00 AM standard time at your mailing address shown in the Declarations on the earlier of:
- (1) The day the policy period shown in the Declarations ends; or
 - (2) The day the policy to which this Coverage Part is attached is terminated or cancelled.
- b. However, if after the issuance of this Coverage Part, any "coverage term" is extended for an additional period of less than 12 months, that additional period of time will be deemed to be part of the last preceding "coverage term".
6. "Coverage territory" means:
- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
 - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in 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 a. above;
 - (2) The activities of a person whose home is in the territory described in 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 a. above or in a settlement to which we agree.
7. "Electronic data" means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
8. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
9. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
10. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
11. "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:
- a. The repair, replacement, adjustment or removal of "your product" or "your work"; or
 - b. Your fulfilling the terms of the contract or agreement.
12. "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 "property damage" by fire or explosion 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", "property damage" or "personal and advertising injury" 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", "property damage" or "personal and advertising injury" arising out of construction or demolition operations, within 50 feet of any rail-

road property and affecting any rail-road 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;

(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, architectural or engineering activities;

(4) That indemnifies an advertising, public relations or media consulting firm for "personal and advertising injury" arising out of the planning, execution or failure to execute marketing communications programs. Marketing communications programs include but are not limited to comprehensive marketing campaigns; consumer, trade and corporate advertising for all media; media planning, buying, monitoring and analysis; direct mail; promotion; sales materials; design; presentations; point-of-sale materials; market research; public relations and new product development;

(5) Under which the insured, if an advertising, public relations or media consulting firm, assumes liability for "personal and advertising injury" arising out of the insured's rendering or failure to render professional services, including those services listed in Paragraph (4), above;

(6) That indemnifies a web-site designer or content provider, or Internet search, access, content or service provider for injury or damage arising out of the planning, execution or failure to execute Internet services. Internet services include but are not limited to design, production, distribution, maintenance and administration of web-sites and web-banners; hosting web-sites; registering domain names; registering with search

engines; marketing analysis; and providing access to the Internet or other similar networks; or

(7) Under which the insured, if a web-site designer or content provider, or Internet search, access, content or service provider, assumes liability for injury or damage arising out of the insured's rendering or failure to render Internet services, including those listed in Paragraph (6), above.

13. "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" includes supervisors furnished to you by the labor leasing firm. "Leased worker" does not include a "temporary worker".

14. "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".

15. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;

b. Vehicles maintained for use solely on or next to premises you own or rent;

c. Vehicles that travel on crawler treads;

d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:

(1) Power cranes, shovels, loaders, diggers or drills; or

(2) Road construction or resurfacing equipment such as graders, scrapers or rollers;

e. Vehicles not described in 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 **a.**, **b.**, **c.** or **d.** above maintained primarily for purposes other than the transportation of persons or cargo.

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

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

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

16. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
17. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
- a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;
 - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;

- d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
- f. The use of another's advertising idea in your "advertisement"; or
- g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

18. "Pollutant" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, petroleum, petroleum products and petroleum by-products, and waste. Waste includes materials to be recycled, reconditioned or reclaimed. "Pollutants" include but are not limited to substances which are generally recognized in industry or government to be harmful or toxic to persons, property or the environment regardless of whether the injury or damage is caused directly or indirectly by the "pollutants" and whether:

- a. The insured is regularly or otherwise engaged in activities which taint or degrade the environment; or
- b. The insured uses, generates or produces the "pollutant".

19. "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; or

- (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site; or

- (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

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

- b. Does not include "bodily injury" or "property damage" arising out of:
 - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
 - (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
 - (3) Products or operations for which the classification, listed in the Declarations or in a schedule, states that products-completed operations are included.
20. "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.
21. "Suit" means a civil proceeding in which money 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;
 - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent; or
 - c. An appeal of a civil proceeding.
22. "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.
23. "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.

24. "Workplace" means that place and during such hours to which the "employee" sustaining "bodily injury" was assigned by you, or any other person or entity acting on your behalf, to work on the date of "occurrence".
25. "Your product":
- a. Means:
 - (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a) You;
 - (b) Others trading under your name; or
 - (c) A person or organization whose business or assets you have acquired; and
 - (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
 - b. Includes:
 - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
 - (2) The providing of or failure to provide warnings or instructions.
 - c. Does not include vending machines or other property rented to or located for the use of others but not sold.
26. "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.

NUCLEAR ENERGY LIABILITY EXCLUSION (Broad Form)

1. The insurance does not apply:
 - A. Under any Liability Coverage, to "bodily injury" or "property damage":
 - (1) With respect to which an insured under this Coverage Part is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada, or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
 - (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the insured is, or had this Coverage Part not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
 - B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.
 - C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from the "hazardous properties" of "nuclear material", if:
 - (1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an insured, or (b) has been discharged or dispersed therefrom;
 - (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an insured; or
 - (3) The "bodily injury" or "property damage" arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this Exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.
2. As used in this exclusion:

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

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

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

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

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

"Nuclear facility" means:

 - A. Any "nuclear reactor";
 - B. Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel", or (3) handling, processing or packaging "waste";
 - C. Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

D. Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

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

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DEDUCTIBLE LIABILITY INSURANCE

This endorsement modifies insurance provided under the following:

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

SCHEDULE

COVERAGE	Amount and Basis of Deductible PER CLAIM or PER OCCURRENCE	
Bodily Injury Liability OR Property Damage Liability	\$ SEE BELOW	\$
OR Property Damage Liability	\$	\$
OR Bodily Injury Liability and/or Property Damage Liability Combined	\$	\$

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

APPLICATION OF ENDORSEMENT (Enter below any limitations on the application of this endorsement. If no limitation is entered, the deductibles apply to damages for all "bodily injury" and "property damage", how-ever caused):

§250 PD DEDUCTIBLE PER CLAIM PREMISES/OPERATIONS FOR CLASS 94007
§250 PD DEDUCTIBLE PER CLAIM PRODUCTS/COMP. OPS FOR CLASS 94007

A. Our obligation under the Bodily Injury Liability and Property Damage Liability Coverages to pay damages on your behalf applies only to the amount of damages in excess of any deductible amounts stated in the Schedule above as applicable to such coverages.

B. You may select a deductible amount on either a per claim or a per "occurrence" basis. Your selected deductible applies to the coverage option and to the basis of the deductible indicated by the placement of the deductible amount in the Schedule above. The deductible amount stated in the Schedule above applies as follows:

1. PER CLAIM BASIS. If the deductible amount indicated in the Schedule above is on a per claim basis, that deductible applies as follows:

- a.** Under Bodily Injury Liability Coverage, to all damages sustained by any one person because of "bodily injury";
- b.** Under Property Damage Liability Coverage, to all damages sustained by any one person because of "property damage"; or
- c.** Under Bodily Injury Liability and/or Property Damage Liability Coverage

Combined, to all damages sustained by any one person because of:

- (1)** "Bodily injury";
- (2)** "Property damage"; or
- (3)** "Bodily injury" and "property damage" combined

as the result of any one "occurrence".

If damages are claimed for care, loss of services or death resulting at any time from "bodily injury", a separate deductible amount will be applied to each person making a claim for such damages.

With respect to "property damage", person includes an organization.

2. PER OCCURRENCE BASIS. If the deductible amount indicated in the Schedule above is on a "per occurrence" basis, that deductible amount applies as follows:

- a.** Under Bodily Injury Liability Coverage, to all damages because of "bodily injury";
- b.** Under Property Damage Liability Coverage, to all damages because of "property damage"; or
- c.** Under Bodily Injury Liability and/or Property Damage Liability Coverage

Combined, to all damages because of:

- (1) "Bodily injury";
- (2) "Property damage"; or
- (3) "Bodily injury" and "property damage" combined

as the result of any one "occurrence", regardless of the number of persons or organizations who sustain damages because of that "occurrence".

- C. The terms of this insurance, including those with respect to:

1. Our right and duty to defend the insured against any "suits" seeking those damages; and
2. Your duties in the event of an "occurrence", claim, or "suit"

apply irrespective of the application of the deductible amount.

- D. We may pay any part or all of the deductible amount to effect settlement of any claim or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMUNICABLE DISEASE EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

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

2. Exclusions

This insurance does not apply to:

Communicable Disease

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

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

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

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

2. Exclusions

This insurance does not apply to:

Communicable Disease

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

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WATER UTILITIES PROFESSIONAL LIABILITY EXTENSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following coverage is added to **SECTION I - COVERAGE:**

COVERAGE D. WATER UTILITY PROFESSIONAL LIABILITY

1. Insuring Agreement

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

- (1) The amount we will pay for damages is limited as described in **SECTION III - LIMITS OF INSURANCE;** and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under **SECTION I - COVERAGES, COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY; SECTION I - COVERAGES, COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY;** medical expenses under **SECTION I - COVERAGES, COVERAGE C. MEDICAL PAYMENTS;** or **SECTION I - COVERAGES, COVERAGE D. WATER UTILITY PROFESSIONAL LIABILITY.**

No other obligation or liability to pay sums or perform acts or services is covered unless expressly provided for under **SUPPLEMENTARY PAYMENTS - COVERAGES A, B AND D.**

b. This insurance applies to "bodily injury" or "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by a "water utility

professional incident" that takes place in the "coverage territory";

- (2) The "bodily injury" or "property damage" occurs during the policy period; and

- (3) Prior to the "coverage term" in which "bodily injury" or "property damage" occurs, you did not know, per Paragraph **1.d.** below, that the "bodily injury" or "property damage" had occurred or had begun to occur, in whole or in part.

c. "Bodily injury" or "property damage" which:

- (1) Occurs during the "coverage term"; and
- (2) Was not, prior to the "coverage term", known by you, per Paragraph **1.d.** below, to have occurred;

includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the "coverage term" in which it first became known by you.

d. You will be deemed to know that "bodily injury" or "property damage" has occurred at the earliest time when any "authorized representative":

- (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";
- (3) First observes, or reasonably should have first observed, the "bodily injury" or "property damage";
- (4) Becomes aware, or reasonably should have become aware, by any means other than as described in (3) above, that "bodily injury" or "property damage" had occurred or had begun to occur; or
- (5) Becomes aware, or reasonably should have become aware, of a condition from which "bodily injury"

or "property damage" is substantially certain to occur.

2. Exclusions

a. All exclusions under **SECTION I - COVERAGES, COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY 2. EXCLUSIONS AND SECTION I - COVERAGES, COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY 2. EXCLUSIONS** are applicable to **COVERAGE D. WATER UTILITY PROFESSIONAL LIABILITY**. In addition, this insurance does not apply to:

b. Criminal Acts

- (1) Injury arising from acts, errors or omissions that are dishonest, criminal or malicious.
- (2) Injury caused by the willful violation of any federal, state, or local government or governmental agency regulation, penal statute or ordinance by the insured or any person for whom the insured is legally responsible.

c. Fines and Penalties

Fines, late charges, noncompliance assessments or penalties.

SUPPLEMENTARY PAYMENTS - COVERAGES A AND B is amended to read **SUPPLEMENTARY PAYMENTS - COVERAGES A, B AND D**.

SECTION III - LIMITS OF INSURANCE is deleted in its entirety and replaced with the following:

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

This General Aggregate Limit will not apply if either the Location General Aggregate Limit of Insurance, Paragraph **2.b.**, or the Construction Project General Aggregate Limit of Insurance, Paragraph **2.c.** applies.

b. A separate Location General Aggregate Limit of Insurance, equal to the amount of the General Aggregate Limit shown in the Declarations, shall apply to each location owned by, or rented or leased to you and is the most we will pay for the sum of:

- (1) Damages under **COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
- (2) Medical expenses under **COVERAGE C. MEDICAL PAYMENTS**,

which can be attributed to operations at only a single location owned by, or rented or leased to you.

c. A separate Construction Project General Aggregate Limit of Insurance, equal to the amount of the General Aggregate Limit shown in the Declarations, shall apply to each construction project and is the most we will pay for the sum of:

- (1) Damages under **COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
- (2) Medical expenses under **COVERAGE C. MEDICAL PAYMENTS**;

which can be attributed only to ongoing operations and only at a single construction project.

d. Only for the purpose of determining which General Aggregate Limit of Insurance, **2.a.**, **2.b.** or **2.c.**, applies:

- (1) Location means premises involving the same or connecting lots, or premises, whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.
- (2) Construction project means a location you do not own, rent or lease where ongoing improvements, alterations, installation, demolition or maintenance work is performed by you or on your behalf. All connected

ongoing improvements, alterations, installation, demolition or maintenance work performed by you or on your behalf at the same location for the same persons or organizations, no matter how often or under how many different contracts, will be deemed to be a single construction project.

3. The Products-Completed Operations Aggregate Limit is the most we will pay under **COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY** for the sum of:
 - a. Damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard"; and
 - b. Damages under **COVERAGE D. WATER UTILITY PROFESSIONAL LIABILITY**.
4. Subject to 2.a. above, the Personal and Advertising Injury Limit is the most we will pay under **COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY** for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
5. Subject to 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
 - a. Damages under **COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY**;
 - b. Medical expenses under **COVERAGE C. MEDICAL PAYMENTS**; and
 - c. Damages under **COVERAGE D. WATER UTILITY PROFESSIONAL LIABILITY**

because of all "bodily injury" and "property damage" arising out of any one "occurrence" or "water utility professional incident".

6. Subject to 5. above, the Damage to Premises Rented to You Limit is the most we will pay under **COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY** for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire or explosion, while rented to you or temporarily occupied by you with permission of the owner.
7. Subject to 5. above, the Medical Expense Limit is the most we will pay under **COVERAGE C. MEDICAL PAYMENTS** for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each "coverage term".

Section V - Definitions is amended to include the following definitions:

1. "Potable water" means water provided and intended for human consumption.
2. "Water utility professional incident":
 - a. Means an act, error or omission which arises from your operations as a water or wastewater district, water utility, or any other entity whose primary duty is the treatment and distribution of "potable water" or the collection and treatment of wastewater; and
 - b. Shall include all related professional incidents arising out of the rendering or failure to render services to any one person or organization as one professional incident, regardless of the time frame over which such professional incidents occur.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WATER UTILITIES COMMERCIAL GENERAL LIABILITY BROADENED ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. Endorsement - Table of Contents:

<u>Coverage:</u>	<u>Begins on Page:</u>
1. Electronic Data Liability Coverage.....	3
2. Unintentional Failure To Disclose Hazards.....	4
3. Damage To Premises Rented To You.....	4
4. Supplementary Payments.....	6
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8. Automatic Additional Insured - Specified Relationships:.....	6
• Managers Or Lessors Of Premises;	
• Lessor Of Leased Equipment;	
• Vendors;	
• State Or Governmental Agency Or Subdivision Or Political Subdivision - Permits Or Authorizations Relating To Premises; and	
• Mortgagee, Assignee Or Receiver	
9. Property Damage To Borrowed Equipment.....	9
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17. Broadened Contractual Liability - Work Within 50' Of Railroad Property.....	13
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B. Limits Of Insurance:

The Commercial General Liability Limits of Insurance apply to the insurance provided by this endorsement, except as provided below:

1. Electronic Data Liability Coverage

- Loss of Electronic Data Limit: \$10,000
- Deductible Amount (Each Claim): \$500 unless otherwise stated \$

3. Damage To Premises Rented To You

The lesser of:

- The Each Occurrence Limit shown in the Declarations; or
- \$500,000 unless otherwise stated \$ _____

4. Supplementary Payments

- Bail Bonds: \$2,500

b. Loss Of Earnings: \$ 500

5. Medical Payments

Medical Expense Limit: \$ 10,000

9. Property Damage To Borrowed Equipment

Each Occurrence Limit: \$10,000

Deductible Amount: \$ 250

16. Voluntary Property Damage Coverage (Coverage a.) and Care, Custody or Control Liability Coverage (Coverage b.)

Limits Of Insurance

Coverage **a.**

\$1,000 Each Occurrence

\$5,000 Aggregate

Coverage **b.** \$5,000 Each Occurrence unless otherwise stated \$ _____

Deductible Amount (Each Occurrence)

Coverage **a.** \$250

Coverage **b.** \$250 unless otherwise stated \$ _____

COVERAGE	PREMIUM BASIS (a) Area (b) Payroll (c) Gross Sales (d) Units (e) Other	RATE (For Limits in Excess of \$5,000)	ADVANCE PREMIUM (For Limits in Excess of \$5,000)
b. Care, Custody Or Control			\$
TOTAL ANNUAL PREMIUM			\$

C. Coverages

1. Electronic Data Liability Coverage

- a. **Section I - Coverage A - Bodily Injury And Property Damage Liability, Exclusion 2.s. Electronic Data,** is replaced by the following:

2. Exclusions

This insurance does not apply to:

- s. **Access Or Disclosure Of Confidential Or Personal Information And Data-Related Liability**

Damages arising out of:

- (1) Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2) The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate "electronic data" that does not result from physical injury to tangible property.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph (1) or (2) above.

However, unless Paragraph (1) above applies, this exclusion does not apply to damages because of "bodily injury".

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

2. Exclusions

This insurance does not apply to:

Access Or Disclosure Of Confidential Or Personal Information

"Personal and advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.

- c. The following paragraph is added to **Section III - Limits Of Insurance**:

- (1) Subject to 5. above, the Loss of Electronic Data Limit shown in **Section B. Limits Of Insurance, 1. Electronic Data Liability Coverage** of this endorsement is the most we will pay under **Section I - Coverage A - Bodily Injury And Property Damage Liability** for "property damage" because of all loss of "electronic data" arising out of any one "occurrence".

(2) Deductible Clause

- (a) Our obligation to pay damages on your behalf applies only to the amount of damages for each "claim" which are in excess of the Deductible Amount stated in **Section B. Limits Of Insurance, 1. Electronic Data Liability Coverage** of this endorsement. The limit of insurance will not be reduced by the application of such Deductible Amount.

- (b) **Section IV - Commercial General Liability Conditions, 2. Duties In The Event Of Occurrence, Offense, Claim Or Suit,** ap-

plies to each claim or "suit" irrespective of the amount.

- (c) We may pay any part or all of the Deductible Amount to effect settlement of any claim or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the Deductible Amount as has been paid by us.

- d. For the purposes of the coverage provided by this endorsement, **Section V - Definitions, 20.** "Property damage" is replaced by the following:

20. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it;
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it; or
- c. Loss of, loss of use of, damage to, corruption of, inability to access, or inability to properly manipulate "electronic data", resulting from physical injury to tangible property. All such loss of "electronic data" shall be deemed to occur at the time of the "occurrence" that caused it.

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

2. Unintentional Failure To Disclose Hazards

Section IV - Commercial General Liability Conditions, 7. Representations is amended by the addition of the following:

Based on our dependence upon your representations as to existing hazards, if unintentionally you should fail to disclose all such hazards at the inception date of your policy, we will not reject coverage under this Coverage Part based solely on such failure.

3. Damage To Premises Rented To You

- a. The last Paragraph of **2. Exclusions** under **Section I - Coverage A - Bodily Injury And Property Damage Liability** is replaced by the following:

Exclusions **c.** through **q.** do not apply to "property damage" by fire, explosion, lightning, smoke or soot to premises while rented to you or temporarily occupied by you with permission of the owner, for which the amount we will pay is limited to the **Damage To Premises Rented To You** Limit as described in **Section III - Limits Of Insurance.**

- b. The insurance provided under **Section I - Coverage A - Bodily Injury And Property Damage Liability** applies to "property damage" arising out of water damage to premises that are both rented to and occupied by you.

- (1) As respects Water Damage Legal Liability, as provided in Paragraph **3.b.** above:

The exclusions under **Section I - Coverage A - Bodily Injury And Property Damage Liability, 2. Exclusions**, other than **i. War** and the **Nuclear Energy Liability Exclusion (Broad Form)**, are deleted and the following are added:

This insurance does not apply to:

- (a) "Property damage":
 - (i) Assumed in any contract or agreement; or
 - (ii) Caused by or resulting from any of the following:
 - 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) Mechanical breakdown, including rupture or bursting caused by centrifugal force;

- 5) Settling, cracking, shrinking or expansion;
 - 6) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals; or
 - 7) Presence, growth, proliferation, spread or any activity of fungus, including mold or mildew, and any mycotoxins, spores, scents or byproducts produced or released by fungi.
- (b) "Property damage" caused directly or indirectly by any of the following:
- (i) Earthquake, volcanic eruption, landslide or any other earth movement;
 - (ii) Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;
 - (iii) Water under the ground surface pressing on, or flowing or seeping through:
 - 1) Foundations, walls, floors or paved surfaces;
 - 2) Basements, whether paved or not; or
 - 3) Doors, windows or other openings.
- (c) "Property damage" caused by or resulting from water that leaks or flows from plumbing, heating, air conditioning, fire protection systems, or other equipment, caused by or resulting from freezing, unless:
- (i) You did your best to maintain heat in the building or structure; or
 - (ii) You drained the equipment and shut off the water supply if the heat was not maintained.
- (d) "Property damage" to:
- (i) Plumbing, heating, air conditioning, fire protection systems, or other equipment or appliances; or
 - (ii) The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet or ice, whether driven by wind or not.
- c. Limit Of Insurance**
- With respect to the insurance afforded in Paragraphs **3.a.** and **3.b.** above, the **Damage To Premises Rented To You** Limit as shown in the Declarations is amended as follows:
- (1) Paragraph **6.** of **Section III - Limits Of Insurance** is replaced by the following:
- 6.** Subject to Paragraph **5.** above, the **Damage To Premises Rented To You** Limit is the most we will pay under **Coverage A - Bodily Injury And Property Damage Liability** for damages because of "property damage" to any one premises:
- a. While rented to you, or temporarily occupied by you with permission of the owner;
 - b. In the case of damage by fire, explosion, lightning, smoke or soot, while rented to you; or
 - c. In the case of damage by water, while rented to and occupied by you.
- (2) The most we will pay is limited as described in Section **B. Limits Of Insurance, 3. Damage To Premises Rented To You** of this endorsement.

4. Supplementary Payments

Under **Section I - Supplementary Payments - Coverages A And B:**

- a. Paragraph 2. is replaced by the following:

Up to the limit shown in Section **B. Limits Of Insurance, 4.a.** Bail Bonds of this endorsement for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.

- b. Paragraph 4. is replaced by the following:

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 the limit shown in Section **B. Limits Of Insurance, 4.b.** Loss Of Earnings of this endorsement per day because of time off from work.

5. Medical Payments

The Medical Expense Limit of Any One Person as stated in the Declarations is amended to the limit shown in Section **B. Limits Of Insurance, 5. Medical Payments** of this endorsement.

6. 180 Day Coverage For Newly Formed Or Acquired Organizations

Section II - Who Is An Insured is amended as follows:

Subparagraph a. of Paragraph 3. is replaced by the following:

- a. Insurance under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier;

7. Waiver Of Subrogation

Section IV - Commercial General Liability Conditions, 9. Transfer Of Rights Of Recovery Against Others To Us is amended by the addition of the following:

We waive any right of recovery we may have against any person or organization against whom you have agreed to waive such right of recovery in a written contract or agreement because of payments we make for injury or damage arising out of

your ongoing operations or "your work" done under a written contract or agreement with that person or organization and included in the "products-completed operations hazard". However, our rights may only be waived prior to the "occurrence" giving rise to the injury or damage for which we make payment under this Coverage Part. The insured must do nothing after a loss to impair our rights. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce those rights.

8. Automatic Additional Insured - Specified Relationships

- a. The following is added to **Section II - Who Is An Insured:**

(1) Any person(s) or organization(s) described in Paragraph **8.a.(2)** of this endorsement (hereinafter referred to as additional insured) whom you are required to add as an additional insured under this Coverage Part by reason of a written contract, written agreement, written permit or written authorization.

(2) Only the following persons or organizations are additional insureds under this endorsement, and insurance coverage provided to such additional insureds is limited as provided herein:

(a) Managers Or Lessors Of Premises

The manager or lessor of a premises leased to you with whom you have agreed per Paragraph **8.a.(1)** of this endorsement to provide insurance, but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you, subject to the following additional exclusions:

This insurance does not apply to:

(i) Any "occurrence" which takes place after you cease to be a tenant in that premises;

(ii) Structural alterations, new construction or demolition operations performed by or on be-

half of such additional insured.

(b) Lessor Of Leased Equipment

Any person or organization from whom you lease equipment when you and such person(s) or organization(s) have agreed per Paragraph **8.a.(1)** of this endorsement to provide insurance. Such person(s) or organization(s) are insureds only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person(s) or organization(s). A person's or organization's status as an additional insured under this endorsement ends when their contract or agreement with you for such leased equipment ends. However, this insurance does not apply to any "occurrence" which takes place after the equipment lease expires.

(c) Vendors

Any person or organization (referred to below as vendor) with whom you have agreed per Paragraph **8.a.(1)** of this endorsement to provide insurance, but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business, subject to the following additional exclusions:

(i) The insurance afforded the vendor does not apply to:

1) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This

exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;

- 2)** Any express warranty unauthorized by you;
- 3)** Any physical or chemical change in the product made intentionally by the vendor;
- 4)** Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
- 5)** Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;
- 6)** Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;
- 7)** Products which, after distribution or sale by you, have been labeled or re-labeled or used as a container, part or ingredient of any other thing or sub-

stance by or for the vendor; or

8) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:

a) The exceptions contained in Paragraphs (c) (i) 4) or 6) of this endorsement; or

b) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

(ii) This insurance does not apply to any insured person or organization:

1) From whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products; or

2) When liability included within the "products-completed operations hazard" has been excluded under this Coverage Part with respect to such products.

(d) State Or Governmental Agency Or Subdivision Or Political Subdivision - Permits Or Authorizations Relating To Premises

Any state or governmental agency or subdivision or political subdivision with which you have agreed per Paragraph 8.a.(1) of this endorsement, subject to the following additional provision:

This insurance applies only with respect to the following hazards for which the state or governmental agency or subdivision or political subdivision has issued a permit or authorization in connection with premises you own, rent or control and to which this insurance applies:

(i) The existence, maintenance, repair, construction, erection or removal of advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, hoist away openings, sidewalk vaults, street banners or decorations and similar exposures; or

(ii) The construction, erection or removal of elevators; or

(iii) The ownership, maintenance or use of any elevators covered by this insurance.

(e) Mortgagee, Assignee Or Receiver

Any person or organization with whom you have agreed per Paragraph 8.a.(1) of this endorsement to provide insurance, but only with respect to their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of the premises by you. However, this insurance does not apply to structural alterations, new construction and demolition operations

performed by or for that person or organization.

(3) The insurance afforded to additional insureds described in Paragraph **8.a.(1)** of this endorsement:

- (a) Only applies to the extent permitted by law; and
- (b) Will not be broader than that which you are required by the written contract, written agreement, written permit or written authorization to provide for such additional insured; and
- (c) Does not apply to any person, organization, vendor, state, governmental agency or subdivision or political subdivision, specifically named as an additional insured under any other provision of, or endorsement added to, this Coverage Part, provided such other provision or endorsement covers the injury or damage for which this insurance applies.

b. With respect to the insurance afforded to the additional insureds described in Paragraph **8.a.(1)** of this endorsement, the following is added to **Section III - Limits Of Insurance**:

The most we will pay on behalf of the additional insured is the amount of insurance:

- (1) Required by the written contract, written agreement, written permit or written authorization described in Paragraph **8.a.(1)** of this endorsement; 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.

c. **Section IV - Commercial General Liability Conditions** is amended to include the following:

Automatic Additional Insured Provision

This insurance applies only if the "bodily injury" or "property damage" occurs, or the "personal and advertising injury" offense is committed:

- (1) During the policy period; and
- (2) Subsequent to your execution of the written contract or written agreement, or the issuance of a written permit or written authorization, described in Paragraph **8.a.(1)**.

d. **Section IV - Commercial General Liability Conditions** is amended as follows:

Condition **5. Other Insurance** is amended to include:

Primary And Noncontributory Insurance

This insurance is primary to and will not seek contribution from any other insurance available to an additional insured per Paragraph **8.a.(1)** of this endorsement provided that:

- (1) The additional insured is a Named Insured under such other insurance; and
- (2) You have agreed in writing in a contract, agreement, permit or authorization described in **8.a.(2)** of this endorsement that this insurance would be primary and would not seek contribution from any other insurance available to the additional insured.

9. Property Damage To Borrowed Equipment

a. The following is added to **Exclusion 2.j. Damage To Property** under **Section I - Coverage A - Bodily Injury And Property Damage Liability**:

Paragraphs (3) and (4) of this exclusion do not apply to tools or equipment loaned to you, provided they are not being used to perform operations at the time of loss.

b. With respect to the insurance provided by this section of the endorsement, the following additional provisions apply:

- (1) The Limits of Insurance shown in the Declarations are replaced by

the limits designated in Section **B. Limits Of Insurance, 9. Property Damage To Borrowed Equipment** of this endorsement with respect to coverage provided by this endorsement. These limits are inclusive of and not in addition to the limits being replaced. The Limits of Insurance shown in Section **B. Limits Of Insurance, 9. Property Damage To Borrowed Equipment** of this endorsement fix the most we will pay in any one "occurrence" regardless of the number of:

- (a) Insureds;
- (b) Claims made or "suits" brought; or
- (c) Persons or organizations making claims or bringing "suits".

(2) Deductible Clause

- (a) Our obligation to pay damages on your behalf applies only to the amount of damages for each "occurrence" which are in excess of the Deductible Amount stated in Section **B. Limits Of Insurance, 9. Property Damage To Borrowed Equipment** of this endorsement. The limits of insurance will not be reduced by the application of such deductible amount.
- (b) **Section IV - Commercial General Liability Conditions, 2. Duties In The Event Of Occurrence, Offense, Claim Or Suit**, applies to each claim or "suit" irrespective of the amount.
- (c) We may pay any part or all of the deductible amount to effect settlement of any claim or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

10. Employees As Insureds - Specified Health Care Services And Good Samaritan Services

Paragraph **2.a.(1)(d)** under **Section II - Who Is An Insured** does not apply to:

- a. Your "employees" who provide professional health care services on your behalf as a duly licensed nurse, emergency medical technician or paramedic in the jurisdiction where an "occurrence" or offense to which this insurance applies takes place; or
- b. Your "employees" or "volunteer workers", other than an employed or volunteer doctor, providing first aid or good samaritan services during their work hours for you will be deemed to be acting within the scope of their employment by you or performing duties related to the conduct of your business.

11. Broadened Notice Of Occurrence

Paragraph **a.** of Condition **2. Duties In The Event Of Occurrence, Offense, Claim Or Suit** under **Section IV - Commercial General Liability Conditions** is replaced by the following:

- 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.

This requirement applies only when the "occurrence" or offense is known to an "authorized representative".

12. Nonowned Aircraft

The following is added to **Exclusion 2.g. Aircraft, Auto Or Watercraft** under **Section I - Coverage A - Bodily Injury And Property Damage Liability**:

This exclusion does not apply to an aircraft you do not own, provided that:

- a. The pilot in command holds a current effective certificate, issued by a duly constituted authority of the United States of America or Canada, designating that person as a commercial or airline transport pilot;
- b. The aircraft is rented with a trained, paid crew; and

- c. The aircraft does not transport persons or cargo for a charge.

13. Bodily Injury Redefined

Section V - Definitions, 4. "Bodily injury" is replaced by the following:

- 4. "Bodily injury" means bodily harm or injury, sickness, disease, disability, humiliation, shock, fright, mental anguish or mental injury, including care, loss of services or death resulting from any of these at any time.

14. Expected Or Intended Injury Redefined

The last sentence of **Exclusion 2.a. Expected Or Intended Injury** under **Section I - Coverage A - Bodily Injury And Property Damage Liability** is replaced by the following:

This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

15. Former Employees As Insureds

The following is added to Paragraph 2. under **Section II - Who Is An Insured:**

- 2. Each of the following is also an insured:

Any of your former "employees", directors, managers, members, partners or "executive officers", including but not limited to retired, disabled or those on leave of absence, but only for acts within the scope of their employment by you or for duties related to the conduct of your business.

16. Voluntary Property Damage Coverage

a. Coverage D - Voluntary Property Damage Coverage

Section I - Coverages is amended to include the following:

(1) Insuring Agreement

- (a) We will pay the cost to repair or replace "property damage" to property of others arising out of operations incidental to your business when:
 - 1) Damage is caused by you; or
 - 2) Damage occurs while in your possession.

At your written request, we will make this payment regardless of whether you are at fault for the "property damage".

If you, at our request, replace, or make any repairs to, damaged property of others, the amount we will pay under **Voluntary Property Damage Coverage** will be determined by your actual cost to replace or repair the damaged property, excluding any profit or overhead.

Any payment we make under **Voluntary Property Damage Coverage** shall not be interpreted as an admission of liability by you or by us.

It shall be your duty, not our duty, to defend any claim or "suit" to which this insurance applies.

No other obligation or liability to pay sums or perform acts or services is covered.

- (b) This insurance applies to "property damage" only if:

- 1) The "property damage" takes place in the "coverage territory"; and
- 2) The "property damage" occurs during the policy period.

(2) Exclusions

This insurance does not apply to "property damage" that would be excluded by **Section I - Coverage A - Bodily Injury And Property Damage Liability, 2. Exclusions**, except for **j. Damage To Property**, paragraphs (3), (4), (5) and (6), **k. Damage To Your Product**, and **I. Damage To Your Work**.

(3) Definitions

For purposes of **Voluntary Property Damage Coverage** only, the following definitions under **Section V - Definitions** are replaced by the following:

16. "Occurrence" means an incident, including continuous or repeated exposure to substantially the same general harmful conditions that result in "property damage".

20. "Property damage" means physical injury to tangible property. "Electronic data" is not tangible property, and "property damage" does not include disappearance, abstraction or theft.

b. Care, Custody Or Control Liability Coverage

For purposes of the coverage provided by **Care, Custody Or Control Liability Coverage** in this endorsement only:

(1) **Section I - Coverage A - Bodily Injury And Property Damage Liability, 2. Exclusions, j. Damage To Property**, Paragraphs (3), (4) and (5) do not apply to "property damage" to the property of others described therein.

(2) It shall be your duty, not our duty, to defend any claim or "suit" to which this insurance applies.

No other obligation or liability to pay sums or perform acts or services is covered.

This Paragraph (2) supersedes any provision in the Coverage Part to the contrary.

(3) "Property damage" for which **Care, Custody Or Control Liability Coverage** provides coverage shall be deemed to be caused by an "occurrence" but shall not serve to limit or restrict the applicability of any exclusion for "property damage" under this Coverage Part.

c. Limits Of Insurance And Deductibles

For purposes of the coverage provided by **Voluntary Property Damage Coverage** and **Care, Custody Or Control Liability Coverage, Section III - Limits Of Insurance** is amended to include the following:

(1) The Limits of Insurance shown in the Declarations are replaced by

the limits designated in Section **B. Limits Of Insurance, 16. Voluntary Property Damage Coverage** and **Care, Custody Or Control Liability Coverage**, in this endorsement. These limits are inclusive of, and not in addition to, the limits being replaced. The Limits of Insurance shown in the Schedule 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) (a) Subject to (3) below, the **Voluntary Property Damage Coverage** Each Occurrence Limit of Insurance is the most we will pay for the sum of damages under **Voluntary Property Damage Coverage**;

(b) The **Care, Custody Or Control Liability Coverage** Each Occurrence Limit of Insurance is the most we will pay for the sum of damages under **Care, Custody Or Control Liability Coverage**;

because of all "property damage" arising out of any one "occurrence".

(3) The **Voluntary Property Damage Coverage** Aggregate Limit of Insurance is the most we will pay for the sum of all damages under **Voluntary Property Damage Coverage**. This limit applies separately to each "coverage term".

(4) Deductible Clause

(a) Our obligation to pay damages on your behalf applies only to the amount of damages for each "occurrence" which are in excess of the Deductible Amount stated for the applicable coverage in the Schedule. The limits of insurance will not be reduced by the application of such Deductible Amount.

(b) **Section IV - Commercial General Liability Conditions, 2. Duties In The Event Of Occurrence, Of-fense, Claim Or Suit**, applies to each claim or "suit" irrespective of the amount.

(c) We may pay any part or all of the Deductible Amount to effect settlement of any claim or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the Deductible Amount as has been paid by us.

17. Broadened Contractual Liability - Work Within 50' Of Railroad Property

Section V - Definitions, 12. "Insured contract" is amended as follows:

- a. Paragraph c. is replaced by the following:
 - c. Any easement or license agreement;
- b. Paragraph f. (1) is deleted in its entirety.

18. Owned Watercraft

It is hereby agreed that **Section I - Coverage A - Bodily Injury And Property Damage Liability, 2. Exclusions, g. Aircraft, Auto Or Watercraft, Paragraph (2)** is replaced by the following:

- (2) A watercraft owned, operated, rented or loaned to you that is:
 - (a) Less than 51 feet long;
 - (b) Used solely in your business; and
 - (c) Not being used to carry persons or property for a charge.

19. Mutual Aid Providers As Insureds

It is hereby agreed that **Section II - Who Is An Insured** is amended to include:

Any person or organization while providing services under a mutual aid agreement, joint powers agreement or similar arrangement, but only with respect to the conduct of your business and only to the extent of your participation or your interest.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TOTAL POLLUTANT EXCLUSION WITH WATER COMPANY EXCEPTIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SECTION 1 - COVERAGES, COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions, f. Pollutant is deleted in its entirety and replaced by the following:

This insurance does not apply to:

f. Pollutant

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

However Paragraph **f.(1)** does not apply to:

- (a)** "Bodily injury" to any person injured while on any premises, site or location owned or occupied by, or rented or loaned to, you provided the "bodily injury" is caused by smoke, fumes, vapor or soot produced by or originating from equipment used to heat, cool or dehumidify a 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:

- 1)** 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; or
- 2)** 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 to test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, or in any way respond to, or assess the effects of "pollutants". However, this paragraph does not apply to Paragraph **(c)** below.
- (c)** "Bodily Injury" or "property damage" arising out of the following operations:
 - 1)** "Potable water" supplied by you to others;
 - 2)** Chemicals used in the water treatment process in connection with your operations;
 - 3)** Propane or natural gas used in your water treatment process;
 - 4)** Discharge, dispersal, seepage, migration, release, escape or emission of fuels, lubricants or other operating fluids, or exhaust gases, which are needed to perform, or are the result of, 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, or exhaust gases, escape, seep or migrate, or are discharged, dispersed, released or emitted from a vehicle part designed to hold, store or receive them. This exception does not apply if the fuels, lubricants or other operating fluids, or ex-

haust gases, escape, seep or migrate, or are discharged, dispersed, released or emitted with the intent to cause "bodily injury" or "property damage: or with the knowledge that "bodily injury" or "property damage" is substantially certain to occur, or if such fuels, lubricants or other operating fluids, or exhaust gases, are brought on or to the premises, site or location with such intent to escape, seep or migrate, or be discharged, dispersed, released or emitted as part of the operations being performed by such insured, contractor or subcontractor; or

5) Application of pesticide or herbicide in compliance with a statute, ordinance, regulation and license requirement of any federal, state or local government or governmental agency.

(d) "Bodily injury" or "property damage" arising out of water that backs up through or overflows or is discharged from a sewer, drain or sump pump if the backup, overflow or discharge emanates from any sewage treatment facility or fixed conduit or piping that you own, operate, lease, control or for which you have the right of way, but only if the "bodily injury" or "property damage" occurs away from land you own or lease.

Paragraphs (c)1), (c)2), (c)3), (c)4) and (d) of this exclusion apply only if the discharge is "sudden" and "accidental" and stopped as soon as possible. The entirety

of any discharge or series of discharges will be deemed a single discharge regardless of the length of time over which the "pollutants" are released. The entirety of any discharge or series of related discharges will be deemed to have occurred at the date the earliest discharge commenced.

(3) As respects the insurance provided by this endorsement, **SECTION V - DEFINITIONS** is amended to add the following:

(a) "Accidental" means unintended or unexpected.

(b) "Potable water" means water intended and provided for human consumption.

(c) "Sudden" means abrupt, immediate and brief as well as unexpected and without prior notice. "Sudden" has a temporal element which requires that the release, dispersal, seepage, migration, escape or emission of "pollutants" begins and ends within a brief period of time. A release, dispersal, seepage, migration, escape or emission of a "pollutant" which results from a series of ongoing events which constitute a course of conduct or course of business is not "sudden."

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**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:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. Exclusion 2.s. of **Section I - Coverage A - Bodily Injury and Property Damage Liability** is replaced by the following:

2. Exclusions

This insurance does not apply to:

s. Access or Disclosure of Confidential or Personal Information and Data-Related Liability

Damages arising out of:

- (1)** Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2)** The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph **(1)** or **(2)** above.

ing 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".

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

2. Exclusions

This insurance does not apply to:

Access or Disclosure of Confidential or Personal Information

"Personal and advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - LEAD LIABILITY

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusions are added to Paragraph 2. Exclusions of **SECTION I - COVERAGES, COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY** and Paragraph 2. Exclusions of **SECTION I - COVERAGES, COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY**:

This insurance does not apply to:

1. "Bodily injury", "property damage" or "personal and advertising injury" arising out of, resulting from, or in any way caused by or contributing to the actual, alleged or threatened ingestion, inhalation, absorption of, exposure to or presence of lead in any form emanating from any source.
2. Any loss, cost or expense arising out of, resulting from or in any way related to any:
 - a. Claim, suit, request, demand, directive, or order by or on behalf of any person, entity, or governmental authority that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, or in any way respond to, or assess the effects of lead in any form; or
 - b. Claim or suit by or on behalf of any person, entity, or 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 lead in any form.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONTRACTORS ADDITIONAL INSURED - AUTOMATIC STATUS AND AUTOMATIC WAIVER OF SUBROGATION WHEN REQUIRED IN WRITTEN CONTRACT, AGREEMENT, PERMIT OR AUTHORIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. Additional Insured - Owners, Lessees Or Contractors - Automatic Status For Other Parties When Required In Written Contract Or Agreement With You

1. **Section II - Who Is An Insured** is amended to include as an additional insured any person or organization you have agreed in writing in a contract or agreement to add as an additional insured on this Coverage Part. Such person(s) or organization(s) is an additional insured only with respect to liability for:

a. "Bodily injury", "property damage" or "personal and advertising injury" *caused, in whole or in part, by* the performance of your ongoing operations by you or on your behalf, under that written contract or written agreement. Ongoing operations does not apply to "bodily injury" or "property damage" occurring after:

(1) All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or

(2) That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project; and

b. "Bodily injury" or "property damage" *caused, in whole or in part, by* "your work" performed under that written contract or written agreement and in

cluded in the "products-completed operations hazard", but only if:

(1) The Coverage Part to which this endorsement is attached provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard"; and

(2) The written contract or written agreement requires you to provide additional insured coverage included within the "products-completed operations hazard" for that person or organization.

If the written contract or written agreement requires you to provide additional insured coverage included within the "products-completed operations hazard" for a specified length of time for that person or organization, the "bodily injury" or "property damage" must occur prior to the expiration of that period of time in order for this insurance to apply.

If the written contract or written agreement requires you to provide additional insured coverage for a person or organization per only ISO additional insured endorsement form number **CG 20 10**, without specifying an edition date, and without specifically requiring additional insured coverage included within the "products-completed operations hazard", this Paragraph **b.** does not apply to that person or organization.

2. If the written contract or written agreement described in Paragraph **1.** above specifically requires you to provide additional insured coverage to that person or organization:

a. *Arising out of* your ongoing operations or *arising out of* "your work"; or

- b. By way of an edition of an ISO additional insured endorsement that includes *arising out of* your ongoing operations or *arising out of* "your work";

then the phrase *caused, in whole or in part, by* in Paragraph **A.1.a.** and/or Paragraph **A.1.b.** above, whichever applies, is replaced by the phrase *arising out of*.

- 3. With respect to the insurance afforded to the additional insureds described in Paragraph **A.1.**, the following additional exclusion applies:

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:

- a. The preparing, approving or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
- b. Supervisory, inspection, architectural or engineering activities.

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 the rendering of, or the failure to render, any professional architectural, engineering or surveying services.

- 4. This Paragraph **A.** does not apply to additional insureds described in Paragraph **B.**

B. Additional Insured - State Or Governmental Agency Or Subdivision Or Political Subdivision - Automatic Status When Required In Written Permits Or Authorizations

- 1. **Section II - Who Is An Insured** is amended to include as an additional insured any state or governmental agency or subdivision or political subdivision you have agreed in writing in a contract, agreement, permit or authorization to add as an additional insured on this Coverage Part. Such state or governmental agency or subdivision or political subdivision is an additional insured only with respect to operations performed by you or on your behalf for which the state or governmental agency or subdivision or political subdivision issued, in writing, a contract, agreement, permit or authorization.

- 2. With respect to the insurance afforded to the additional insureds described in Paragraph **B.1.**, the following additional exclusions apply:

This insurance does not apply to:

- a. "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the federal government, state or municipality; or
- b. "Bodily injury" or "property damage" included within the "products-completed operations hazard."

- C. The insurance afforded to additional insureds described in Paragraphs **A.** and **B.**:

- 1. Only applies to the extent permitted by law; and
- 2. Will not be broader than that which you are required by the written contract, written agreement, written permit or written authorization to provide for such additional insured; and
- 3. Does not apply to any person, organization, state, governmental agency or subdivision or political subdivision specifically named as an additional insured for the same project in the schedule of an endorsement added to this Coverage Part.

- D. With respect to the insurance afforded to the additional insureds described in Paragraphs **A.** and **B.**, the following is added to **Section III - Limits Of Insurance**:

The most we will pay on behalf of the additional insured is the amount of insurance:

- 1. Required by the written contract, written agreement, written permit or written authorization described in Paragraphs **A.** and **B.**; 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.

- E. **Section IV - Commercial General Liability Conditions** is amended to add the following:

Automatic Additional Insured Provision

This insurance applies only if the "bodily injury" or "property damage" occurs, or the "personal and advertising injury" offense is committed:

- 1. During the policy period; and

2. Subsequent to your execution of the written contract or written agreement, or the issuance of a written permit or written authorization, described in Paragraphs **A.** and **B.**

- F. Except when **G.** below applies, the following is added to **Section IV - Commercial General Liability Conditions, 5. Other Insurance**, and supersedes any provision to the contrary:

When Other Additional Insured Coverage Applies On An Excess Basis

This insurance is primary to other insurance available to the additional insured described in Paragraphs **A.** and **B.** except:

1. As otherwise provided in **Section IV - Commercial General Liability Conditions, 5. Other Insurance, b. Excess Insurance**; or
2. For any other valid and collectible insurance available to the additional insured as an additional insured by attachment of an endorsement to another insurance policy that is written on an excess basis. In such case, this insurance is also excess.

- G. The following is added to **Section IV - Commercial General Liability Conditions, 5. Other Insurance**, and supersedes any provision to the contrary:

Primary Insurance When Required By Written Contract, Agreement, Permit Or Authorization

Except when wrap-up insurance applies to the claim or "suit" on behalf of the additional insured, this insurance is primary to any other insurance available to the additional insured described in Paragraphs **A.** and **B.** provided that:

1. The additional insured is a Named Insured under such other insurance; and
2. You have agreed in writing in a contract, agreement, permit or authorization described in Paragraph **A.** or **B.** that this insurance would be primary to any other insurance available to the additional insured.

As used in this endorsement, wrap-up insurance means any insurance provided by a consolidated (wrap-up) insurance program.

Primary And Noncontributory Insurance When Required By Written Contract, Agreement, Permit Or Authorization

Except when wrap-up insurance applies to the claim or "suit" on behalf of the additional insured, this insurance is primary to and will not seek contribution from any other insurance available to the additional insured described in Paragraphs **A.** and **B.** provided that:

1. The additional insured is a Named Insured under such other insurance; and
2. You have agreed in writing in a contract, agreement, permit or authorization described in Paragraph **A.** or **B.** that this insurance would be primary and would not seek contribution from any other insurance available to the additional insured.

As used in this endorsement, wrap-up insurance means any insurance provided by a consolidated (wrap-up) insurance program.

- H. **Section IV - Commercial General Liability Conditions, 9. Transfer Of Rights Of Recovery Against Others To Us** is amended by the addition of the following:

We waive any right of recovery we may have against any additional insured under this endorsement against whom you have agreed to waive such right of recovery in a written contract, written agreement, written permit or written authorization because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a written contract, written agreement, written permit or written authorization. However, our rights may only be waived prior to the "occurrence" giving rise to the injury or damage for which we make payment under this Coverage Part. The insured must do nothing after a loss to impair our rights. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce those rights.

THE CINCINNATI INSURANCE COMPANY

A Stock Insurance Company

EMPLOYEE BENEFIT LIABILITY COVERAGE PART SCHEDULE

Attached to and forming part of POLICY NUMBER: **ETD 049 53 41**

Named Insured is the same as it appears in the Common Policy Declarations

Limits of Insurance	\$	1,000,000	Each Employee Limit
	\$	3,000,000	Aggregate Limit
Deductible Amount	\$	1,000	Each Employee
Estimated Premium	\$	222	Annual

FORMS AND / OR ENDORSEMENTS APPLICABLE TO EMPLOYEE BENEFIT LIABILITY COVERAGE PART:

GA102 12/04 EMPLOYEE BENEFIT LIABILITY COVERAGE FORM

EMPLOYEE BENEFIT LIABILITY COVERAGE FORM

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

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

The word "insured" means any person or organization qualifying as such under **SECTION II - WHO IS AN INSURED.**

Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION V - DEFINITIONS.**

SECTION I - COVERAGES

1. Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as damages caused by any act, error or omission of the insured, or of any other person for whose acts the insured is legally liable, 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 against any "suit" seeking damages to which this insurance does not apply. We may, at our discretion, investigate any report of an act, error or omission and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in **SECTION III - LIMITS OF INSURANCE;** and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

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

b. This insurance applies to damages only if the act, error or omission, is negligently committed in the "administration" of your "employee benefit program"; and

- (1) Occurs during the policy period; or
- (2) Occurred prior to the effective date of this Coverage Part provided:

(a) You did not have knowledge of a claim or "suit" on or before the

effective date of this Coverage Part.

You will be deemed to have knowledge of a claim or "suit" when any "authorized representative";

- 1) Reports all, or any part, of the act, error or omission to us or any other insurer;
- 2) Receives a written or verbal demand or claim for damages because of the act, error or omission; and

(b) There is no other applicable insurance.

2. Exclusions

This insurance does not apply to:

a. **Bodily Injury, Property Damage or Personal and Advertising Injury**

"Bodily injury", "property damage" or "personal and advertising injury".

b. **Dishonest, Fraudulent, Criminal or Malicious Act**

Damages arising out of any intentional, dishonest, fraudulent, criminal or malicious act, error or omission, committed by any insured, including the willful or reckless violation of any statute.

c. **Failure to Perform a Contract**

Damages arising out of failure of performance of contract by any insurer.

d. **Insufficiency of Funds**

Damages arising out of an insufficiency of funds to meet any obligations under any plan included in the "employee benefit program".

e. **Inadequacy of Performance of Investment / Advice Given With Respect to Participation**

Any claim based upon:

- (1) Failure of any investment to perform;
- (2) Errors in providing information on past performance of investment vehicles; or
- (3) Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the "employee benefit program".

f. Workers' Compensation and Similar Laws

Any claim arising out of your failure to comply with the mandatory provisions of any workers' compensation, unemployment compensation insurance, social security or disability benefits law, or any similar law.

g. ERISA

Damages for which any insured is liable because of liability imposed on a fiduciary by the Employee Retirement Income Security Act of 1974, as now or hereafter amended, or by any similar federal, state or local laws.

h. Available Benefits

Any claim for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the insured, from the applicable funds accrued or other collectible insurance.

i. Taxes, Fines or Penalties

Taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state or local law.

j. Employment-Related Practices

Any liability arising out of any:

- (1) Refusal to employ;
- (2) Termination of employment;
- (3) Coercion, demotion, evaluation, re-assignment, discipline, defamation, harassment, humiliation, discrimination or other employment-related practices, acts or omissions; or
- (4) Consequential liability as a result of (1), (2) or (3) above.

This exclusion applies whether the insured may be held 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.

SUPPLEMENTARY PAYMENTS

We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

- 1. All expenses we incur.
- 2. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.

- 3. 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.
- 4. All costs taxed against the insured in the "suit".
- 5. Prejudgment interest awarded against the insured on that part of the judgment we become obligated to pay and which falls within the applicable limit of insurance. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- 6. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

SECTION II - WHO IS AN INSURED

- 1. If you are designated in the Declarations as:
 - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
 - b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds but only with respect to the conduct of your business.
 - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
 - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
 - e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.
- 2. Each of the following is also an insured:
 - a. Each of your "employees" who is or was authorized to administer your "employee benefit program".
 - b. Any persons, organizations or "employees" having proper temporary authorization to administer your "employee benefit

program" if you die, but only until your legal representative is appointed.

- c. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if no other similar insurance applies to that organization. However coverage under this provision:
 - a. Is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier; and
 - b. Does not apply to any act, error or omission that was committed before you acquired or formed the organization.

SECTION III - LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought;
 - c. Persons or organizations making claims or bringing "suits";
 - d. Acts, errors or omissions; or
 - e. Benefits included in your "employee benefit program."
2. The Aggregate Limit is the most we will pay for all damages because of acts, errors or omissions negligently committed in the "administration" of your "employee benefit program."
3. Subject to the Aggregate Limit, the Each Employee Limit is the most we will pay for all damages sustained by any one "employee", including damages sustained by such "employee's" dependents and beneficiaries, as a result of:
 - a. An act, error or omission; or
 - b. A series of related acts, errors or omissions, regardless of the amount of time that lapses between such acts, errors or omissions,negligently committed in the "administration" of your "employee benefit program."

However, the amount paid under this Coverage Part shall not exceed, and will be subject to the limits and restrictions that apply to the payment of benefits in any plan included in the "employee benefit program."

The Limits of Insurance of this Coverage Part apply separately to each "coverage term".

4. Deductible

- a. Our obligation to pay damages on behalf of the insured applies only to the amount of damages in excess of the deductible amount stated in the Declarations as applicable to Each Employee. The limits of insurance shall not be reduced by the amount of this deductible.
- b. The deductible amount stated in the Declarations applies to all damages sustained by any one "employee", including such "employee's" dependents and beneficiaries, because of all acts, errors or omissions to which this insurance applies.
- c. The terms of this insurance, including those with respect to:
 - (1) Our right and duty to defend the insured against any "suits" seeking those damages; and
 - (2) Your duties, and the duties of any other involved insured, in the event of an act, error or omission, or claim,apply irrespective of the application of the deductible amount.
- d. We may pay any part or all of the deductible amount to effect settlement of any claim or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as we have paid.

SECTION IV - CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties in the Event of an Act, Error or Omission, or Claim or Suit.

- a. You must see to it that we are notified as soon as practicable of an act, error or omission which may result in a claim. To the extent possible, notice should include:
 - (1) What the act, error or omission was and when it occurred; and
 - (2) The names and addresses of anyone who may suffer damages as a result of the act, error or omission.
- b. If a claim is made or "suit" is brought against any insured, you must:

(1) Immediately record the specifics of the claim or "suit" and the date received; and

(2) Notify us as soon as practicable.

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

c. You and any other involved insured must:

(1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";

(2) Authorize us to obtain records and other information;

(3) Cooperate with us in the investigation, or settlement of the claim or defense against the "suit"; and

(4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of an act, error or omission 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 without our consent.

3. Legal Action Against Us

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

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

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

4. Liberalization

If, within 60 days prior to the beginning of this Coverage Part or during the policy period, we make any changes to any forms or endorsements of this Coverage Part for which there is currently no separate premium charge, and that change provides more coverage than this Coverage Part, the change will automatically apply to this Coverage Part as of the latter of:

a. The date we implemented the change in your state; or

b. The date this Coverage Part became effective; and

will be considered as included until the end of the current policy period. We will make no additional premium charge for this additional coverage during the interim.

5. Other Insurance

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

a. Primary Insurance

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

b. Method of Sharing

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

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

c. No Coverage

This insurance shall not cover any loss for which the insured is entitled to recovery under any other insurance in force previous to the effective date of this insurance.

6. Premium Audit

a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.

b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If:

(1) The earned premium is less than the deposit premium, we will return the excess to the first Named Insured; or

(2) The earned premium is greater than the deposit premium, the difference will be due and payable to us by the first Named Insured upon notice from us.

c. The first Named Insured must keep records of the information we need for pre-

mium computation, and send us copies at such times as we may request.

7. Representations

By accepting this Coverage Part, you agree:

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

8. Separations of Insureds

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

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

9. Transfer of Rights of Recovery Against Others to Us

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

10. Two or More Coverage Forms or Policies Issued By Us

If this Coverage Part and any other Coverage Form, Coverage Part or policy issued to you by us or any company affiliated with us apply to the same act, error or omission, the aggregate maximum limit of insurance under all the Coverage Forms, Coverage Parts or policies shall not exceed the highest applicable limit of insurance under any one Coverage Form, Coverage Part or policy. This condition does not apply to any Coverage Form, Coverage Part or policy issued by us or an affiliated company specifically to apply as excess insurance over this Coverage Part.

11. When We Do Not Renew

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

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

SECTION V - DEFINITIONS

1. "Administration" means:

- a. Providing information to "employees", including their dependents and beneficiaries, with respect to eligibility for or scope of "employee benefit programs";
- b. Interpreting the "employee benefit programs";
- c. Handling records in connection with the "employee benefit programs"; or
- d. Effecting, continuing or terminating any "employee's" participation in any benefit included in the "employee benefit program".

However, "administration" does not include:

- a. Handling payroll deductions; or
- b. The failure to effect or maintain any insurance or adequate limits of coverage of insurance, including but not limited to unemployment insurance, social security benefits, workers' compensation and disability benefits.

2. "Advertisement" means a notice that is broadcast, telecast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. "Advertisement" includes a publicity article. For 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".

3. "Authorized representative" means:

- a. If you are designated in the Declarations as:
 - (1) An individual, you and your spouse are "authorized representatives".
 - (2) A partnership or joint venture, your members, your partners, and their spouses are "authorized representatives".
 - (3) A limited liability company, your members and your managers are "authorized representatives".
 - (4) An organization other than a partnership, joint venture or limited liability company, your "executive officers" and directors are "authorized representatives". Provided you are not a publicly traded organization, your stockholders are also "authorized representatives".

- b. Your "employees":
- (1) Assigned to manage your insurance program; or
 - (2) Responsible for giving or receiving notice of an act, error or omission, claim or "suit";
- are also "authorized representatives".
4. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
 5. "Cafeteria plans" means plans authorized by applicable law to allow "employees" to elect to pay for certain benefits with pre-tax dollars.
 6. "Coverage term" means the following individual increment, or if a multi-year policy period, increments, of time, which comprise the policy period of this Coverage Part:
 - a. The year commencing on the Effective Date of this Coverage Part at 12:01 AM standard time at your mailing address shown in the Declarations, and if a multi-year policy period, each consecutive annual period thereafter, or portion thereof if any period is for a period of less than 12 months, constitute individual "coverage terms". The last "coverage term" ends at 12:00 AM standard time at your mailing address shown in the Declarations on the earlier of:
 - (1) The day the policy period shown in the Declarations ends; or
 - (2) The day the policy to which this Coverage Part is attached is terminated or cancelled.
 - b. However, if after the issuance of this Coverage Part, any "coverage term" is extended for an additional period of less than 12 months, that additional period of time will be deemed to be part of the last preceding "coverage term".
 7. "Electronic data" means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
 8. "Employee" means a person actively employed, formerly employed, on leave of absence or disabled, or retired. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
 9. "Employee benefit program" means a program providing some or all of the following benefits to "employees", whether provided through a "cafeteria plan" or otherwise:
 - a. Group life insurance; group accident or health insurance; dental, vision and hearing plans; and flexible spending accounts; provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to those "employees" who satisfy the plan's eligibility requirements;
 - b. Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans and stock subscription plans, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to all "employees" who are eligible under the plan for such benefits;
 - c. Unemployment insurance, social security benefits, workers' compensation and disability benefits; and
 - d. Vacation plans, including buy and sell programs; leave of absence programs, including military, maternity, family, and civil leave; tuition assistance plans; transportation and health club subsidies.
 10. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any similar governing document.
 11. "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" includes supervisors furnished to you by the labor leasing firm. "Leased worker" does not include a "temporary worker".
 12. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
 - a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;
 - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
 - d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;

- e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
 - f. The use of another's advertising idea in your "advertisement"; or
 - g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".
- 13.** "Property damage" means:
- a. Physical injury to tangible property, including all resulting loss of use of that property; or
 - b. Loss of use of tangible property that is not physically injured.

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

- 14.** "Suit" means a civil proceeding in which money damages because of an act, error or omission 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;
 - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent; or
 - c. An appeal of a civil proceeding.
- 15.** "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.

THE CINCINNATI INSURANCE COMPANY

A Stock Insurance Company

CONTRACTORS' EQUIPMENT (AND TOOLS) COVERAGE PART DECLARATIONS

Attached to and forming part of POLICY NUMBER: ETD 049 53 41

Named Insured is the same as it appears in the Common Policy Declarations

Covered Property (check one) Scheduled Equipment Schedule on File

Description of Covered Property (Make, Model, Year Built, Serial Number, Etc.) Valuation (ACV, FRC, RC) Limit of Insurance

Schedule

PER SCHEDULE ON FILE ACV \$ 229,795

Limits

Total Scheduled Equipment	\$	229,795
Additional Debris Removal Expense	\$	10,000
Employee-Owned Tools - Any One Tool	\$	250
Employee-Owned Tools - Any One Occurrence	\$	1,000
Newly Purchased Equipment	\$ 25,000 OR 30% OF THE TOTAL SCHEDULED EQUIPMENT LIMIT WHICHEVER IS GREATER	
Newly Purchased Equipment Number of Days		60
Pollutant Cleanup and Removal	\$	10,000
Equipment Leased or Rented from Others	\$	100,000
Loss of Use of Equipment Leased or Rented from Others	\$	1,000
Equipment Borrowed from Others	\$	5,000
Rental Reimbursement - Per Day	\$	500
Rental Reimbursement - Per Year	\$	5,000
Rental Reimbursement Waiting Period	24	Hours
Spare Parts and Fuel	\$	5,000
Your Tools - Any One Tool	\$	250
Your Tools - Any One Occurrence	\$	1,000

RATES AND PREMIUM
for Scheduled Equipment

Rate \$ INCL Premium \$ INCL

DEDUCTIBLE

(check one)

- Flat Deductible Amount (\$500 unless otherwise stated) \$ 250
- Percentage Deductible %
- Maximum Deductible Amount \$
- Minimum Deductible Amount \$
-

COINSURANCE

(check one)

- 80% 90% 100% Other %
-

REPORTING CONDITIONS

(check if applicable)

- Equipment Leased or Rented from Others
- Deposit Premium \$
- Minimum Premium \$
- Reporting Rate \$
- Newly Purchased Equipment
- Deposit Premium \$
- Minimum Premium \$
- Reporting Rate \$
-

FORMS AND / OR ENDORSEMENTS APPLICABLE TO CONTRACTORS' EQUIPMENT (AND TOOLS)

MA108 03/05 CONTRACTORS' EQUIPMENT (AND TOOLS) COVERAGE FORM

MA135 11/99 COMMERCIAL INLAND MARINE CONDITIONS

MA4016 06/07 CONTRACTORS' EQUIPMENT (AND TOOLS) COVERAGE PART RATE AND DEDUCTIBLE SCHEDULE

LOSS PAYEE (if any)

SPECIAL PROVISIONS (if any)

CONTRACTORS' EQUIPMENT (AND TOOLS) COVERAGE FORM

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

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

Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION G. DEFINITIONS**.

SECTION A. COVERAGE

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

1. Covered Property

We cover the following property unless the property is excluded or subject to limitations.

a. Scheduled Equipment - When Scheduled Equipment is indicated in the "Declarations", we cover direct physical "loss" caused by a Covered Cause of Loss to:

- (1) Your "contractors' equipment"; and
- (2) "Contractors' equipment" of others in your care, custody or control;

described in the "Declarations".

b. Schedule on File - When Schedule on File is indicated in the "Declarations", we cover direct physical "loss" caused by a Covered Cause of Loss to:

- (1) Your "contractors' equipment"; and
- (2) "Contractors' equipment" of others in your care, custody, or control;

that are listed in a schedule which you must submit to us and we keep on file. The schedule must contain a description of each item to be covered and a "limit" for each item.

2. Property Not Covered

a. Aircraft or Watercraft - We do not cover aircraft or watercraft.

b. Automobiles and Trucks - We do not cover automobiles, motor trucks, tractors, trailers and similar conveyances designed for highway use and used for over the road transportation of people or cargo. However, this does not include:

(1) Self-propelled vehicles designed and used primarily to carry mounted equipment; or

(2) Vehicles designed for highway use that are unlicensed and not regularly operated on public roads.

c. Contraband - We do not cover contraband or property in the course of illegal transportation or trade.

d. Leased or Rented Property - We do not cover property that you lease or rent to others.

e. Loaned Property - We do not cover property while loaned to others.

f. Underground or Underwater Property - We do not cover property while stored or operated underground or underwater except while in transit through tunnels.

g. Waterborne Property - We do not cover property while waterborne except while in transit in the custody of a carrier for hire.

h. Logging Property - We do not cover property used in connection with logging operations.

3. Covered Causes of Loss

a. Risks of Direct Physical Loss

We cover direct physical "loss" to "contractors' equipment" unless the "loss" is limited or caused by a peril that is excluded.

b. Exclusions

(1) We do not pay for "loss" if one or more of the following exclusions apply to the "loss", even if other causes or events contribute to or aggravate the "loss", regardless of whether such other causes or events act to produce the "loss" before, at the same time as, or after the excluded causes or events.

(a) Civil Authority - We do not pay for "loss" caused by order of any civil authority, including seizure, confiscation, destruction, or quarantine of property.

We do pay for "loss" resulting from acts of destruction by the civil authority to prevent the

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spread of fire, unless the fire is caused by a peril excluded under this coverage.

(b) Nuclear Hazard - We do not pay for "loss" caused by or resulting from a nuclear reaction, nuclear radiation, or radioactive contamination (whether controlled or uncontrolled; whether caused by natural, accidental, or artificial means). "Loss" caused by nuclear hazard is not considered "loss" caused by fire, explosion, or smoke. We do pay for direct "loss" by fire resulting from the nuclear hazard.

(c) War and Military Action - We do not pay for "loss" caused by:

- 1) War, including undeclared war or civil war;
- 2) A warlike action by a military force, including action taken to prevent or defend against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or
- 3) Insurrection, rebellion, revolution, or unlawful seizure of power including action taken by governmental authority to prevent or defend against any of these.

With regard to any action that comes within the terms of this exclusion and involves nuclear reaction, nuclear radiation, or radioactive contamination, this War and Military Action Exclusion will apply in place of the Nuclear Hazard Exclusion.

(2) We do not pay for "loss" or damage if one or more of the following exclusions apply to the "loss".

(a) Criminal, Fraudulent, or Dishonest Acts - We do not pay for "loss" caused by or resulting from criminal, fraudulent, dishonest, or illegal acts whether conducted alone or in collusion with another by:

- 1) You;

- 2) Others who have an interest in the property;
- 3) Others to whom you entrust the property;
- 4) Your partners, officers, directors, trustees, or joint venturers; or
- 5) The employees or agents of **1), 2), 3), or 4)** above, whether or not they are in the course and scope of their employment.

This exclusion does not apply to acts of destruction by your employees, but we do not pay for theft by employees.

This exclusion does not apply to Covered Property in the custody of a carrier for hire.

(b) Loss of Use - We do not pay for "loss" caused by or resulting from loss of use, business interruption, delay, or loss of market, except as provided in **5. Supplemental Coverages, d. Equipment Leased or Rented from Others.**

(c) Missing Property - We do not pay for missing property where the only proof of "loss" is unexplained or mysterious disappearance of Covered Property, or shortage of property discovered on taking inventory, or any other instance where there is no physical evidence to show what happened to the Covered Property. This exclusion does not apply to Covered Property in the custody of a carrier for hire.

(d) Pollutants - We do not pay for "loss" caused by or resulting from release, discharge, emission, seepage, migration, dispersal, or escape of "pollutants" unless the release, discharge, seepage, migration, dispersal, emission, or escape is caused by a "specified cause of loss". We do pay for any resulting "loss" caused by a "specified cause of loss".

(e) Voluntary Parting - We do not pay for "loss" caused by or resulting from voluntary parting

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with title to or possession of any property because of any fraudulent scheme, trick or false pretense.

(f) Weight of a Load - We do not pay for "loss" caused by or resulting from the weight of a load exceeding the registered lifting capacity of any machine.

(3) We do not pay for "loss" or damage if one or more of the following exclusions apply to the "loss". But if "loss" by a Covered Cause of Loss results we will pay for the resulting "loss".

(a) Contamination or Deterioration - We do not pay for "loss" caused by contamination or deterioration including corrosion, decay, fungus, mildew, mold, rot, rust or any quality, fault or weakness in the Covered Property that causes it to damage or destroy itself.

(b) Mechanical Breakdown - We do not pay for "loss" caused by any:

- 1) Structural, mechanical, or remodeling process; or
- 2) Structural, mechanical, or electrical breakdown or malfunction.

(c) Temperature / Humidity - We do not pay for "loss" caused by humidity, dampness, dryness, or changes in or extremes of temperature.

(d) Wear and Tear - We do not pay for "loss" caused by wear and tear, marring, or scratching.

4. Coverage Extension

The following Coverage Extension indicates an applicable "limit". This "limit" may also be shown in the "Declarations". If a different "limit" is indicated in the "Declarations", that "limit" will apply instead of the "limit" shown below.

Unless otherwise indicated, the coverage provided below is part of and not in addition to the applicable "limit" for coverage described under Covered Property.

The "limit" provided under a Coverage Extension cannot be combined or added to the

"limit" for any other Coverage Extension or Supplemental Coverage.

Debris Removal - We pay the cost to remove the debris of Covered Property that is caused by a Covered Cause of Loss. This coverage does not include costs to:

- a. Extract "pollutants" from land or water; or
- b. Remove, restore, or replace polluted land or water.

We will not pay any more under this coverage than 25% of the amount we pay for the direct "loss". We will not pay more for "loss" to property and debris removal combined than the "limit" for the damaged property.

However, we pay up to an additional \$10,000 for debris removal expense when the debris removal expense exceeds 25% of the amount we pay for direct "loss" or when the "loss" to property and debris removal combined exceeds the "limit" for the damaged property.

We do not pay any expenses unless they are reported to us in writing within 180 days from the date of direct physical "loss" to Covered Property.

5. Supplemental Coverages

The following Supplemental Coverages indicate an applicable "limit". This "limit" may also be shown in the "Declarations". If a different "limit" is indicated in the "Declarations", that "limit" will apply instead of the "limit" shown below.

Unless otherwise indicated, a "limit" for a Supplemental Coverage is separate from and not part of the applicable "limit" for coverage described under Covered Property. The "limit" available for coverage described under a Supplemental Coverage:

- a. Is the only "limit" available for the described coverage; and
- b. Is not the sum of the "limit" indicated for a Supplemental Coverage and the "limit" for coverage described under Covered Property.

The "limit" provided under a Supplemental Coverage cannot be combined or added to the "limit" for any other Supplemental Coverage or Coverage Extension.

The following Supplemental Coverages are not subject to and not considered in applying coinsurance when coinsurance conditions are a part of the coverage.

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- a. **Employee-Owned Tools** - We pay for direct physical "loss" caused by a Covered Cause of Loss to "tools" owned by your employees at a premises that you own or operate or at a "jobsite".

The most we pay for "loss" to any one employee-owned "tool" is \$250, subject to a maximum of \$1,000 in any one occurrence.

- b. **Newly Purchased Equipment** - In the event that you "purchase" additional "contractors' equipment" during the Policy Period, we extend coverage to the additional purchased equipment for up to 60 days.

- (1) The most that we pay for any one "loss" under this Supplemental Coverage is the lesser of:

(a) The value of the newly "purchased" equipment. The value of "contractors' equipment" is determined by the provisions described in **SECTION B. Valuation, 1. Actual Cash Value**; or

(b) The "limit" for newly "purchased" equipment indicated in the "Declarations". If no "limit" is indicated, then 30% of the Total Scheduled Equipment "limit" indicated in the "Declarations", or \$25,000, whichever is greater, applies to this Supplemental Coverage.

- (2) This Supplemental Coverage will end when any of the following first occur:

- (a) This policy expires;
(b) 60 days expire after you "purchase" the equipment; or
(c) You report the newly "purchased" equipment to us.

- c. **Pollutant Cleanup and Removal** - We pay your expense to extract "pollutants" from land or water if the discharge, dispersal, seepage, migration, release, emission, or escape of the "pollutants" is caused by a Covered Cause of Loss that occurs during the Policy Period. The expenses are paid only if they are reported to us in writing within 180 days from the date the Covered Cause of Loss occurs.

We do not pay the cost of testing, evaluating, observing, or recording the existence, level, or effects of "pollutants".

However, we pay the cost of testing which is necessary for the extraction of "pollutants" from land or water.

The most we pay for any one "jobsite" or location is \$10,000 for the sum of all such expenses arising out of a Covered Cause of Loss occurring during each separate 12 month period of this policy.

- d. **Equipment Leased or Rented from Others** - We cover direct physical "loss" caused by a Covered Cause of Loss to "contractors' equipment" that you have leased or rented from others, unless such "loss" is excluded or limited elsewhere in this form.

The most we pay for equipment leased or rented from others is \$25,000.

We also cover the loss of use of that "contractors' equipment" leased or rented from others, provided such loss of use results from a "loss" otherwise covered by this Supplemental Coverage. You must be legally liable for the "loss" and a monetary loss must be sustained by the leasing or rental concern as a result of the "loss".

The most we pay for loss of use is \$1,000.

- e. **Equipment Borrowed from Others** - We cover direct physical "loss" caused by a Covered Cause of Loss to "contractors' equipment" that you have borrowed from others.

The most we pay for equipment borrowed from others is \$5,000.

- f. **Rental Reimbursement** - In the event of a "loss" by a Covered Cause of Loss to your "contractors' equipment" insured under this form, we reimburse you for your expense to rent similar equipment while your equipment is inoperable.

The most we reimburse you for rental expenses is \$500 per day, subject to a maximum of \$5,000 per Policy Period.

We will continue to reimburse you for the rental of equipment after the expiration date of this coverage, provided the "loss" occurred before the expiration date.

We will not reimburse you:

- (1) For the rental of equipment until after the waiting period indicated in the "Declarations" has passed since your "contractors' equipment" was

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rendered inoperable. If no waiting period is indicated then a 24 hour waiting period applies. The waiting period begins at the time of the "loss" to covered "contractors' equipment".

After the waiting period has passed we will only reimburse you for the rental expenses that you actually incur.

- (2) If you can continue or resume your operations with similar equipment that is available to you at no additional expense to you.
- (3) For the rental expense of any equipment beyond the reasonable time necessary to repair, replace, or rebuild the inoperable equipment after the "loss" by a Covered Cause of Loss occurs.

The deductible amount indicated in the "Declarations" does not apply to a "loss" covered under this Supplemental Coverage.

- g. Spare Parts and Fuel** - We pay for direct physical "loss" caused by a Covered Cause of Loss to spare parts and accessories specifically for "contractors' equipment" insured under this form and fluids for vehicles and "contractors' equipment" insured under this form. Fluids includes gasoline, oil and hydraulic fluid.

The most we pay for "loss" to spare parts, accessories and fluids is \$5,000 in any one occurrence.

- h. Your Tools** - We cover direct physical "loss" caused by a Covered Cause of Loss to your "tools".

The most we pay for "loss" to any one "tool" is \$250, subject to a maximum of \$1,000 in any one occurrence.

SECTION B. VALUATION

1. **Actual Cash Value - COMMERCIAL INLAND MARINE CONDITIONS, GENERAL CONDITIONS, F. Valuation** is deleted in its entirety and replace by the following:

Unless Functional Replacement Cost (FRC) is indicated in the "Declarations" for Covered Property, the value of Covered Property will be based on the actual cash value (ACV) at the time of the "loss" (with a deduction for depreciation) except as provided in the **COMMERCIAL INLAND MARINE CONDITIONS, LOSS CONDITIONS, G. Pair, Sets or Parts**.

However, we will take a deduction for depreciation only if the amount of the covered "loss" is more than twenty percent of the actual cash value of the item that has suffered "loss". If two or more items are involved in the same "loss", this condition shall apply to each item separately.

2. **Functional Replacement Cost** - When Functional Replacement Cost (FRC) is indicated in the "Declarations" for Covered Property, **COMMERCIAL INLAND MARINE CONDITIONS, GENERAL CONDITIONS, F. Valuation** is deleted in its entirety and replaced by the following:

The value of Covered Property will be based on the cost of replacing the Covered Property with property of like kind, quality and age, except as provided in the **COMMERCIAL INLAND MARINE CONDITIONS, LOSS CONDITIONS, G. Pair, Sets or Parts**.

Functional Replacement Cost valuation does not apply until the damaged or destroyed property is repaired or replaced. You may make a claim for actual cash value before repair or replacement takes place, and later for the Functional Replacement Cost if you notify us of your intent within 180 days after the "loss".

SECTION C. HOW MUCH WE PAY

1. **Insurable Interest** - We do not cover more than your insurable interest in any property.
2. **Flat Deductible** - Unless a percentage deductible is indicated in the "Declarations", we pay only that part of your "loss" over the deductible amount indicated in the "Declarations" in any one occurrence.
3. **Percentage Deductible** - When a percentage deductible is indicated in the "Declarations", we pay only that part of your "loss" over the deductible amount. The deductible amount is determined by applying the percentage indicated in the "Declarations" to the value of the Covered Property that is involved in the "loss". The value is determined by the provisions described in **SECTION B. VALUATION**. If a "loss" involves two or more items, the percentage indicated in the "Declarations" will apply only to the Covered Property with the highest value.

The percentage deductible will not exceed the Maximum Deductible amount and will not be less than the Minimum Deductible amount indicated in the "Declarations".

4. **Loss Settlement Terms** - Subject to Paragraphs 1., 2., 3., and 5. under **SECTION C**.

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HOW MUCH WE PAY, and COMMERCIAL INLAND MARINE CONDITIONS, LOSS CONDITIONS, D. Insurance Under Two or More Coverages and F. Other Insurance, we pay the lesser of:

- a. The amount determined under **SECTION B. VALUATION**;
 - b. The cost to repair, replace, or rebuild the property with material of like kind and quality to the extent practicable; or
 - c. The "limit" that applies to the Covered Property.
5. **Coinsurance** - We only pay a part of the "loss" if the "limit" is less than the percentage of the value of Covered Property that is indicated in the "Declarations". Our part of the "loss" is determined using the following steps:
- a. Multiply the percent indicated in the "Declarations" by the value of the Covered Property at the time of "loss". If no percentage is indicated in the "Declarations," the applicable coinsurance percentage will be 80%;
 - b. Divide the "limit" for Covered Property by the result determined in **5.a.** above;
 - c. Multiply the total amount of "loss", after the application of any deductible, by the result determined in **5.b.** above.

The most we pay is the amount determined in **5.c.** above or the "limit", whichever is less. We do not pay any remaining part of the "loss".

If there is more than one "limit" indicated in the "Declarations" for this Coverage Form, this procedure applies separately to each "limit".

If there is only one "limit" indicated in the "Declarations" for this Coverage Form, this procedure applies to the total of all Covered Property to which the "limit" applies.

The coinsurance provisions described above do not apply to the coverages provided under Coverage Extension and the Supplemental Coverages.

SECTION D. LOSS PAYMENT

Our Options - In the event of "loss" covered by this Coverage Form, we have the following options:

1. Pay the value of the lost or damaged property;
2. Pay the cost of repairing or replacing the lost or damaged property;

3. Rebuild, repair, or replace the property with other property of equivalent kind and quality, to the extent practicable, within a reasonable time; or
4. Take all or any part of the property at the agreed or appraised value.

We must give you notice of our intent to rebuild, repair, or replace within 30 days after receipt of a duly executed proof of loss.

SECTION E. REPORTING CONDITIONS

If indicated in the "Declarations", the following reporting conditions apply.

Equipment Leased or Rented from Others - Within 30 days after the anniversary of this policy, the end of the policy period or cancellation, you must report to us the total amount of your expenditures for "contractors' equipment" that you lease or rent from others.

We will compute the premium using the rate indicated in the "Declarations" for Equipment Leased or Rented from Others multiplied, per \$100, by the expenditures that you report to us.

We will compare the total computed premium to the deposit premium indicated in the "Declarations" for Equipment Leased or Rented from Others. If it is more than the deposit premium, you will pay us the difference. If it is less than the deposit premium we will pay you the difference, subject to the minimum premium indicated in the "Declarations" for Equipment Leased or Rented from Others.

If this policy is canceled, you must report the total amount of expenditures up to and including the date of cancellation.

SECTION F. OTHER CONDITIONS

1. **Conformity with Statute** - When a condition of this coverage is in conflict with an applicable law, that condition is amended in order to conform to that law.

2. **Estates** - This provision applies only if the insured is an individual.

On your death, we cover the following as an insured:

- a. The person who has custody of your property until a legal representative is qualified and appointed; or
- b. Your legal representative.

This person or organization is an insured only with respect to property covered by this coverage.

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This coverage does not extend past the Policy Period indicated in the "Declarations".

3. **Territorial Limits** - We cover property while it is in the United States of America, its territories and possessions, Canada, and Puerto Rico.

SECTION G. DEFINITIONS

1. "Contractors' equipment" means machinery, equipment, and tools of a mobile nature that you use in your business operations or projects. "Contractors' equipment" can also mean:
 - a. Self-propelled vehicles designed and used primarily to carry mounted equipment; or
 - b. Vehicles designed for highway use that are unlicensed and not operated on public roads.
2. "Declarations" means:
 - a. All pages labeled Declarations or schedules which pertain to this coverage; and
 - b. Supplemental Declarations which pertain to this coverage.
3. "Jobsite" means any location, project, or work site where you are in the process of construction, installation, erection, repair, or moving.
4. "Limit" means the amount of coverage that applies.
5. "Loss" means accidental loss or damage.
6. "Pollutants" means any solid, liquid, gaseous, or thermal, irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, petroleum, petroleum products and petroleum by-products, and waste. Waste includes materials to be recycled, reconditioned, or reclaimed. "Pollutants" include but are not limited to substances which are generally recognized in industry or government to be harmful or toxic to persons, property, or the environment regardless of whether injury or damage is caused directly or indirectly by the "pollutants" and whether:

- a. The insured is regularly or otherwise engaged in activities which taint or degrade the environment; or
- b. The insured uses, generates or produces the "pollutant".

7. "Purchase" means acquisition through purchase or acquisition through leasing or rental with a written option to purchase.

8. "Sinkhole collapse" means the sudden settlement or collapse of earth supporting the Covered Property into subterranean voids created by the action of water on a limestone or similar rock formation. It does not include the value of the land or the cost of filling sinkholes.

9. "Specified causes of loss" means aircraft; civil commotion; explosion; falling objects; fire; hail; leakage from fire extinguishing equipment; lightning; riot; "sinkhole collapse"; smoke; sonic boom; vandalism; vehicles; "volcanic action"; water damage; weight of ice, snow, or sleet; and windstorm.

Falling objects does not include "loss" to personal property in the open or to the interior of buildings or structures or to personal property inside buildings or structures unless the exterior of the roof or walls are first damaged by a falling object.

Water damage means the sudden or accidental discharge or leakage of water or steam as a direct result of breaking or cracking of a part of the system or appliance containing the water or steam.

10. "Tools" means equipment, and tools of a mobile nature that are used in your contracting, installation, erection, repair, or moving operations or projects.

11. "Volcanic action" means airborne volcanic blast or airborne shock waves; ash, dust, or particulate matter; or lava flow. It does not include the cost to remove ash, dust, or particulate matter that does not cause direct physical "loss" to the Covered Property.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMERCIAL INLAND MARINE CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and applicable Additional Conditions in Commercial Inland Marine Coverage Forms:

LOSS CONDITIONS

A. Abandonment

There can be no abandonment of any property to us.

B. Appraisal

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

1. Pay its chosen appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

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

C. Duties in the Event of Loss

You must see that the following are done in the event of "loss" to Covered Property:

1. Notify the police if a law may have been broken.
2. Give us prompt notice of the "loss". Include a description of the property involved.
3. As soon as possible, give us a description of how, when and where the "loss" occurred.
4. Take all reasonable steps to protect the Covered Property from further damage and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent "loss" 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. Make no statement that will assume any obligation or admit any liability, for any "loss" for which we may be liable, without our consent.
6. Permit us to inspect the property and records proving "loss".

7. If requested, permit us to question you under oath, at such times as may be reasonably required, about any matter relating to this insurance or your claim, including your books and records. In such event, your answers must be signed.

8. Send us a signed, sworn statement of "loss" containing the information we request to settle the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

9. Promptly send us any legal papers or notices received concerning the "loss".

10. Cooperate with us in the investigation or settlement of the claim.

D. Insurance Under Two or More Coverages

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

E. Loss Payment

We will pay or make good any "loss" covered under this Coverage Part within 30 days after:

1. We reach agreement with you;
2. The entry of final judgment; or
3. The filing of an appraisal award.

We will not be liable for any part of a "loss" that has been paid or made good by others.

F. Other Insurance

If you have other insurance covering the same "loss" as the insurance under this Coverage Part, we will pay only the excess over what you should have received from the other insurance. We will pay the excess whether you can collect on the other insurance or not.

G. Pair, Sets or Parts

1. Pair or Set

In case of "loss" to any part of a pair or set we may:

- a. Repair or replace any part to restore the pair or set to its value before the "loss"; or
- b. Pay the difference between the value of the pair or set before and after the "loss".

2. Parts

In case of "loss" to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

H. Privilege to Adjust with Owner

In the event of "loss" involving property of others in your care, custody or control, we have the right to:

1. Settle the "loss" with the owners of the property. A receipt for payment from the owners of that property will satisfy any claim of yours.
2. Provide a defense for legal proceedings brought against you. If provided, the expense of this defense will be at our cost and will not reduce the applicable Limit of Insurance under this insurance.

I. Recoveries

Any recovery or salvage on a "loss" will accrue entirely to our benefit until the sum paid by us has been made up.

J. Reinstatement of Limit After Loss

The Limit of Insurance will not be reduced by the payment of any claim, except for total "loss" of a scheduled item, in which event we will refund the unearned premium on that item.

K. Transfer of Rights of Recovery Against Others to Us

If any person or organization to or for whom we make payment under this insurance 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.

GENERAL CONDITIONS

A. Concealment, Misrepresentation or Fraud

This Coverage Part is void in any case of fraud, intentional concealment or misrepresentation of a material fact, by you or any other insured, at any time, concerning:

1. This Coverage Part;
2. The Covered Property;

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

B. Legal Action Against Us

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

1. There has been full compliance with all the terms of this Coverage Part; and
2. The action is brought within 2 years after you first have knowledge of the "loss".

C. Liberalization

If, within 45 days prior to the beginning of this Coverage Part or during the policy period, we make any changes to any forms or endorsements of this Coverage Part for which there is currently no separate premium charge, and that change provides more coverage than this Coverage Part, the change will be considered as included until the end of the current policy period. We will make no additional premium charge for this additional coverage during the interim.

D. No Benefit to Bailee

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

E. Policy Period

We cover "loss" commencing during the policy period shown in the Declarations.

F. Valuation

The value of property will be the least of the following amounts:

1. The actual cash value of that property;
2. The cost of reasonably restoring that property to its condition immediately before "loss"; or
3. The cost of replacing that property with substantially identical property.

In the event of "loss", the value of property will be determined as of the time of "loss".

**CONTRACTORS' EQUIPMENT (AND TOOLS) COVERAGE PART
RATE AND DEDUCTIBLE SCHEDULE**

Covered Property	Flat Deductible	Percentage Deductible	Maximum Deductible	Minimum Deductible
PER SCHEDULE ON FILE (ACV)	250			
EQUIPMENT LEASED OR RENTED FROM OTHERS (ACV)	250			

THE CINCINNATI INSURANCE COMPANY

A Stock Insurance Company

CRIME AND FIDELITY COVERAGE PART DECLARATIONS (COMMERCIAL ENTITIES)

Attached to and forming part of POLICY NUMBER: ETD 049 53 41

Named Insured is the same as it appears in the Common Policy Declarations

Item Location (address)
REFER TO CA911

Employee Benefit Plan(s) Included as Insureds:

Coverage is Written:

Primary Excess Coindemnity Concurrent

Coverage is provided only for the Crime Coverage for which a Limit of Insurance is shown below:

Insuring Agreements Forming Part of This Coverage Part	Limit of Insurance	Deductible Amount
	Per Occurrence	Per Occurrence
1. Employee Theft	\$ 1,000,000	\$ 250
2. Forgery or Alteration	\$ 350,000	\$ 250
3. Inside the Premises - Theft of Money and Securities	\$ 50,000	\$ 250
4. Inside the Premises - Robbery or Safe Burglary of Other Property	\$	\$
5. Outside the Premises	\$ 50,000	\$ 250
6. Computer Fraud	\$ 1,000,000	\$ 1,000
7. Funds Transfer Fraud	\$ 1,000,000	\$ 1,000
8. Money Orders and Counterfeit Money	\$ 1,000	\$ 250
	\$	\$

Forms and endorsements applicable to this Coverage Part at policy inception.

CR0020 05/06 COMMERCIAL CRIME COVERAGE FORM (DISCOVERY FORM)
CA440 08/07 COMMERCIAL CRIME COVERAGE FORM AMENDATORY ENDORSEMENT
CA911 08/07 CRIME AND FIDELITY SCHEDULE OF LOCATIONS
CR0253 05/06 KENTUCKY CHANGES - TERMINATION OF EMPLOYEE

The Crime and Fidelity Coverage Part (Commercial Entities) consist of this Declaration Form and the Commercial Crime Coverage Form.

COMMERCIAL CRIME COVERAGE FORM (DISCOVERY FORM)

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

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

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

A. Insuring Agreements

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

1. Employee Theft

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

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

2. Forgery or Alteration

a. We will pay for loss resulting directly from "forgery" or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are:

(1) Made or drawn by or drawn upon you; or

(2) Made or drawn by one acting as your agent;

or that are purported to have been so made or drawn.

For the purposes of this Insuring Agreement, a substitute check as defined in the Check Clearing for the 21st Century Act shall be treated the same as the original it replaced.

b. If you are sued for refusing to pay any instrument covered in Paragraph **2.a.**, on the basis that it has been

forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount that we will pay is in addition to the Limit of Insurance applicable to this Insuring Agreement.

3. Inside The Premises - Theft of Money and Securities

a. We will pay for loss of "money" and "securities" inside the "premises" or "banking premises":

(1) Resulting directly from "theft" committed by a person present inside such "premises" or "banking premises"; or

(2) Resulting directly from disappearance or destruction.

b. We will pay for loss from damage to the "premises" or its exterior resulting directly from an actual or attempted "theft" of "money" and "securities", if you are the owner of the "premises" or are liable for damage to it.

c. We will pay for loss of or damage to a locked safe, vault, cash register, cash box or cash drawer located inside the "premises" resulting directly from an actual or attempted "theft" of or unlawful entry into those containers.

4. Inside the Premises - Robbery or Safe Burglary of Other Property

a. We will pay for loss of or damage to "other property":

(1) Inside the "premises" resulting directly from an actual or attempted "robbery" of a "custodian"; or

(2) Inside the "premises" in a safe or vault resulting directly from an actual or attempted "safe burglary".

b. We will pay for loss from damage to the "premises" or its exterior resulting directly from an actual or attempted "robbery" or "safe burglary" of "other property", if you are the owner of the "premises" or are liable for damage to it.

- c. We will pay for loss of or damage to a locked safe or vault located inside the "premises" resulting directly from an actual or attempted "robbery" or "safe burglary".

5. Outside the Premises

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

6. Computer Fraud

We will pay for loss of or damage to "money", "securities" and "other property" resulting directly from the use of any computer to fraudulently cause a transfer of that property from inside the "premises" or "banking premises":

- a. To a person (other than a "messenger") outside those "premises"; or
- b. To a place outside those "premises".

7. Funds Transfer Fraud

We will pay for loss of "funds" resulting directly from a "fraudulent instruction" directing a financial institution to transfer, pay or deliver "funds" from your "transfer account".

8. 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:

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

B. Limit of Insurance

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

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

one of those Insuring Agreements or Coverages.

C. Deductible

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

D. Exclusions

1. This insurance does not cover:

a. Acts Committed by You, Your Partners or Your Members

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

- (1) You; or
- (2) Any of your partners or "members";

whether acting alone or in collusion with other persons.

b. Acts of Employees Learned of by You Prior to the Policy Period

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

c. Acts Of Employees, Managers, Directors, Trustees or Representatives

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

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

except when covered under Insuring Agreement A.1.

d. Confidential Information

Loss resulting from:

- (1) The unauthorized disclosure of your confidential information including, but not limited to, pat-

ents, trade secrets, processing methods or customer lists; or

- (2) The unauthorized use or disclosure of confidential information of another person or entity which is held by you including, but not limited to, financial information, personal information, credit card information or similar non-public information.

e. Governmental Action

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

f. Indirect Loss

Loss that is an indirect result of an "occurrence" covered by this insurance including, but not limited to, loss resulting from:

- (1) Your inability to realize income that you would have realized had there been no loss of or damage to "money", "securities" or "other property".
- (2) Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under this insurance.
- (3) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.

g. Legal Fees, Costs and Expenses

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

h. Nuclear Hazard

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

i. Pollution

Loss or damage caused by or resulting from pollution. Pollution means the discharge, dispersal, seepage, migration, release or escape of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

j. War and Military Action

Loss or damage resulting from:

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

2. Insuring Agreement A.1. does not cover:

a. Inventory Shortages

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

- (1) An inventory computation; or
- (2) A profit and loss computation.

However, where you establish wholly apart from such computations that you have sustained a loss, then you may offer your inventory records and actual physical count of inventory in support of the amount of loss claimed.

b. Trading

Loss resulting from trading, whether in your name or in a genuine or fictitious account.

c. Warehouse Receipts

Loss resulting from the fraudulent or dishonest signing, issuing, cancelling or failing to cancel, a warehouse receipt or any papers connected with it.

3. Insuring Agreements A.3., A.4. and A.5. do not cover:

a. Accounting or Arithmetical Errors or Omissions

Loss resulting from accounting or arithmetical errors or omissions.

b. Exchanges or Purchases

Loss resulting from the giving or surrendering of property in any exchange or purchase.

c. Fire

Loss or damage resulting from fire, however caused, except:

- (1) Loss of or damage to "money" and "securities"; and
- (2) Loss from damage to a safe or vault.

d. Money Operated Devices

Loss of property contained in any money operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.

e. Motor Vehicles or Equipment and Accessories

Loss of or damage to motor vehicles, trailers or semi-trailers or equipment and accessories attached to them.

f. Transfer or Surrender of Property

(1) Loss of or damage to property after it has been transferred or surrendered to a person or place outside the "premises" or "banking premises":

- (a) On the basis of unauthorized instructions;
- (b) As a result of a threat to do bodily harm to any person;
- (c) As a result of a threat to do damage to any property;
- (d) As a result of a threat to introduce a denial of service attack into your computer system;
- (e) As a result of a threat to introduce a virus or other malicious instruction into your computer system which is designed to damage, destroy or corrupt data or computer programs stored within your computer system;
- (f) As a result of a threat to contaminate, pollute or render substandard your products or goods; or
- (g) As a result of a threat to disseminate, divulge or utilize:
 - (i) Your confidential information; or

(ii) Weaknesses in the source code within your computer system.

(2) But, this Exclusion does not apply under Insuring Agreement **A.5.** to loss of "money", "securities" or "other property" while outside the "premises" in the care and custody of a "messenger" if you:

- (a) Had no knowledge of any threat at the time the conveyance began; or
- (b) Had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.

g. Vandalism

Loss from damage to the "premises" or its exterior, or to any safe, vault, cash register, cash box, cash drawer or "other property" by vandalism or malicious mischief.

h. Voluntary Parting of Title to or Possession of Property

Loss resulting from your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

4. Insuring Agreement **A.6. does not cover:**

a. Credit Card Transactions

Loss resulting from the use or purported use of credit, debit, charge, access, convenience, identification, stored-value or other cards or the information contained on such cards.

b. Funds Transfer Fraud

Loss resulting from a "fraudulent instruction" directing a financial institution to transfer, pay or deliver "funds" from your "transfer account".

c. Inventory Shortages

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

- (1) An inventory computation; or
- (2) A profit and loss computation.

5. Insuring Agreement **A.7.** does not cover:

COMPUTER FRAUD

Loss resulting from the use of a computer to fraudulently cause a transfer of "money", "securities" or "other property".

E. Conditions

The following Conditions apply in addition to the Common Policy Conditions:

1. Conditions Applicable to all Insuring Agreements

a. Additional Premises or Employees

If, while this insurance is in force, you establish any additional "premises" or hire additional "employees", other than through consolidation or merger with, or purchase or acquisition of assets or liabilities of, another entity, such "premises" and "employees" shall automatically be covered under this insurance. Notice to us of an increase in the number of "premises" or "employees" need not be given and no additional premium need be paid for the remainder of the Policy Period shown in the Declarations.

b. Concealment, Misrepresentation or Fraud

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

- (1) This insurance;
- (2) The property covered under this insurance;
- (3) Your interest in the property covered under this insurance; or
- (4) A claim under this insurance.

c. Consolidation - Merger or Acquisition

If you consolidate or merge with, or purchase or acquire the assets or liabilities of, another entity:

- (1) You must give us written notice as soon as possible and obtain our written consent to extend the coverage provided by this insurance to such consolidated or merged entity or such purchased or acquired assets or liabilities. We may condition our consent by requiring payment of an additional premium; but

- (2) For the first 90 days after the effective date of such consolidation, merger or purchase or acquisition of assets or liabilities, the coverage provided by this insurance shall apply to such consolidated or merged entity or such purchased or acquired assets or liabilities, provided that all "occurrences" causing or contributing to a loss involving such consolidation, merger or purchase or acquisition of assets or liabilities, must take place after the effective date of such consolidation, merger or purchase or acquisition of assets or liabilities.

d. Cooperation

You must cooperate with us in all matters pertaining to this insurance as stated in its terms and conditions.

e. Duties in the Event of Loss

After you "discover" a loss or a situation that may result in loss of or damage to "money", "securities" or "other property" you must:

- (1) Notify us as soon as possible. If you have reason to believe that any loss (except for loss covered under Insuring Agreement **A.1.** or **A.2.**) involves a violation of law, you must also notify the local law enforcement authorities.
- (2) Submit to examination under oath at our request and give us a signed statement of your answers.
- (3) Produce for our examination all pertinent records.
- (4) Give us a detailed, sworn proof of loss within 120 days.
- (5) Cooperate with us in the investigation and settlement of any claim.

f. Employee Benefit Plans

- (1) The "employee benefit plans" shown in the Declarations (hereafter referred to as Plan) are included as Insureds under Insuring Agreement **A.1.**
- (2) If any Plan is insured jointly with any other entity under this insurance, you or the Plan Administrator must select a Limit of Insurance for Insuring Agree-

ment **A.1.** that is sufficient to provide a Limit of Insurance for each Plan that is at least equal to that required if each Plan were separately insured.

- (3) With respect to loss sustained or "discovered" by any such Plan, Insuring Agreement **A.1.** is replaced by the following:

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

- (4) If the first Named Insured is an entity other than a Plan, any payment we make for loss sustained by any Plan will be made to the Plan sustaining the loss.
- (5) If two or more Plans are insured under this insurance, any payment we make for loss:
- (a) Sustained by two or more Plans; or
 - (b) Of commingled "funds" or "other property" of two or more Plans;
- resulting directly from an "occurrence" will be made to each Plan sustaining loss in the proportion that the Limit of Insurance required for each Plan bears to the total Limit of Insurance of all Plans sustaining loss.
- (6) The Deductible Amount applicable to Insuring Agreement **A.1.** does not apply to loss sustained by any Plan.

g. Extended Period to Discover Loss

We will pay for loss that you sustained prior to the effective date of cancellation of this insurance, which is "discovered" by you:

- (1) No later than 60 days from the date of that cancellation. However, this extended period to "discover" loss terminates immediately upon the effective date of any other insurance obtained by you, whether from us or another insurer, replacing in whole or in part the coverage afforded under this insurance, whether or not such other insur-

ance provides coverage for loss sustained prior to its effective date.

- (2) No later than 1 year from the date of that cancellation with regard to any "employee benefit plans".

h. Joint Insured

- (1) If more than one Insured is named in the Declarations, the first Named Insured will act for itself and for every other Insured for all purposes of this insurance. If the first Named Insured ceases to be covered, then the next Named Insured will become the first Named Insured.

- (2) If any Insured, or partner, "member" or officer of that Insured has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every Insured.

- (3) An "employee" of any Insured is considered to be an "employee" of every Insured.

- (4) If this insurance or any of its coverages is cancelled as to any Insured, loss sustained by that Insured is covered only if it is "discovered" by you:

- (a) No later than 60 days from the date of that cancellation. However, this extended period to "discover" loss terminates immediately upon the effective date of any other insurance obtained by that Insured, whether from us or another insurer, replacing in whole or in part the coverage afforded under this insurance, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

- (b) No later than 1 year from the date of that cancellation with regard to any "employee benefit plans".

- (5) We will not pay more for loss sustained by more than one Insured than the amount we would pay if all such loss had been sustained by one Insured.

- (6) Payment by us to the first Named Insured for loss sustained by any Insured, other than an "employee benefit plan", shall fully release us on account of such loss.

i. Legal Action Against Us

You may not bring any legal action against us involving loss:

- (1) Unless you have complied with all the terms of this insurance;
- (2) Until 90 days after you have filed proof of loss with us; and
- (3) Unless brought within 2 years from the date you "discovered" the loss.

If any limitation in this Condition is prohibited by law, such limitation is amended so as to equal the minimum period of limitation provided by such law.

j. Liberalization

If we adopt any revision that would broaden the coverage under this insurance without additional premium within 45 days prior to or during the Policy Period shown in the Declarations, the broadened coverage will immediately apply to this insurance.

k. Other Insurance

If other valid and collectible insurance is available to you for loss covered under this insurance, our obligations are limited as follows:

(1) Primary Insurance

When this insurance is written as primary insurance, and:

- (a) You have other insurance subject to the same terms and conditions as this insurance, we will pay our share of the covered loss. Our share is the proportion that the applicable Limit of Insurance shown in the Declarations bears to the total limit of all insurance covering the same loss.
- (b) You have other insurance covering the same loss other than that described in Paragraph (1)(a), we will only pay for the amount of loss that exceeds:

- (i) The Limit of Insurance and Deductible Amount of that other insurance, whether you can collect on it or not; or
- (ii) The Deductible Amount shown in the Declarations;

whichever is greater. Our payment for loss is subject to the terms and conditions of this insurance.

(2) Excess Insurance

(a) When this insurance is written excess over other insurance, we will only pay for the amount of loss that exceeds the Limit of Insurance and Deductible Amount of that other insurance, whether you can collect on it or not. Our payment for loss is subject to the terms and conditions of this insurance.

(b) However, if loss covered under this insurance is subject to a Deductible, we will reduce the Deductible Amount shown in the Declarations, by the sum total of all such other insurance plus any Deductible Amount applicable to that other insurance.

l. Ownership of Property; Interests Covered

The property covered under this insurance is limited to property:

- (1) That you own or lease; or
- (2) That you hold for others whether or not you are legally liable for the loss of such property.

However, this insurance is for your benefit only. It provides no rights or benefits to any other person or organization. Any claim for loss that is covered under this insurance must be presented by you.

m. Policy Bridge - Discovery Replacing Loss Sustained

- (1) If this insurance replaces insurance that provided you with an extended period of time after cancellation in which to discover loss and which did not terminate

at the time this insurance became effective:

(a) We will not pay for any loss that occurred during the Policy Period of that prior insurance which is "discovered" by you during the extended period to "discover" loss, unless the amount of loss exceeds the Limit of Insurance and Deductible Amount of that prior insurance. In that case, we will pay for the excess loss subject to the terms and conditions of this policy.

(b) However, any payment we make for the excess loss will not be greater than the difference between the Limit of Insurance and Deductible Amount of that prior insurance and the Limit of Insurance shown in the Declarations. We will not apply the Deductible Amount shown in the Declarations to this excess loss.

(2) The Other Insurance Condition E.1.k. does not apply to this Condition.

n. Records

You must keep records of all property covered under this insurance so we can verify the amount of any loss.

o. Recoveries

(1) Any recoveries, whether effected before or after any payment under this insurance, whether made by us or you, shall be applied net of the expense of such recovery:

(a) First, to you in satisfaction of your covered loss in excess of the amount paid under this insurance;

(b) Second, to us in satisfaction of amounts paid in settlement of your claim;

(c) Third, to you in satisfaction of any Deductible Amount; and

(d) Fourth, to you in satisfaction of any loss not covered under this insurance.

(2) Recoveries do not include any recovery:

(a) From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or

(b) Of original "securities" after duplicates of them have been issued.

p. Territory

This insurance covers loss that you sustain resulting directly from an "occurrence" taking place within the United States of America (including its territories and possessions), Puerto Rico and Canada.

q. Transfer of Your Rights of Recovery Against Others to Us

You must transfer to us all your rights of recovery against any person or organization for any loss you sustained and for which we have paid or settled. You must also do everything necessary to secure those rights and do nothing after loss to impair them.

r. Valuation - Settlement

(1) The value of any loss for purposes of coverage under this policy shall be determined as follows:

(a) Loss of "money" but only up to and including its face value. We will, at your option, pay for loss of "money" issued by any country other than the United States of America:

(i) At face value in the "money" issued by that country; or

(ii) In the United States of America dollar equivalent determined by the rate of exchange published in *The Wall Street Journal* on the day the loss was "discovered".

(b) Loss of "securities" but only up to and including their value at the close of business on the day the loss was "discovered". We may, at our option:

- (i) Pay the market value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those "securities"; or
 - (ii) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities". However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:
 - i. Market value of the "securities" at the close of business on the day the loss was "discovered"; or
 - ii. The Limit of Insurance applicable to the "securities".
- (c) Loss of or damage to "other property" or loss from damage to the "premises" or its exterior for the replacement cost of the property without deduction for depreciation. However, we will not pay more than the least of the following:
- (i) The cost to replace the lost or damaged property with property of comparable material and quality and used for the same purpose;
 - (ii) The amount you actually spend that is necessary to repair or replace the lost or damaged property; or
 - (iii) The Limit of Insurance applicable to the lost or damaged property.

With regard to Paragraphs **r.(1)(c)(i)** through **r.(1)(c)(iii)**, 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 repairs or replacement are made as soon as reasonably possible after the loss or damage.

If the lost or damaged property is not repaired or replaced, we will pay on an actual cash value basis.

- (2) We will, at your option, settle loss or damage to property other than "money":
 - (a) In the "money" of the country in which the loss or damage occurred; or
 - (b) In the United States of America dollar equivalent of the "money" of the country in which the loss or damage occurred determined by the rate of exchange published in *The Wall Street Journal* on the day the loss was "discovered".
- (3) Any property that we pay for or replace becomes our property.

2. Conditions Applicable to Insuring Agreement A.1.

a. Termination as to Any Employee

This Insuring Agreement terminates as to any "employee":

- (1) As soon as:
 - (a) You; or
 - (b) Any of your partners, "members", "managers", officers, directors or trustees not in collusion with the "employee";

learn of "theft" or any other dishonest act committed by the "employee" whether before or after becoming employed by you.

- (2) On the date specified in a notice mailed to the first Named Insured. That date will be at least 30 days after the date of mailing.

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

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

b. Territory

We will pay for loss caused by any "employee" while temporarily outside the territory specified in the Territory Condition **E.1.p.** for a period of not more than 90 consecutive days.

3. Conditions Applicable to Insuring Agreement A.2.

a. Deductible Amount

The Deductible Amount does not apply to legal expenses paid under Insuring Agreement **A.2.**

b. Electronic and Mechanical Signatures

We will treat signatures that are produced or reproduced electronically, mechanically or by other means the same as handwritten signatures.

c. Proof of Loss

You must include with your proof of loss any instrument involved in that loss, or, if that is not possible, an affidavit setting forth the amount and cause of loss.

d. Territory

We will cover loss that you sustain resulting directly from an "occurrence" taking place anywhere in the world. Territory Condition **E.1.p.** does not apply to Insuring Agreement **A.2.**

4. Conditions Applicable to Insuring Agreements A.4. and A.5.

a. Armored Motor Vehicle Companies

Under Insuring Agreement **A.5.**, we will only pay for the amount of loss you cannot recover:

- (1) Under your contract with the armored motor vehicle company; and
- (2) From any insurance or indemnity carried by, or for the benefit of customers of, the armored motor vehicle company.

b. Special Limit of Insurance for Specified Property

We will only pay up to \$5,000 for any one "occurrence" of loss of or damage to:

(1) Precious metals, precious or semi-precious stones, pearls, furs, or completed or partially completed articles made of or containing such materials that constitute the principal value of such articles; or

(2) Manuscripts, drawings, or records of any kind, or the cost of reconstructing them or reproducing any information contained in them.

5. Conditions Applicable to Insuring Agreement A.6.

a. Special Limit of Insurance for Specified Property

We will only pay up to \$5,000 for any one "occurrence" of loss of or damage to manuscripts, drawings, or records of any kind, or the cost of reconstructing them or reproducing any information contained in them.

b. Territory

We will cover loss that you sustain resulting directly from an "occurrence" taking place anywhere in the world. Territory Condition **E.1.p.** does not apply to Insuring Agreement **A.6.**

F. Definitions

1. "Banking premises" means the interior of that portion of any building occupied by a banking institution or similar safe depository.
2. "Counterfeit money" means an imitation of "money" that is intended to deceive and to be taken as genuine.
3. "Custodian" means you, or any of your partners or "members", or any "employee" while having care and custody of property inside the "premises", excluding any person while acting as a "watchperson" or janitor.
4. "Discover" or "discovered" means the time when you first become aware of facts which would cause a reasonable person to assume that a loss of a type covered by this insurance has been or will be incurred, regardless of when the act or acts causing or contributing to such loss occurred, even though the exact amount or details of loss may not then be known.

"Discover" or "discovered" also means the time when you first receive notice of an actual or potential claim in which it is alleged that you are liable to a third party

under circumstances which, if true, would constitute a loss under this insurance.

5. "Employee":

a. "Employee" means:

(1) Any natural person:

(a) While in your service and for the first 30 days immediately after termination of service, unless such termination is due to "theft" or any other dishonest act committed by the "employee";

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

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

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

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

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

while that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the "premises";

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

(4) Any natural person who is:

(a) A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any "employee benefit plan"; and

(b) A director or trustee of yours while that person is engaged in handling "funds" or "other property" of any "employee benefit plan";

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

(6) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside the "premises";

(7) Any "employee" of an entity merged or consolidated with you prior to the effective date of this insurance; or

(8) Any of your "managers", directors or trustees while:

(a) Performing acts within the scope of the usual duties of an "employee"; or

(b) Acting as a member of any committee duly elected or appointed by resolution of your board of directors or board of trustees to perform specific, as distinguished from general, directorial acts on your behalf.

b. "Employee" does not mean any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character not specified in Paragraph **5.a.**

6. "Employee benefit plan" means any welfare or pension benefit plan shown in the Declarations that you sponsor and which is subject to the Employee Retirement Income Security Act of 1974 (ERISA) and any amendments thereto.

7. "Forgery" means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.

8. "Fraudulent instruction" means:

a. An electronic, telegraphic, cable, teletype, telefacsimile or telephone instruction which purports to have been transmitted by you, but which was in fact fraudulently transmitted by someone else without your knowledge or consent;

b. A written instruction (other than those described in Insuring Agree-

ment **A.2.**) issued by you, which was forged or altered by someone other than you without your knowledge or consent, or which purports to have been issued by you, but was in fact fraudulently issued without your knowledge or consent; or

- c. An electronic, telegraphic, cable, teletype, telefacsimile, telephone or written instruction initially received by you which purports to have been transmitted by an "employee" but which was in fact fraudulently transmitted by someone else without your or the "employee's" knowledge or consent.

- 9. "Funds" means "money" and "securities".
- 10. "Manager" means a person serving in a directorial capacity for a limited liability company.
- 11. "Member" means an owner of a limited liability company represented by its membership interest, who also may serve as a "manager".
- 12. "Messenger" means you, or a relative of yours, or any of your partners or "members", or any "employee" while having care and custody of property outside the "premises".
- 13. "Money" means:
 - a. Currency, coins and bank notes in current use and having a face value; and
 - b. Travelers checks, register checks and money orders held for sale to the public.
- 14. "Occurrence" means:
 - a. Under Insuring Agreement **A.1.:**
 - (1) An individual act;
 - (2) The combined total of all separate acts whether or not related; or
 - (3) A series of acts whether or not related;committed by an "employee" acting alone or in collusion with other persons, during the Policy Period shown in the Declarations, before such Policy Period or both.
 - b. Under Insuring Agreement **A.2.:**
 - (1) An individual act;
 - (2) The combined total of all separate acts whether or not related; or

- (3) A series of acts whether or not related;

committed by a person acting alone or in collusion with other persons, involving one or more instruments, during the Policy Period shown in the Declarations, before such Policy Period or both.

- c. Under All Other Insuring Agreements:
 - (1) An individual act or event;
 - (2) The combined total of all separate acts or events whether or not related; or
 - (3) A series of acts or events whether or not related;

committed by a person acting alone or in collusion with other persons, or not committed by any person, during the Policy Period shown in the Declarations, before such Policy Period or both.

- 15. "Other property" means any tangible property other than "money" and "securities" that has intrinsic value. "Other property" does not include computer programs, electronic data or any property specifically excluded under this insurance.
- 16. "Premises" means the interior of that portion of any building you occupy in conducting your business.
- 17. "Robbery" means the unlawful taking of property from the care and custody of a person by one who has:
 - a. Caused or threatened to cause that person bodily harm; or
 - b. Committed an obviously unlawful act witnessed by that person.
- 18. "Safe burglary" means the unlawful taking of:
 - a. Property from within a locked safe or vault by a person unlawfully entering the safe or vault as evidenced by marks of forcible entry upon its exterior; or
 - b. A safe or vault from inside the "premises".
- 19. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or property and includes:
 - a. Tokens, tickets, revenue and other stamps (whether represented by

actual stamps or unused value in a meter) in current use; and

- b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include "money".

20. "Theft" means the unlawful taking of property to the deprivation of the Insured.

21. "Transfer account" means an account maintained by you at a financial institution from which you can initiate the transfer, payment or delivery of "funds":

- a. By means of electronic, telegraphic, cable, teletype, telefacsimile or tele-

phone instructions communicated directly through an electronic funds transfer system; or

- b. By means of written instructions (other than those described in Insuring Agreement **A.2.**) establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds transfer system.

22. "Watchperson" means any person you retain specifically to have care and custody of property inside the "premises" and who has no other duties.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMERCIAL CRIME COVERAGE FORM AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME COVERAGE FORM

A. It is agreed that **E. Conditions, 1. Conditions Applicable to all Insuring Agreements, j. Liberalization** is deleted in its entirety and replaced by the following:

j. Liberalization

If, within 60 days prior to the beginning of this Coverage Part or during the policy period, we make any changes to any forms or endorsements of this Coverage Part for which there is currently no separate premium charge, and that change provides more coverage than this Coverage Part, the change will automatically apply to this Coverage Part as of the latter of:

- a.** The date we implemented the change in your state; or
- b.** The date this Coverage Part became effective; and

will be considered as included until the end of the current policy period. We will make no additional premium charge for this additional coverage during the interim.

B. It is agreed that **D. Exclusions, 1. i. Pollution** is deleted in its entirety and replaced by the following:

i. Pollutants

Loss or damage caused by or resulting from pollutants. Pollutants mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, petroleum and petroleum by-products, and waste. Waste includes materials to be recycled, reconditioned or reclaimed. Pollutants include but are not limited to substances which are generally recognized in industry or government to be harmful or toxic to persons, property, or the environment regardless of whether injury or damage is caused directly or indirectly by the "pollutants" and whether:

- a.** You are regularly or otherwise engaged in activities which taint or degrade the environment; or
- b.** You use, generate or produce the pollutant.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CRIME AND FIDELITY SCHEDULE OF LOCATIONS

This endorsement modifies insurance provided under the following:

**COMMERCIAL CRIME COVERAGE FORM
COMMERCIAL CRIME POLICY
EMPLOYEE THEFT AND FORGERY POLICY
GOVERNMENT CRIME COVERAGE FORM
GOVERNMENT CRIME POLICY**

LOC. STREET ADDRESS CITY STATE ZIP CODE

1 1960 DAWSON SPRINGS RD
HOPKINSVILLE, KY 42240-8806

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

KENTUCKY CHANGES - TERMINATION OF EMPLOYEE

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME COVERAGE FORM
COMMERCIAL CRIME POLICY
EMPLOYEE THEFT AND FORGERY POLICY
GOVERNMENT CRIME COVERAGE FORM
GOVERNMENT CRIME POLICY

Paragraph **(2)** of the **Termination As To Any Employee** Condition **E.2.a.** is deleted.

THE CINCINNATI INSURANCE COMPANY

CINCINNATI, OHIO

BUSINESS AUTO COVERAGE PART DECLARATIONS

ITEM ONE

Attached to and forming part of POLICY NUMBER: **ETA 049 53 41**

Named Insured is the same as it appears in the Common Policy Declarations.

ITEM TWO

SCHEDULE OF COVERAGES AND COVERED AUTOS

This coverage part provides only those coverages where a premium or "incl" is shown in the premium column below. The limit of Insurance for each coverage listed is subject to all applicable policy provisions. Each of these coverages will apply only to those "autos" shown as covered "autos". "Autos" are shown as covered "autos" for a particular coverage by the entry of one or more of the symbols from the COVERED AUTO Section of the Business Auto Coverage Form next to the name of the coverage.

COVERAGES	COVERED AUTOS (Entry of one or more of the symbols from the COVERED AUTOS Section of the Business Auto Coverage Form shows which autos are covered autos)	LIMIT THE MOST WE WILL PAY FOR ANY ONE ACCIDENT OR LOSS	PREMIUM
LIABILITY	1	\$ 1,000,000	INCL
PERSONAL INJURY PROTECTION (or equivalent No-fault coverage)	5	Separately stated in each P.I.P. endorsement minus \$ NONE Ded.	INCL
ADDED PERSONAL INJURY PROTECTION (or equivalent added No-fault coverage)		Separately stated in each added P.I.P. endorsement	
PROPERTY PROTECTION INSURANCE (Michigan only)		Separately stated in each P. P.I. endorsement minus \$ Ded for each accident	
AUTO. MEDICAL PAYMENTS		\$	
UNINSURED MOTORISTS	2	\$ 100,000	INCL
UNDERINSURED MOTORISTS (When not included in Uninsured Motorists Coverage)	2	\$ SEE AA4183	INCL
PHYSICAL DAMAGE COMPREHENSIVE COVERAGE	7	Actual cash value or cost of repair, Whichever is less minus \$ SEE AA4183 Ded. For each covered auto. But no Deductible applies to loss caused by Fire or lightning. See Item Three for hired or borrowed "autos"	INCL
PHYSICAL DAMAGE SPECIFIED CAUSES OF LOSS COVERAGE		Actual cash value or cost of repair, Whichever is less minus \$ Ded. For Each covered auto. For loss caused by mischief or vandalism. See Item Three for hired or borrowed "autos"	
PHYSICAL DAMAGE COLLISION COVERAGE	7	Actual cash value or cost of repair, Whichever is less minus \$ SEE AA4183 Ded for each covered auto. See Item Three for hired or borrowed "autos".	INCL
PHYSICAL DAMAGE INSURANCE TOWING AND LABOR		\$ for each disablement of a private passenger auto	
PREMIUM FOR ENDORSEMENTS			INCL
*ESTIMATED TOTAL PREMIUM			INCL

FORMS AND ENDORSEMENTS CONTAINED IN THIS COVERAGE PART AT ITS INCEPTION:

AA4183 02/06 AUTOMOBILE SCHEDULE
 AA101 03/06 BUSINESS AUTO COVERAGE FORM
 AA2009 01/17 CHANGES - TOWING AND LABOR
 AA296 07/12 CHANGES - AUDIO, VISUAL AND DATA ELECTRONIC EQUIPMENT COVERAGE

FORMS AND ENDORSEMENTS CONTAINED IN THIS COVERAGE PART AT ITS INCEPTION:

AA4001KY 11/16 KENTUCKY UNINSURED MOTORIST COVERAGE
AA4002KY 11/16 KENTUCKY UNDERINSURED MOTORIST COVERAGE
AA4263 04/10 OFFICE OF FOREIGN ASSETS CONTROL (OFAC) COMPLIANCE ENDORSEMENT
AA4330KY 11/17 UNINSURED/UNDERINSURED MOTORIST COVERAGE OPTION
SELECTION/REJECTION FORM - KENTUCKY
CA0125 12/02 KENTUCKY CHANGES
CA2216 03/11 KENTUCKY PERSONAL INJURY PROTECTION
AA288 01/16 CINCIPLUS® BUSINESS AUTO XC+® (EXPANDED COVERAGE PLUS) ENDORSEMENT

* This policy may be subject to final audit

QUICK REFERENCE
COMMERCIAL AUTO COVERAGE PART
BUSINESS AUTO COVERAGE FORM
READ YOUR POLICY CAREFULLY

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AUTOMOBILE SCHEDULE

ITEM THREE

Attached to and forming a part of Policy Number ETA 049 53 41 , effective 07-14-2021

The insurance afforded for any automobile is only with respects to such and so many of the coverages as are indicated by specific premium charge or charges indicated.

POLICY LIMITS

State: KY

Bodily Injury: 1,000,000 CSL	Property Damage: INCLUDED
UM/UIM: 100,000 (OTHERS)	PIP: 10,000 (with WC)
PIP Ded: FULL	

Veh. No.	Vehicle Information					
1	2000 INTERNATIONAL INTERNAT'L S/N 1HTSCAAN2YH322171	Class: 33479	Territory 112			
	OTC-COMP DED: 250	Coll Ded: 500 (D)				
		COST NEW: 44,747	ZIP CODE: 42240			
	MUN:300020/9.70%					
	BI	PD	MP	OTC	COLL	UM
	582	INCL	N/A	95	166	66
	PIP	SRCH	MUN			TOTAL
	10	17	89			1,025
2	2001 TERN TRAILER S/N 1T9PD25261S281049	Class: 68499	Territory 112			
	OTC-COMP DED: 250	Coll Ded: 500 (D)				
		COST NEW: 3,050	ZIP CODE: 42240			
	MUN:300020/9.70%					
	BI	PD	MP	OTC	COLL	UM
	32	INCL	N/A	23	20	INCL
	PIP	SRCH	MUN			TOTAL
	1	1	7			84
3	2004 GMC SIERRA S/N 1GTHK24U94E367400	Class: 01499	Territory 112			
	OTC-COMP DED: 250	Coll Ded: 500 (D)				
		COST NEW: 29,865	ZIP CODE: 42240			
	MUN:300020/9.70%					
	BI	PD	MP	OTC	COLL	UM
	429	INCL	N/A	95	145	66
	PIP	SRCH	MUN			TOTAL
	10	13	72			830
4	2009 ALBRITE TRAILER S/N 1A9FB2229AL429026	Class: 68499	Territory 112			
	OTC-COMP DED: 250	Coll Ded: 500 (D)				
		COST NEW: 3,990	ZIP CODE: 42240			
	MUN:300020/9.70%					
	BI	PD	MP	OTC	COLL	UM
	34	INCL	N/A	23	20	INCL
	PIP	SRCH	MUN			TOTAL
	1	1	8			87

AUTOMOBILE SCHEDULE

ITEM THREE (CONTINUED)

5	2011 CHEVROLET SILVERADO S/N 1GC0KVCG4BF141573	Class: 01499	Territory 112
	OTC-COMP DED: 250	Coll Ded: 500 (D)	
		COST NEW: 34,310	ZIP CODE: 42240
	MUN:300020/9.70%		
	BI	PD	MP
	478	INCL	N/A
			OTC
			130
			COLL
			203
			UM
			66
	PIP	SRCH	MUN
	10	16	86
			TOTAL
			989
6	2011 TOYOTA COROLLA S/N JTDBU4EE8BJ088513	Class: 7398	Territory 112
	OTC-COMP DED: 250	Coll Ded: 500	
		COST NEW: 17,000	ZIP CODE: 42240
	MUN:300020/9.70%		
	BI	PD	MP
	452	INCL	N/A
			OTC
			95
			COLL
			133
			UM
			90
	PIP	SRCH	MUN
	20	14	77
			TOTAL
			881
7	2011 FORD RANGER S/N 1FTKR1ED4BPA83362	Class: 01499	Territory 112
	OTC-COMP DED: 250	Coll Ded: 500	
		COST NEW: 20,695	ZIP CODE: 42240
	MUN:300020/9.70%		
	BI	PD	MP
	436	INCL	N/A
			OTC
			110
			COLL
			127
			UM
			66
	PIP	SRCH	MUN
	10	13	73
			TOTAL
			835
8	2012 TOYOTA PRIUS S/N JTDKDTB33C1514025	Class: 7398	Territory 112
	OTC-COMP DED: 250	Coll Ded: 500	
		COST NEW: 19,900	ZIP CODE: 42240
	MUN:300020/9.70%		
	BI	PD	MP
	457	INCL	N/A
			OTC
			106
			COLL
			150
			UM
			90
	PIP	SRCH	MUN
	20	15	80
			TOTAL
			918
9	2013 FORD PICKUP S/N 1FTMF1CM3DKE32046	Class: 01499	Territory 112
	OTC-COMP DED: 250	Coll Ded: 500	
		COST NEW: 28,685	ZIP CODE: 42240
	MUN:300020/9.70%		
	BI	PD	MP
	466	INCL	N/A
			OTC
			137
			COLL
			174
			UM
			66
	PIP	SRCH	MUN
	10	15	83
			TOTAL
			951

AUTOMOBILE SCHEDULE

ITEM THREE (CONTINUED)

10	2015 FORD F150 S/N 1FTEX1C83FKD91540		Class: 01499	Territory 112			
	OTC-COMP DED: 250		Coll Ded: 500				
			COST NEW: 33,580	ZIP CODE: 42240			
	MUN:300020/9.70%						
	BI	PD	MP	OTC	COLL	UM	
	514	INCL	N/A	158	243	66	
	PIP	SRCH	MUN				TOTAL
	10	18	96				1,105
11	2018 CHEVROLET SILVERADO S/N 1GB2KUEG0JZ312000		Class: 01499	Territory 112			
	OTC-COMP DED: 250		Coll Ded: 500				
			COST NEW: 36,149	ZIP CODE: 42240			
	MUN:300020/9.70%						
	BI	PD	MP	OTC	COLL	UM	
	578	INCL	N/A	193	340	66	
	PIP	SRCH	MUN				TOTAL
	10	21	115				1,323
12	2018 FORD F150 S/N 1FTMF1CBXJKD28812		Class: 01499	Territory 112			
	OTC-COMP DED: 250		Coll Ded: 500				
			COST NEW: 27,380	ZIP CODE: 42240			
	MUN:300020/9.70%						
	BI	PD	MP	OTC	COLL	UM	
	504	INCL	N/A	170	275	66	
	PIP	SRCH	MUN				TOTAL
	10	18	99				1,142
13	2019 CHEVROLET SILVERADO LD S/N 2GCRCNEC4K1183618		Class: 01499	Territory 112			
	OTC-COMP DED: 250		Coll Ded: 500				
			COST NEW: 34,500	ZIP CODE: 42240			
	MUN:300020/9.70%						
	BI	PD	MP	OTC	COLL	UM	
	533	INCL	N/A	194	325	66	
	PIP	SRCH	MUN				TOTAL
	10	20	109				1,257
14	2019 CHEVROLET SILVERADO LD S/N 2GCRCNEC7K1184147		Class: 01499	Territory 112			
	OTC-COMP DED: 250		Coll Ded: 500				
			COST NEW: 34,500	ZIP CODE: 42240			
	MUN:300020/9.70%						
	BI	PD	MP	OTC	COLL	UM	
	533	INCL	N/A	194	325	66	
	PIP	SRCH	MUN				TOTAL
	10	20	109				1,257

AUTOMOBILE SCHEDULE

ITEM THREE (CONTINUED)

15	2021 CHEVROLET SILVERADO S/N 1GCRWAEF1MZ129231	Class: 01499	Territory 112
	OTC-COMP DED: 250	Coll Ded: 500	
		COST NEW: 32,500	ZIP CODE: 42240
	MUN:300020/9.70%		
BI	PD	MP	OTC
510	INCL	N/A	194
COLL	UM		
			325
PIP	SRCH	MUN	TOTAL
10	20	107	1,232
<hr/>			
16	2021 CHEVROLET SILVERADO S/N 1GCRWAEF1MZ129410	Class: 01499	Territory 112
	OTC-COMP DED: 250	Coll Ded: 500	
		COST NEW: 32,500	ZIP CODE: 42240
	MUN:300020/9.70%		
BI	PD	MP	OTC
510	INCL	N/A	194
COLL	UM		
			325
PIP	SRCH	MUN	TOTAL
10	20	107	1,232
<hr/>			
	BUSINESS AUTO EXPANDED PLUS ENDORSEMENT	Class:	Territory
	OTC-COMP DED: N/A	Coll Ded: N/A	
	MUN:300020/9.70%		
BI	PD	MP	OTC
			415
SRCH	MUN		TOTAL
7	40		462
<hr/>			
	HIRED AND NON-OWNED	Class:	Territory
	OTC-COMP DED: N/A	Coll Ded: N/A	
	MUN:300020/9.70%		
BI	PD	MP	OTC
228	INCL	N/A	
COLL	UM		
SRCH	MUN		TOTAL
4	22		254

SYMBOLS:

BI -- Bodily Injury	SPEC -- Specified Perils
PD -- Property Damage	COLL -- Collision
MP -- Medical Payments	UM -- Uninsured Motorists
OTC -- Other Than Collision (ACV Coverage applies unless Stated Amount Value is indicated)	UIM -- Underinsured Motorists
CAC -- Combined Additional Coverage	PIP -- Personal Injury Protection
FT&S -- Fire, Theft, and Supplemental	T&L -- Towing and Labor Costs
SRCH -- Surcharge	RR -- Rental Reimbursement
	MUN -- KY Municipal Tax

BUSINESS AUTO COVERAGE FORM

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

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

Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION V - DEFINITIONS**.

SECTION I - COVERED AUTOS

ITEM TWO of the Declarations shows the "autos" that are covered "autos" for each of your coverages. The following numerical symbols describe the "autos" that may be covered "autos". The symbols entered next to a coverage on the Declarations designate the only "autos" that are covered "autos".

A. Description of Covered Auto Designation Symbols

SYMBOL	DESCRIPTION
--------	-------------

- | | |
|---|--|
| 1 = ANY "AUTO". | |
| 2 = OWNED "AUTOS" ONLY. Only those "autos" you own (and for Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" you acquire ownership of after the policy begins. | |
| 3 = OWNED PRIVATE PASSENGER "AUTOS" ONLY. Only the private passenger "autos" you own. This includes those private passenger "autos" you acquire ownership of after the policy begins. | |
| 4 = OWNED "AUTOS" OTHER THAN PRIVATE PASSENGER "AUTOS" ONLY. Only those "autos" you own that are not of the private passenger type (and for Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" not of the private passenger type you acquire ownership of after the policy begins. | |
| 5 = OWNED "AUTOS" SUBJECT TO NO-FAULT. Only those "autos" you own that are required to have No-Fault benefits in the state where they are licensed or principally garaged. This includes those "autos" you acquire ownership of after the policy begins provided they are required to have No-Fault benefits in the state where they are licensed or principally garaged. | |
| 6 = OWNED "AUTOS" SUBJECT TO A COMPULSORY UNINSURED MOTORISTS LAW. Only those "autos" you own that because of the law in the state where | |

they are licensed or principally garaged are required to have and cannot reject Uninsured Motorists Coverage. This includes those "autos" you acquire ownership of after the policy begins provided they are subject to the same state uninsured motorists requirement.

- 7 = SPECIFICALLY DESCRIBED "AUTOS". Only those "autos" described in ITEM THREE of the Declarations for which a premium charge is shown (and for Liability Coverage any "trailers" you don't own while attached to a power unit described in ITEM THREE).
- 8 = HIRED "AUTOS" ONLY. Only those "autos" you lease, hire, rent or borrow. This does not include any "auto" you lease, hire, rent, or borrow from any of your "employees" or partners (if you are a partnership), members (if you are a limited liability company) or members of their households.
- 9 = NONOWNED "AUTOS" ONLY. Only those "autos" you do not own, lease, hire, rent or borrow that are used in connection with your business. This includes "autos" owned by your "employees", partners (if you are a partnership), members (if you are a limited liability company), or members of their households but only while used in your business or your personal affairs.

B. Owned Autos You Acquire After the Policy Begins

1. If Symbols 1, 2, 3, 4, 5, or 6 are entered next to a coverage in ITEM TWO of the Declarations, then you have coverage for "autos" that you acquire of the type described for the remainder of the policy period.
2. But, if Symbol 7 is entered next to a coverage in ITEM TWO of the Declarations, an "auto" you acquire will be a covered "auto" for that coverage only if:
 - a. We already cover all "autos" that you own for that coverage or it replaces

an "auto" you previously owned that had that coverage; and

- b. You tell us within 30 days after you acquire it that you want us to cover it for that coverage.

C. Certain Trailers, Mobile Equipment and Temporary Substitute Autos

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

1. "Trailers" with a load capacity of 2,000 pounds or less designed primarily for travel on public roads.

2. "Mobile equipment" while being carried or towed by a covered "auto".
3. Any "auto" you do not own while used with the permission of its owner as a temporary substitute for a covered "auto" you own that is out of service because of its:
 - a. Breakdown;
 - b. Repair;
 - c. Servicing;
 - d. "Loss"; or
 - e. Destruction.

SECTION II - LIABILITY COVERAGE

A. Coverage

We will pay all sums an "insured" legally must pay as damages because of "bodily injury" or "property damage" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of a covered "auto".

We will also pay all sums an "insured" legally must pay as a "covered pollution cost or expense" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of covered "autos". However, we will only pay for the "covered pollution cost or expense" if there is either "bodily injury" or "property damage" to which this insurance applies that is caused by the same "accident".

We have the right and duty to defend any "insured" against a "suit" asking for such damages or a "covered pollution cost or expense". However, we have no duty to defend any "insured" against a "suit" seeking damages for "bodily injury" or "property damage" or a "covered pollution cost or expense" to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. Our duty to defend or settle ends when the Liability Coverage Limit of Insurance has been exhausted by payment of judgments or settlements.

1. Who is an Insured

The following are "insureds":

- a. You for any covered "auto".
- b. Anyone else while using with your permission a covered "auto" you own, hire or borrow except:
 - (1) The owner or anyone else from whom you hire or borrow a cov-

ered "auto". This exception does not apply if the covered "auto" is a "trailer" connected to a covered "auto" you own.

- (2) Your "employee" if the covered "auto" is owned by that "employee" or a member of his or her household.
- (3) Someone using a covered "auto" while he or she is working in a business of selling, servicing, repairing, parking or storing "autos" unless that business is yours.
- (4) Anyone other than your "employees", partners (if you are a partnership), members (if you are a limited liability company), or a lessee or borrower or any of their "employees", while moving property to or from a covered "auto".
- (5) A partner (if you are a partnership), or a member (if you are a limited liability company), for a covered "auto" owned by him or her or a member of his or her household.

- c. Anyone liable for the conduct of an "insured" described above but only to the extent of that liability.

2. Coverage Extensions

a. Supplementary Payments

We will pay for the "insured":

- (1) All expenses we incur.
- (2) Up to \$2,000 for the cost of bail bonds (including bonds for related traffic law violations) re-

quired because of an "accident" we cover. We do not have to furnish these bonds.

- (3) The cost of bonds to release attachments in any "suit" against the "insured" we defend, but only for bond amounts within our Limit of Insurance.
- (4) All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$250 a day because of time off from work.
- (5) All costs taxed against the "insured" in any "suit" against the "insured" we defend.
- (6) All interest on the full amount of any judgment that accrues after entry of the judgment in any "suit" against the "insured" we defend, but our duty to pay interest ends when we have paid, offered to pay or deposited in court the part of the judgment that is within our Limit of Insurance.

These payments will not reduce the Limit of Insurance.

b. Out-of-State Coverage Extensions

While a covered "auto" is away from the state where it is licensed we will:

- (1) Increase the Limit of Insurance for Liability Coverage to meet the limits specified by a compulsory or financial responsibility law of the jurisdiction where the covered "auto" is being used. This extension does not apply to the limit or limits specified by any law governing motor carriers of passengers or property.
- (2) Provide the minimum amounts and types of other coverages, such as no-fault, required of out-of-state vehicles by the jurisdiction where the covered "auto" is being used.

We will not pay anyone more than once for the same elements of loss because of these extensions.

B. Exclusions

This insurance does not apply to any of the following:

1. Expected or Intended Injury

"Bodily injury" or "property damage" which may reasonably be expected to result from the intentional or criminal acts of the "insured" or which is in fact expected or intended by the "insured", even if the injury or damage is of a different degree or type than actually expected or intended. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

2. Contractual

Liability assumed under any contract or agreement.

But this exclusion does not apply to liability for damages:

- a. Assumed in a contract or agreement that is an "insured contract" provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement; or
- b. That the "insured" would have in the absence of the contract or agreement.

3. Workers' Compensation

Any obligation for which the "insured" or the "insured's" insurer may be held liable under any workers' compensation, disability benefits or unemployment compensation law or any similar law.

4. Employee Indemnification and Employer's Liability

"Bodily injury" to:

- a. An "employee" of the "insured" sustained in the "workplace";
- b. An "employee" of the "insured" arising out of the performance of duties related to the conduct of the "insured's" business; or
- c. The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph a. or b. above.

This Exclusion applies:

- (1) Whether the "insured" may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

But this exclusion does not apply to "bodily injury" to domestic "employees" not entitled to workers' compensation benefits or to liability assumed by the "insured" under an "insured contract" other than a contract or agreement with a labor leasing firm. For the purposes of the Coverage Form, a domestic "employee" is a person engaged in household or domestic work performed principally in connection with a residence premises.

5. Fellow Employee

"Bodily injury" to any fellow "employee" of the "insured" arising out of and in the course of the fellow "employee's" employment or while performing duties related to the conduct of your business.

6. Care, Custody or Control

"Property damage" to or "covered pollution cost or expense" involving property owned or transported by the "insured" or in the "insured's" care, custody or control. But this exclusion does not apply to liability assumed under a sidetrack agreement.

7. Handling of Property

"Bodily injury" or "property damage" resulting from the handling of property:

- a. Before it is moved from the place where it is accepted by the "insured" for movement into or onto the covered "auto"; or
- b. After it is moved from the covered "auto" to the place where it is finally delivered by the "insured".

8. Movement of Property by Mechanical Device

"Bodily injury" or "property damage" resulting from the movement of property by a mechanical device (other than a hand truck) unless the device is attached to the covered "auto".

9. Operations

"Bodily injury" or "property damage" arising out of the operation of:

- a. Any equipment listed in Paragraphs **6.b.** and **6.c.** of the definition of "mobile equipment"; or
- b. Machinery or equipment that is on, attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor ve-

hicle insurance law where it is licensed or principally garaged.

10. Completed Operations

"Bodily injury" or "property damage" arising out of your work after that work has been completed or abandoned.

In this exclusion, your work means:

- a. Work or operations performed by you or on your behalf; and
- b. Materials, parts or equipment furnished in connection with such work or operations.

Your work includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in Paragraphs **a.** or **b.** above.

Your work will be deemed completed at the earliest of the following times:

- (1) When all of the work called for in your contract has been completed.
- (2) When all of the work to be done at the site has been completed if your contract calls for work at more than one site.
- (3) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

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

11. Pollutant

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

- a. That are, or that are contained in any property that is:
 - (1) Being transported or towed by, handled, or handled for movement into, onto or from, the covered "auto";
 - (2) Otherwise in the course of transit by or on behalf of the "insured"; or

- (3) Being stored, disposed of, treated or processed in or upon the covered "auto";
- b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or
- c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph **a.** of this exclusion does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if:

- (1) The "pollutants" escape, seep, migrate, or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and
- (2) The "bodily injury", "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in Paragraphs **6.b.** and **6.c.** of the definition of "mobile equipment".

However, this exception to Paragraph **a.** does not apply if the fuels, lubricants, fluids, exhaust gases or other similar "pollutants" are intentionally discharged, dispersed or released.

Paragraphs **b.** and **c.** of this exclusion do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

- (1) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and
- (2) The discharge, dispersal, seepage, migration, release, emission or escape of the "pollutants" is caused directly by such upset, overturn or damage.

- 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:

- (1) If the "pollutants" are brought on or to the premises, site or location in connection with such operations by such "insured", contractor or subcontractor; or
- (2) 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".

Subparagraph **d.(1)** does not apply to "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 fuels, lubricants or other operating fluids are intentionally discharged, dispersed or released, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent to be discharged, dispersed or released as part of the operations being performed by such "insured", contractor or subcontractor.

12. War

"Bodily injury" or "property damage" arising directly or indirectly out of:

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

13. Racing

Covered "autos" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. This

insurance also does not apply while that covered "auto" is being prepared for such a contest or activity.

C. Limit of Insurance

Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for the total of all damages and "covered pollution cost or expense" combined, resulting from any one "accident" is the Limit of Insurance for Liability Coverage shown in the Declarations.

All "bodily injury", "property damage" and "covered pollution cost or expense" resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one "accident".

No one will be entitled to receive duplicate payments for the same elements of "loss" under this Coverage Form and any Medical Payments Coverage endorsement, Uninsured Motorists Coverage endorsement or Underinsured Motorists Coverage endorsement attached to this Coverage Part.

D. Mobile Equipment Subject to Motor Vehicle Insurance Laws

As respects **SECTION II - LIABILITY COVERAGE** any land vehicle, which would qualify as "mobile equipment", except that it is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged, is considered a covered "auto" under **SECTION II - LIABILITY COVERAGE**, irrespective of the Auto Designation Symbols shown for **SECTION II - LIABILITY COVERAGE** in the Declarations.

SECTION III - PHYSICAL DAMAGE COVERAGE

A. Coverage

1. We will pay for "loss" to a covered "auto" or its equipment under:

a. Comprehensive Coverage

From any cause except:

- (1) The covered "auto's" collision with another object; or
- (2) The covered "auto's" overturn.

b. Specified Causes of Loss Coverage

Caused by:

- (1) Fire, lightning or explosion;
- (2) Theft;
- (3) Windstorm, hail or earthquake;
- (4) Flood;
- (5) Mischief or vandalism; or
- (6) The sinking, burning, collision or derailment of any conveyance transporting the covered "auto".

c. Collision Coverage

Caused by:

- (1) The covered "auto's" collision with another object; or
- (2) The covered "auto's" overturn.

2. Towing

We will pay up to the limit shown in the Declarations for towing and labor costs

incurred each time a covered "auto" of the private passenger type is disabled. However, the labor must be performed at the place of disablement.

3. Glass Breakage - Hitting a Bird or Animal - Falling Objects or Missiles

If you carry Comprehensive Coverage for the damaged covered "auto", we will pay for the following under Comprehensive Coverage:

- a. Glass breakage;
- b. "Loss" caused by hitting a bird or animal; and
- c. "Loss" caused by falling objects or missiles.

However, you have the option of having glass breakage caused by a covered "auto's" collision or overturn considered a "loss" under Collision Coverage.

4. Coverage Extensions

a. Transportation Expenses

We will also pay up to \$20 per day to a maximum of \$600 for temporary transportation expense incurred by you because of the total theft of a covered "auto" of the private passenger type. We will pay only for those covered "autos" for which you carry either Comprehensive or Specified Causes of Loss Coverage. We will pay for temporary transportation expenses incurred during the period beginning 48 hours after the theft and ending, regardless of the policy's expiration, when the covered

"auto" is returned to use or we pay for its "loss".

in hindering or defending against any of these.

b. Loss of Use Expenses

For Hired Auto Physical Damage, we will pay expenses for which an "insured" becomes legally responsible to pay for loss of use of a vehicle rented or hired without a driver, under a written rental contract or agreement. We will pay for loss of use expenses if caused by:

- (1) Other than collision only if the Declarations indicate that Comprehensive Coverage is provided for any covered "auto";
- (2) Specified Causes of Loss only if the Declarations indicate that Specified Causes of Loss Coverage is provided for any covered "auto"; or
- (3) Collision only if the Declarations indicate that Collision Coverage is provided for any covered "auto".

However, the most we will pay for any expenses for loss of use is \$20 per day, to a maximum of \$600.

B. Exclusions

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

a. Nuclear Hazard

- (1) The explosion of any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination, however caused.

b. War or Military Action

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

2. We will not pay for "loss" to any covered "auto" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. We will also not pay for "loss" to any covered "auto" while that covered "auto" is being prepared for such a contest or activity.

3. We will not pay for "loss" caused by or resulting from any of the following unless caused by other "loss" that is covered by this insurance:

- a. Wear and tear, freezing, mechanical or electrical breakdown; or
- b. Blowouts, punctures or other road damage to tires.

4. We will not pay for "loss" to any of the following:

- a. Tapes, records, discs or other similar audio, visual or data electronic devices designed for use with audio, visual or data electronic equipment.
- b. Any device designed or used to detect speed measuring equipment such as radar or laser detectors and any jamming apparatus intended to elude or disrupt speed measurement equipment.
- c. Any electronic equipment, without regard to whether this equipment is permanently installed, that receives or transmits audio, visual or data signals and that is not designed solely for the reproduction of sound.
- d. Any accessories used with the electronic equipment described in Paragraph c. above.

Exclusions 4.c. and 4.d. do not apply to:

- a. Equipment designed solely for the reproduction of sound and accessories used with such equipment, provided such equipment is permanently installed in the covered "auto" at the time of the "loss" or such equipment is removable from a housing unit which is permanently installed in the covered "auto" at the time of the "loss", and such equipment is designed to be solely operated by use of the power from the "auto's" electrical system, in or upon the covered "auto"; or
- b. Any other electronic equipment that is:

- (1) Necessary for the normal operation of the covered "auto" or the monitoring of the covered "auto's" operating system; or
- (2) An integral part of the same unit housing any sound reproducing equipment described in Paragraph a. above and permanently installed in the opening of the dash or console of the covered "auto" normally used by the manufacturer for installation of a radio.

5. We will not pay for "loss" to a covered "auto" due to "diminution in value".

C. Limit of Insurance

- 1. The most we will pay for "loss" in any one "accident" is the lesser of:
 - a. The actual cash value of the damaged or stolen property as of the time of the "loss"; or

- b. The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality.
- 2. An adjustment for depreciation and physical condition will be made in determining actual cash value in the event of a total "loss".
- 3. If a repair or replacement results in better than like kind or quality, we will not pay for the amount of the betterment.

D. Deductible

For each covered "auto", our obligation to pay for, repair, return or replace damaged or stolen property will be reduced by the applicable deductible shown in the Declarations. Any Comprehensive Coverage deductible shown in the Declarations does not apply to "loss" caused by fire or lightning.

SECTION IV - BUSINESS AUTO CONDITIONS

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

A. Loss Conditions

1. Appraisal for Physical Damage Loss

If you and we disagree on the amount of "loss", either may demand an appraisal of the "loss". In this event, each party will select a competent appraiser. The two appraisers will select a competent and impartial umpire. The appraisers will state separately the actual cash value and amount of "loss". If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

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

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

2. Duties in the Event of Accident, Claim, Suit or Loss

We have no duty to provide coverage under this policy unless there has been full compliance with the following duties:

- a. In the event of "accident", claim, "suit" or "loss", you must give us or our authorized representative prompt notice of the "accident" or "loss". Include:

- (1) How, when and where the "accident" or "loss" occurred;
- (2) The "insured's" name and address; and
- (3) To the extent possible, the names and addresses of any injured persons and witnesses.
- b. Additionally, you and any other involved "insured" must:
 - (1) Assume no obligation, make no payment or incur no expense without our consent, except at the "insured's" own cost.
 - (2) Immediately send us copies of any request, demand, order, notice, summons or legal paper received concerning the claim or "suit".
 - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit".
 - (4) Authorize us to obtain medical records or other pertinent information.
 - (5) Submit to examination, at our expense, by physicians of our choice, as often as we reasonably require.

c. If there is "loss" to a covered "auto" or its equipment you must also do the following:

- (1) Promptly notify the police if the covered "auto" or any of its equipment is stolen.
- (2) Take all reasonable steps to protect the covered "auto" from further damage. Also keep a record of your expenses for consideration in the settlement of the claim.
- (3) Permit us to inspect the covered "auto" and records proving the "loss" before its repair or disposition.
- (4) Agree to examinations under oath at our request and give us a signed statement of your answers.

3. Legal Action Against Us

No one may bring a legal action against us under this Coverage Form until:

- a. There has been full compliance with all the terms of this Coverage Form; and
- b. Under Liability Coverage, we agree in writing that the "insured" has an obligation to pay or until the amount of that obligation has finally been determined by judgment after trial. No one has the right under this policy to bring us into an action to determine the "insured's" liability.

4. Loss Payment - Physical Damage Coverages

At our option we may:

- a. Pay for, repair or replace damaged or stolen property;
- b. Return the stolen property, at our expense. We will pay for any damage that results to the "auto" from the theft; or
- c. Take all or any part of the damaged or stolen property at an agreed or appraised value.

If we pay for the "loss", our payment will include the applicable sales tax for the damaged or stolen property.

5. Transfer of Rights of Recovery Against Others to Us

If any person or organization to or for whom we make payment under this Cov-

erage Form has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after "accident" or "loss" to impair them.

B. General Conditions

1. Bankruptcy

Bankruptcy or insolvency of the "insured" or the "insured's" estate will not relieve us of any obligations under this Coverage Form.

2. Concealment, Misrepresentation or Fraud

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

- a. This Coverage Form;
- b. The covered "auto";
- c. Your interest in the covered "auto"; or
- d. A claim under this Coverage Form.

3. Liberalization

If within 60 days prior to the beginning of this Coverage Part or during the policy period, we make any changes to any forms or endorsements of this Coverage Part for which there is currently no separate premium charge, and that change provides more coverage than this Coverage Part, the change will automatically apply to this Coverage Part as of the latter of:

- a. The date we implemented the change in your state; or
- b. The date this Coverage Part became effective; and

will be considered as included until the end of the current policy period. We will make no additional premium charge for this additional coverage during the interim.

4. No Benefit to Bailee - Physical Damage Coverages

We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this Coverage Form.

5. Other Insurance

- a. For any covered "auto" you own, this Coverage Form provides primary insurance. For any covered "auto" you don't own, the insurance provided by this Coverage Form is excess over any other collectible insurance. However, while a covered "auto" which is a "trailer" is connected to another vehicle, the Liability Coverage this Coverage Form provides for the "trailer" is:
 - (1) Excess while it is connected to a motor vehicle you do not own.
 - (2) Primary while it is connected to a covered "auto" you own.
- b. For Hired Auto Physical Damage Coverage, any covered "auto" you lease, hire, rent or borrow is deemed to be a covered "auto" you own. However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".
- c. Regardless of the provisions of Paragraph a. above, this Coverage Form's Liability Coverage is primary for any liability assumed under an "insured contract".
- d. When this Coverage Form and any other Coverage Form or policy covers on the same basis, either excess or primary, we will pay only our share. Our share is the proportion that the Limit of Insurance of our Coverage Form bears to the total of the limits of all the Coverage Forms and policies covering on the same basis.

6. Premium Audit

- a. The estimated premium for this Coverage Form is based on the exposures you told us you would have when this policy began. We will compute the final premium due when we determine your actual exposures. The estimated total premium will be credited against the final premium due and the first Named Insured will be billed for the balance, if any. The due date for the final premium or retrospective premium is the date shown as the due date on the bill. If the estimated total premium exceeds the final premium due, the first Named Insured will get a refund.

- b. If this policy is issued for more than one year, the premium for this Coverage Form will be computed annually based on our rates or premiums in effect at the beginning of each year of the policy.

7. Policy Period, Coverage Territory

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

- a. During the Policy Period shown in the Declarations; and
- b. Within the coverage territory.

The coverage territory is:

- a. The United States of America;
- b. The territories and possessions of the United States of America;
- c. Puerto Rico;
- d. Canada; and
- e. Anywhere in the world if:
 - (1) A covered "auto" of the private passenger type is leased, hired, rented or borrowed without a driver for a period of 30 days or less; and
 - (2) The "insured's" responsibility to pay damages is determined in a "suit" on the merits, in the United States of America, the territories and possessions of the United States of America, Puerto Rico, or Canada or in a settlement we agree to.

We also cover "loss" to, or "accidents" involving, a covered "auto" while being transported between any of these places.

8. Two or More Coverage Forms or Policies Issued by Us

If this Coverage Form and any other Coverage Form or policy issued to you by us or any company affiliated with us apply to the same "accident", the aggregate maximum Limit of Insurance under all the Coverage Forms or policies shall not exceed the highest applicable Limit of Insurance under any one Coverage Form or policy. This condition does not apply to any Coverage Form or policy issued by us or an affiliated company specifically to apply as excess insurance over this Coverage Form.

SECTION V - DEFINITIONS

A. "Accident" includes continuous or repeated exposure to the same conditions resulting in "bodily injury" or "property damage".

B. "Auto" means:

1. A land motor vehicle, "trailer" or semi-trailer designed for travel on public roads; or
2. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

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

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

D. "Covered pollution cost or expense" means any cost or expense arising out of:

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

"Covered pollution cost or expense" does not include any cost or expense arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release, escape or emission of "pollutants":

a. That are, or that are contained in any property that is:

- (1) Being transported or towed by, handled, or handled for movement into, onto or from the covered "auto";
- (2) Otherwise in the course of transit by or on behalf of the "insured";
- (3) Being stored, disposed of, treated or processed in or upon the covered "auto"; or

b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place

where they are accepted by the "insured" for movement into or onto the covered "auto"; or

c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph **a.** above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if:

(1) The "pollutants" escape, seep, migrate, or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and

(2) The "bodily injury", "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in Paragraphs **6.b.** or **6.c.** of the definition of "mobile equipment".

Paragraphs **b.** and **c.** above do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

(1) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and

(2) The discharge, dispersal, seepage, migration, release, escape or emission of the "pollutants" is caused directly by such upset, overturn or damage.

E. "Diminution in value" means the actual or perceived loss in market value or resale value which results from a direct and accidental "loss".

F. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

G. "Insured" means any person or organization qualifying as an insured in the Who is an Insured provision of the applicable coverage.

Except with respect to the Limit of Insurance, the coverage afforded applies separately to each insured who is seeking coverage or against whom a claim or "suit" is brought.

H. "Insured contract":

1. Means:

- a.** A lease of premises;
- b.** A sidetrack agreement;
- c.** An 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.** That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another to pay for "bodily injury" or "property damage" to a third party or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement;
- f.** That part of any other contract or agreement entered into, as part of your business, pertaining to the rental or lease, by you or any of your "employees", of any "auto". However, such contract or agreement shall not be considered an "insured contract" to the extent that it obligates you or any of your "employees" to pay for "property damage" to any "auto" rented or leased by you or any of your "employees".

2. Does not include that part of any contract or agreement:

- a.** That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road beds, tunnel, underpass or crossing; or
- b.** That pertains to the loan, lease or rental of an "auto" to you or any of your "employees", if the "auto" is loaned, leased or rented with a driver; or

c. That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a covered "auto" over a route or territory that person or organization is authorized to serve by public authority.

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

J. "Loss" means direct and accidental loss or damage.

K. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- 1.** Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- 2.** Vehicles maintained for use solely on or next to premises you own or rent;
- 3.** Vehicles that travel on crawler treads;
- 4.** Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - a.** Power cranes, shovels, loaders, diggers or drills; or
 - b.** Road construction or resurfacing equipment such as graders, scrapers or rollers.
- 5.** Vehicles not described in Paragraphs **1.**, **2.**, **3.**, or **4.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - a.** Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - b.** Cherry pickers and similar devices used to raise or lower workers.
- 6.** Vehicles not described in Paragraphs **1.**, **2.**, **3.**, or **4.** above maintained primarily for purposes other than the transportation of persons or cargo. However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":
 - a.** Equipment designed primarily for:

a. Equipment designed primarily for:

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

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

- L. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, petroleum, petroleum products and their by-products, and waste. Waste includes materials to be recycled, reconditioned or reclaimed. "Pollutants" include but are not limited to substances which are generally recognized in industry or government to be harmful or toxic to persons, property or the environment regardless of whether injury or damage is caused directly or indirectly by the "pollutants" and whether:
 - 1. The "insured" is regularly or otherwise engaged in activities which taint or degrade the environment; or

- 2. The "insured" uses, generates or produces the "pollutant".

M. "Property damage" means damage to or loss of use of tangible property.

N. "Suit" means a civil proceeding in which:

- 1. Damages because of "bodily injury" or "property damage"; or
- 2. A "covered pollution cost or expense", to which this insurance applies, are alleged.

"Suit" includes:

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

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

P. "Trailer" includes semitrailer.

Q. "Workplace" means that place and during such hours to which the "employee" sustaining "bodily injury" was assigned by you, or any other person or entity acting on your behalf, to work on the date of the "accident".

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (Broad Form)

1. The insurance does not apply:

A. Under any Liability Coverage, to "bodily injury" or "property damage":

- (1) With respect to which an "insured" under the policy is also an "insured" under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters 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
- (2) Resulting from the "hazardous properties" of "nuclear material" and with

respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazard-

ous properties" of "nuclear facility" by any person or organization.

C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from the "hazardous properties" of "nuclear material", if:

(1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;

(2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an "insured"; or

(3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this Exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

2. As used in this endorsement:

"Hazardous properties" include radioactive, toxic or explosive properties;

"Nuclear material" means "source material", "special nuclear material" or "byproduct material";

"Source material", "special nuclear material", and "byproduct material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been

used or exposed to radiation in a "nuclear reactor";

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

"Nuclear facility" means:

(a) Any "nuclear reactor";

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

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

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

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

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CHANGES - TOWING AND LABOR

This endorsement modifies insurance provided by the following:

BUSINESS AUTO COVERAGE FORM

With respect to the coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by this endorsement.

- 1. SECTION III - PHYSICAL DAMAGE COVERAGE, A. Coverage, 2. Towing** is deleted in its entirety and replaced with:

- 2. Towing**

We will pay up to the limit shown in the Declarations for towing and labor costs incurred each time a covered "auto" is disabled. However, the labor must be performed at the place of disablement.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CHANGES - AUDIO, VISUAL AND DATA ELECTRONIC EQUIPMENT COVERAGE

This endorsement modifies insurance provided by the following:

BUSINESS AUTO COVERAGE FORM

With respect to the coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by this endorsement.

1. SECTION III - PHYSICAL DAMAGE COVERAGE, B. Exclusions, 4. is deleted in its entirety and replaced with:

- 4.** We will not pay for "loss" to any of the following:
- a.** Tapes, records, discs or similar audio, visual or data electronic devices designed for use with audio, visual or data electronic equipment.
 - b.** Any device designed or used to detect speed-measuring equipment, such as radar or laser detectors, and any jamming apparatus intended to elude or disrupt speed-measuring equipment.
 - c.** Any electronic equipment, without regard to whether this equipment is permanently installed, that reproduces, receives or transmits audio, visual or data signals.
 - d.** Any accessories used with the electronic equipment described in Paragraph **c.** above.

Exclusions **4.c.** and **4.d.** do not apply to equipment designed to be operated solely by use of the power from the "auto's" electrical system that, at the time of "loss", is:

- a.** Permanently installed in or upon the covered "auto";
- b.** Removable from a housing unit which is permanently installed in or upon the covered "auto";
- c.** An integral part of the same unit housing any electronic equipment described in Paragraphs **a.** and **b.** above; or
- d.** Necessary for the normal operation of the covered "auto" or the monitoring of the covered "auto's" operating system.

2. SECTION III - PHYSICAL DAMAGE COVERAGE, C. Limits of Insurance, 1. is deleted in its entirety and replaced with:

- 1.** The most we will pay for:
- a.** "Loss" to any covered "auto" is the lesser of;
 - (1)** The actual cash value of the damaged or stolen property as of the time of the "loss"; or
 - (2)** The cost of repairing or replacing the damaged or stolen property with other property of like kind or quality.
 - b.** All electronic equipment that reproduces, receives or transmits audio, visual or data signals in any one "loss", is up to \$1,000, if, at the time of "loss", such electronic equipment is:
 - (1)** Permanently installed in or upon the covered "auto" in a housing, opening or other location that is not normally used by the "auto" manufacturer for the installation of such equipment;
 - (2)** Removable from a permanently installed housing unit as described in Paragraph **b.1.** above; or
 - (3)** An integral part of such equipment as described in Paragraphs **b.(1)** and **b.(2)** above.

3. AUDIO, VISUAL AND DATA ELECTRONIC EQUIPMENT COVERAGE ADDED LIMITS

The sub-limit in Paragraph **1.b.** above is in addition to the Limit of Insurance shown in the Schedule of the Audio, Visual and Data Equipment Coverage endorsement, if purchased.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

KENTUCKY UNINSURED MOTORIST COVERAGE

Throughout this endorsement, "you" and "your" refer to the organization(s) and a natural person(s) shown as a Named Insured on this endorsement. "You" and "your" do not refer to any other person(s) or organization(s), including but not limited to agents, employees, servants, members, shareholders or independent contractors of any person or organization shown as a Named Insured on this endorsement.

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

BUSINESS AUTO COVERAGE FORM GARAGE COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by this endorsement.

This endorsement changes the Coverage Form effective on the effective date of the Coverage Form unless another date is indicated below:

Endorsement Effective: 07-14-2021	Policy Number: ETA 049 53 41
Named Insured: CHRISTIAN COUNTY WATER DISTRICT	

SCHEDULE

Limit of Insurance

\$ SEE AA4183

Each "Accident"

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

A. Coverage

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or operator of an "uninsured motor vehicle". The damages must result from "bodily injury" sustained by the "insured" caused by an "accident". The owner's or operator's liability for these damages must result from the ownership, maintenance or use of the "uninsured motor vehicle". The "insured" shall be required to prove all elements of the "insureds" claim that are necessary to recover from the owner or operator of the "uninsured motor vehicle".
2. **Any judgment for damages arising** out of a "suit" brought without our written consent is not binding on us.

B. Who is an Insured

The following are "insureds":

1. If any natural persons are specifically listed as a Named Insured on this endorsement, the following persons are "insureds":
 - a. Natural persons specifically listed as a Named Insured on this endorsement;
 - b. "Family members" of natural persons specifically listed as a Named Insured on this endorsement;
 - c. Any natural person, but only for injuries that occur while "occupying" an "auto" for which coverage is provided in the Coverage Form or a temporary substitute for such covered "auto". In such case, the covered "auto" must be out of service because of its breakdown, repair, servicing, "loss" or destruction; and
 - d. Any natural person, but only for damages he or she is entitled to recover because of "bodily injury" sustained by an "insured" described in Paragraphs **B.1.a., b. or c.**

2. If an entity other than a natural person is listed as a Named Insured on this endorsement, the following persons are "insureds":
 - a. Any natural person, but only for injuries that occur while "occupying" an "auto" for which coverage is provided in the Coverage Form or a temporary substitute for such covered "auto". In such case, the covered "auto" must be out of service because of its breakdown, repair, servicing, "loss" or destruction.
 - b. Any natural person is an "insured", but only for damages he or she is entitled to recover because of "bodily injury" sustained by an "insured" described in Paragraph **B.2.a.**
7. When your covered "auto" is being used to carry persons or property for a fee. This Exclusion (**C.7.**) does not apply to a share-the-expense car pool, subject to Minimum Financial Responsibility (KRS 304.39).
8. "Bodily injury" liability claims by one member of the household against another member of the household subject to Minimum Financial Responsibility (KRS 304.39).
9. All coverages with respect to a named member of the household who is neither a spouse nor dependent of the Named Insured when the person to be excluded is set forth in an endorsement to the Coverage Form signed by the insurer and by the Named Insured.

C. Exclusions

This insurance does not apply to any of the following:

1. Any claim settled with the person(s) or organization(s) legally responsible for the "accident" or the insurer or legal representative of such person(s) or organization(s) without our consent.
2. The direct or indirect benefit of any insurer or self-insurer under any, workers compensation, disability benefits, pension statutes or similar laws.
3. "Bodily injury" sustained by an "insured" while the "insured" is operating or "occupying" a "motor vehicle" owned by, furnished to, or available for the regular use of a Named Insured, or if the Named Insured is a natural person, a spouse or resident relative of such Named Insured, if the "motor vehicle" is not specifically identified in the Coverage Form, or is not a newly acquired or replacement "motor vehicle" covered under the terms of the Coverage Form.
4. "Bodily injury" suffered by any person while operating or "occupying" a "motor vehicle" without a reasonable belief that that person is entitled to do so. Under no circumstances will a person whose license has been suspended, revoked or never issued be held to have a reasonable belief that that person is entitled to operate a "motor vehicle".
5. Punitive or exemplary damages.
6. Any injury or damage which arises out of the ownership, maintenance, or use of a "motor vehicle" while that vehicle is being used;
 - a. In any prearranged or organized racing, speed or demolition contest; or
 - b. In practice or preparation for any such contest.

D. Limit of Insurance

1. Regardless of the number of policies, covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for all damages, including damages claimed by any person or organization for care, loss of services or death due to and arising out of any one "accident", is the limit of **Uninsured Motorist Coverage** shown in the Schedule or the Declarations. If there is more than one covered "auto", our limit of insurance for any one "accident", if the "bodily injury" is sustained by an individual Named Insured or any "family member", is the sum of the limits applicable to each covered "auto". Subject to this maximum limit of liability for all damages:
 - a. The most we will pay for all damages sustained in such "accident" by an "insured" other than a Named Insured or any "family member" is that "insured's" pro-rata share of the limit shown in the Schedule or Declarations applicable to the "motor vehicle" that "insured" was "occupying" at the time of the "accident".
 - b. An individual Named Insured or any "family member" who sustains "bodily injury" in such "accident" will also be entitled to a pro-rata share of the limit described in Paragraph **a.** above.

A person's pro-rata share is the proportion that that person's damages bears to the total damages sustained by all "insureds".

2. If the "bodily injury" is sustained by any "insured", other than the individual Named Insured or any "family member", in an "accident" in which neither a such Named Insured nor any "family member" sustained "bodily injury", the limit of insurance shown in the Schedule or Declarations for this coverage is our maximum limit of insurance for

all damages due to and arising out of any such "accident".

3. No one will be entitled to receive duplicate payments for the same elements of "loss" under this Coverage Form and any Liability Coverage Form, Medical Payments endorsement or Underinsured Motorist Coverage endorsement attached to the Coverage Part.
4. We will not make a duplicate payment under this endorsement for any element of "loss" for which payment has been made by or for anyone who is legally responsible.
5. We will not pay for any element of "loss" if a person is entitled to receive payment for the same element of "loss" under any workers' compensation, disability benefits, or similar laws.

E. Changes in Conditions

The Conditions are changed for **Kentucky Uninsured Motorist Coverage** as follows:

1. **Other Insurance** in the Business Auto and Garage Coverage Forms is replaced by the following:
 - a. The reference to "other collectible insurance" applies to other collectible uninsured motorist insurance.
 - b. Any insurance we provide with respect to a "motor vehicle" owned by the Named Insured or, if the Named Insured is an individual, any "family member", that is not a covered "auto" for Uninsured Motorist Coverage under this Coverage Form, shall be excess over any other collectible uninsured motorist insurance providing coverage on a primary basis.
 - c. If the coverage under this endorsement is provided:
 - (1) On a primary basis, we will pay only our share of the "loss" that must be paid under insurance providing coverage on a primary basis. Our share is the proportion that our limit of insurance bears to the total of all applicable limits of insurance for coverage on a primary basis.
 - (2) On an excess basis, we will pay only our share of the "loss" that must be paid under insurance providing coverage on an excess basis. Our share is the proportion that our limit of insurance bears to the total of all applicable limits of insurance for coverage on an excess basis.

2. Duties in the Event of Accident, Claim, Suit or Loss are changed by adding the following:

- a. You or any other involved "insured" must promptly notify the police if a hit-and-run driver is involved;
- b. You or any other involved "insured" must promptly send us copies of the legal papers if a "suit" is brought; and
- c. You and any other involved "insured" must cooperate with us in the investigation, settlement or defense of the claim or "suit". Cooperation includes, but is not limited to, identifying all parties who may be responsible for the "accident" and all insurers who may be obligated to provide coverage.

3. Transfer of Rights of Recovery Against Others to Us is deleted and replaced by the following:

- a. If we make a payment under this endorsement and the person to and for whom payment was made had a right to recover damages from another, we shall be subrogated to that right. That person will do whatever is necessary to enable us to exercise our rights and shall do nothing after "loss" to prejudice them. Our right of subrogation shall be superior to, and have priority over, any right of recovery on that part of the person to and for whom we have made payment, and we shall be entitled to full satisfaction of our subrogation claim before such person shall be entitled to any recovery, regardless of whether our payment has made such person whole on his or her total "loss".
- b. If we make a payment under this endorsement and the person to and for whom payment is made recovers damages from another, that person shall hold in trust for us the proceeds of the recovery and shall reimburse us to the extent of our payment. Our right to be reimbursed shall be immediate, and exists regardless of whether the person to and for whom payment has been made has otherwise been made whole on his or her total "loss".

4. Legal Action Against Us

- a. No one may bring a legal action against us under this Coverage Form until there has been full compliance with all the terms of this Coverage Form.
- b. Any legal action against us under this Coverage Form must be brought within two (2) years after the date of the "ac-

cident". However, this Paragraph 4.b. does not apply to an "insured" if, within two (2) years after the date of the "accident", we and the "insured" agree to arbitration in accordance with this endorsement.

5. The following Condition is added:

ARBITRATION

- a. If we and an "insured" disagree whether the "insured" is legally entitled to recover damages from the owner or operator of an "uninsured motor vehicle" or do not agree as to the amount of damages that are recoverable by that "insured", then the matter may be arbitrated. However, disputes concerning coverage under this endorsement may not be arbitrated. Both parties must agree to arbitration. If so agreed, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days as to the third arbitrator, either may request that selection be made by a judge of a court having jurisdiction. Each party will:

- (1) Pay the expenses it incurs and;
- (2) Bear the expense of the third arbitrator equally.

- b. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to arbitration procedures and evidence will apply. Any decision agreed to by two of the arbitrators will be binding.

- c. The "insured" will not be required to arbitrate disputed claims.

6. The **Two or More Coverage Forms or Policies Issued By Us** General Condition does not apply to Uninsured Motorist Coverage. However, no one will be entitled to receive duplicate payments for the same elements of "loss".

F. Additional Definitions

As used in this endorsement:

1. "Family member" means a natural person who is related to and is a resident of the same household as a natural person shown as a Named Insured on this endorsement. Such relation may be by blood, marriage or adoption, and may include a ward or foster child.
2. "Motor vehicle" means a self-propelled vehicle designed for use and principally used on public roads, including an automobile, truck, semitractor, motorcycle and bus. "Motor ve-

hicle" also includes a motor home, provided the motor home is not stationary and is not being used as a temporary or permanent residence or office. "Motor vehicle" does not include a trolley, streetcar, "trailer", railroad engine, railroad car, motorized bicycle, golf cart, off-road recreational vehicle, snowmobile, fork lift, aircraft, watercraft, construction equipment, farm tractor or other vehicle designed and principally used for agricultural purposes, mobile home, vehicle traveling on treads or rails, or any similar vehicle.

3. "Occupying" means in, upon, getting in, on, out or off.
4. "Uninsured motor vehicle" means a land "motor vehicle" or "trailer":
 - a. For which no liability bond or policy at the time of an "accident" provides at least the amounts required by the applicable law where a covered "auto" is principally garaged.
 - b. For which an insuring or bonding company denies coverage or is or becomes insolvent.
 - c. That is a hit-and-run "motor vehicle" and neither the operator nor owner can be identified. The "motor vehicle" must either:
 - (1) Hit an "insured", a covered "auto" or a "motor vehicle" an "insured" is "occupying"; or
 - (2) Hit another vehicle which in turn, hits an "insured", a covered "auto" or a "motor vehicle" an "insured" is "occupying".

We will only accept competent evidence which may include the testimony, under oath, of a person making claim under this or similar coverage.

However, "uninsured motor vehicle" does not include any "motor vehicle":

- a. Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer who is or becomes insolvent and cannot provide the amounts required by that motor vehicle law;
- b. Owned by a governmental unit or agency; or
- c. Designed for use mainly off public roads while not on public roads; or
- d. Owned by, furnished or available for the regular use of any "insured", other than the named insured or a "family member" of a named insured.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

KENTUCKY UNDERINSURED MOTORIST COVERAGE

Throughout this endorsement, "you" and "your" refer to the organization(s) and a natural person(s) shown as a Named Insured on this endorsement. "You" and "your" do not refer to any other person(s) or organization(s), including but not limited to agents, employees, servants, members, shareholders or independent contractors of any person or organization shown as a Named Insured on this endorsement.

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

BUSINESS AUTO COVERAGE FORM GARAGE COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by this endorsement.

This endorsement changes the Coverage Form effective on the effective date of the Coverage Form unless another date is indicated below:

Endorsement Effective: 07-14-2021	Policy Number: ETA 049 53 41
Named Insured: CHRISTIAN COUNTY WATER DISTRICT	

SCHEDULE

Limit of Insurance

\$ SEE AA4183

Each "Accident"

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

A. Coverage

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or operator of an "underinsured motor vehicle". The damages must result from "bodily injury" sustained by the "insured" caused by an "accident". The owner's or operator's liability for these damages must result from the ownership, maintenance or use of the "underinsured motor vehicle". The "insured" shall be required to prove all elements of the "insureds" claim that are necessary to recover from the owner or operator of the "underinsured motor vehicle".
2. We will pay under this endorsement only if a. or b. below applies:
 - a. The limits of insurance under all applicable liability bonds or policies have been exhausted by payment of judgments or settlements; or

- b. A tentative settlement has been made between an "insured" and a person(s) or organization(s) who may be legally responsible for the "accident", or the insurer or representative of such person(s) or organization(s) and we:

- (1) Have been given prompt written notice of such settlement; and
- (2) Advance payment to the "insured" in an amount equal to the tentative settlement within 30 days after receipt of notification.
3. Any judgment for damages arising out of a "suit" brought without our written consent is not binding on us.

B. Who is an Insured

The following are "insureds":

1. If any natural persons are specifically listed as a Named Insured, on this endorsement the following persons are "insureds":

- a. Natural persons specifically listed as a Named Insured on this endorsement;
 - b. "Family members" of natural persons specifically listed as a Named Insured on this endorsement.
 - c. Any natural person, but only for injuries that occur while "occupying" an "auto" for which coverage is provided in the Coverage Form or a temporary substitute for such covered "auto". In such case, the covered "auto" must be out of service because of its breakdown, repair, servicing, "loss" or destruction; and
 - d. Any natural person, but only for damages he or she is entitled to recover because of "bodily injury" sustained by an "insured" described in Paragraphs **B.1.a., b. or c**
2. If an entity other than a natural person is listed as a Named Insured on this endorsement, the following persons are "insureds":
- a. Any natural person, but only for injuries that occur while "occupying" an "auto" for which coverage is provided in the Coverage Form or a temporary substitute for such covered "auto". In such case, the covered "auto" must be out of service because of its breakdown, repair, servicing, "loss" or destruction.
 - b. Any natural person is an "insured", but only for damages he or she is entitled to recover because of "bodily injury" sustained by an "insured" described in Paragraph **B.2.a.**

C. Exclusions

This insurance does not apply to any of the following:

- 1. The direct or indirect benefit of any insurer or self-insurer under any, workers' compensation, disability benefits, pension statutes or similar laws.
- 2. "Bodily injury" sustained by an "insured" while the "insured" is operating or "occupying" a "motor vehicle" owned by, furnished to, or available for the regular use of a Named Insured, or if the Named Insured is a natural person, a spouse or a resident relative of such Named Insured, if the "motor vehicle" is not specifically identified in the Coverage Form, or is not a newly acquired or replacement "motor vehicle" covered under the terms of the Coverage Form.
- 3. "Bodily injury" suffered by any person while operating or "occupying" a "motor vehicle" without a reasonable belief that that person is entitled to do so. Under no circumstances

will a person whose license has been suspended, revoked or never issued be held to have a reasonable belief that that person is entitled to operate a "motor vehicle".

- 4. Punitive or exemplary damages.
- 5. Any injury or damage which arises out of the ownership, maintenance, or use of a "motor vehicle" while that "motor vehicle" is being used;
 - a. In any prearranged or organized racing, speed or demolition contest; or
 - b. In practice or preparation for any such contest.
- 6. When your covered "auto" is being used to carry persons or property for a fee. This Exclusion (**C.6.**) does not apply to a share-the-expense car pool, subject to Minimum Financial Responsibility (KRS 304.39).
- 7. "Bodily injury" liability claims by one member of the household against another member of the household subject to Minimum Financial Responsibility (KRS 304.39).
- 8. All coverages with respect to a named member of the household who is neither a spouse nor dependent of the Named Insured when the person to be excluded is set forth in an endorsement to the Coverage Form signed by the insurer and by the Named Insured.
- 9. Any claim settled with the person(s) or organization(s) legally responsible for the "accident" or the insurer or legal representative of such person(s) or organization(s) without our consent.

D. Limit of Insurance

- 1. Regardless of the number of policies, covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for all damages, including damages claimed by any person or organization for care, loss of services or death due to and arising out of any one "accident" is the limit of **Underinsured Motorist Coverage** shown in the Schedule or the Declarations. If there is more than one covered "auto", our Limit of Insurance for any one "accident", if the "bodily injury" is sustained by, any "family member", is the sum of the limits applicable to each covered "auto". Subject to this maximum limit of insurance for all damages:
 - a. The most we will pay for all damages sustained in such "accident" by an "insured" other than an individual Named Insured or any "family member" is that "insured's" pro rata share of the limit shown in the Schedule or Declarations

applicable to the "motor vehicle" that "insured" was "occupying" at the time of the "accident".

- b. An individual Named Insured or any "family member" who sustains "bodily injury" in such "accident" will also be entitled to a pro rata share of the limit described in Paragraph a. above.

A person's pro rata share is the proportion that that person's damages bears to the total damages sustained by all "insureds".

- 2. If the "bodily injury" is sustained by any "insured", other than the individual Named Insured or any "family member", in an "accident" in which neither such Named Insured nor any "family member" of a Named Insured sustained "bodily injury", the Limit Of Insurance shown in the Schedule or the Declarations for this coverage is our maximum limit of insurance for all damages resulting from any such "accident".
- 3. No one will be entitled to receive duplicate payments for the same elements of "loss" under this Coverage Form and any Liability Coverage Form, Medical Payments Coverage endorsement or Uninsured Motorist Coverage endorsement attached to this Coverage Part.
- 4. We will not make a duplicate payment under this coverage for any element of "loss" for which payment has been made by or for anyone who is legally responsible.
- 5. We will reduce the "insured's" total damages by the amount available to that "insured" under any liability bonds or policies applicable to the "underinsured motor vehicle", that such "insured" did not recover as a result of a settlement between the "insured" and the insurer of an "underinsured motor vehicle". However, any reduction of the "insured's" total damages will not reduce the limit of liability for this coverage.

This paragraph shall not apply if we advance payment to the "insured" in an amount equal to the tentative settlement with the insurer of the "underinsured motor vehicle".

- 6. We will not pay for any element of "loss" if a person is entitled to receive payment for the same element of "loss" under any workers' compensation, disability benefits, or similar laws.

E. Changes in Conditions

The Conditions are changed for **Kentucky Underinsured Motorist Coverage** as follows:

- 1. **Other Insurance** in the Business Auto and Garage Coverage Forms is changed by addition of the following:

- a. The reference to "other collectible "insurance" applies only to other collectible underinsured motorist insurance.
- b. Any insurance we provide with respect to a "motor vehicle" owned by the Named Insured or, if the Named Insured is an individual, any "family member", that is not a covered "auto" for Underinsured Motorist Coverage under this coverage Form, shall be excess over any other collectible underinsured motorist insurance providing coverage on a primary basis.
- c. If the coverage under this endorsement is provided:
 - (1) On a primary basis, we will pay only our share of the "loss" that must be paid under insurance providing coverage on a primary basis. Our share is the proportion that our limit of insurance bears to the total of all applicable limits of insurance for coverage on a primary basis.
 - (2) On an excess basis, we will pay only our share of the "loss" that must be paid under insurance providing coverage on an excess basis. Our share is the proportion that our limit of insurance bears to the total of all applicable limits of insurance for coverage on an excess basis.

- 2. **Duties in the Event of Accident, Claim, Suit or Loss** is changed by adding the following:

- a. You or any other involved "insured" must promptly send us copies of the legal papers if a "suit" is brought;
- b. You and any other involved "insured" must cooperate with us in the investigation, settlement or defense of the claim or "suit". Cooperation includes, but is not limited to, identifying all parties who may be responsible for the "accident" and all insurers who may be obligated to provide coverage; and
- c. A person seeking Underinsured Motorist Coverage must also promptly notify us in writing by certified or registered mail of a tentative settlement between the "insured" and the insurer of the "underinsured motor vehicle", and allow us to advance payment to that "insured" in an amount equal to the tentative settlement within 30 days after receipt of

notification to preserve our rights against the insurer, owner or operator of such "underinsured motor vehicle".

3. Transfer of Rights of Recovery Against Others to Us is deleted and replaced by the following:

- a. If we make a payment under this endorsement and the person to and for whom payment was made had a right to recover damages from another, we shall be subrogated to that right. That person will do whatever is necessary to enable us to exercise our rights and shall do nothing after "loss" to prejudice them. Our right of subrogation shall be superior to, and have priority over, any right of recovery on that part of the person to and for whom we have made payment, and we shall be entitled to full satisfaction of our subrogation claim before such person shall be entitled to any recovery, regardless of whether our payment has made such person whole on his or her total "loss".
- b. If we make a payment under this endorsement and the person to and for whom payment is made recovers damages from another, that person shall hold in trust for us the proceeds of the recovery and shall reimburse us to the extent of our payment. Our right to be reimbursed shall be immediate, and exists regardless of whether the person to and for whom payment has been made has otherwise been made whole on his or her total "loss".
- c. Our rights do not apply under this provision with respect to Underinsured Motorist Coverage if we:
 - (1) Have been given prompt written notice by certified or registered mail of a tentative settlement between an "insured" and a person(s) or organization(s) who may be legally responsible for the "accident" or the insurer or legal representative of such person(s) or organization(s); and
 - (2) Fail to advance payment to the "insured" in an amount equal to the tentative settlement within 30 days after receipt of notification.
- d. If we advance payment to an "insured" in an amount equal to the tentative settlement within 30 days after receipt of notification:
 - (1) That payment will be separate from any amount the "insured" is entitled to recover under the provisions of

Underinsured Motorist Coverage;
and

- (2) We also have the right to recover the advanced payment.

4. Legal Action Against Us

- a. No one may bring a legal action against us under the Coverage Form until there has been full compliance with all the terms of this Coverage Form.
- b. Any legal action against us under this Coverage Form must be brought within two (2) years after the date of the "accident". However, this Paragraph **4.b.** does not apply to an "insured", if within two (2) years after the date of the "accident", we and the "insured" agree to arbitration in accordance with this endorsement.

- 5. The Two or More Coverage Forms or Policies Issued By Us** General Condition does not apply to Underinsured Motorist Coverage. However, no one will be entitled to receive duplicate payments for the same elements of "loss".

- 6.** The following Condition is added:

ARBITRATION

- a. If we and an "insured" disagree whether the "insured" is legally entitled to recover damages from the owner or operator of an "underinsured motor vehicle" or do not agree as to the amount of damages that are recoverable by that "insured", then the matter may be arbitrated. However, disputes concerning coverage under this endorsement may not be arbitrated. Both parties must agree to arbitration. If so agreed, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction. Each party will pay the expenses it incurs and bear the expenses of the third arbitrator equally.
- b. Unless both parties otherwise agree, arbitration will take place in the county in which the "insured" lives. Local rules of law as to arbitration procedures and evidence will apply. Any decision agreed to by two arbitrators will be binding.
- c. The "insured" shall not be required to arbitrate disputed claims.

F. Additional Definitions

As used in this endorsement:

1. "Family member" means a natural person who is related to and is a resident of the same household as a natural person shown as a Named Insured on this endorsement. Such relation may be by blood, marriage or adoption, and may include a ward or foster child.
2. "Motor vehicle" means a self-propelled vehicle designed for use and principally used on public roads, including an automobile, truck, semitractor, motorcycle and bus. "Motor vehicle" also includes a motor home, provided the motor home is not stationary and is not being used as a temporary or permanent residence or office. "Motor vehicle" does not include a trolley, streetcar, "trailer", railroad engine, railroad car, motorized bicycle, golf cart, off-road recreational vehicle, snowmobile, fork lift, aircraft, watercraft, construction equipment, farm tractor or other vehicle designed and principally used for agricultural purposes, mobile home, vehicle traveling on treads or rails, or any similar vehicle.
3. "Occupying" means in, upon, getting in, on, out or off.
4. "Underinsured motor vehicle" means a land "motor vehicle" or "trailer" to which a liability bond or policy applies at the time of an "ac-

cident", but the amount paid for "bodily injury" under that bond or policy to the "insured" is not enough to pay the full amount the "insured" is legally entitled to recover as damages.

However, "underinsured motor vehicle" does not include any "motor vehicle":

- a. Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer who is or becomes insolvent and cannot provide the amounts required by that motor vehicle law.
- b. Designed for use mainly off public roads while not on public roads.
- c. To which a bodily injury liability bond or policy applies at the time of the "accident" but its limit for "bodily injury" liability is less than the minimum limit for "bodily injury" liability specified by the financial responsibility law of the state in which the covered "auto" is principally garaged.
- d. Owned by, furnished or available for the regular use of any "insured", or a "family member".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**OFFICE OF FOREIGN ASSETS CONTROL (OFAC)
COMPLIANCE ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM**

SECTION IV - BUSINESS AUTO CONDITIONS, B. General Conditions of the **BUSINESS AUTO COVERAGE FORM** and **SECTION V - GARAGE CONDITIONS, B. General Conditions** of the **GARAGE COVERAGE FORM** are amended to include the following:

Office of Foreign Assets Control (OFAC) Compliance

Whenever insurance coverage provided by this policy would be in violation of any United States economic or trade sanctions, such insurance coverage shall be null and void.

UNINSURED/UNDERINSURED MOTORIST COVERAGE OPTION SELECTION/REJECTION FORM - KENTUCKY

Policy Number ETA 049 53 41 of the THE CINCINNATI INSURANCE COMPANY

Issued to CHRISTIAN COUNTY WATER DISTRICT

Kentucky law permits you to make certain decisions regarding Uninsured Motorist Coverage and Underinsured Motorist Coverage. This document briefly describes these coverages and the options available. You should read this document carefully and contact us or your agent if you have any questions regarding Uninsured Motorist Coverage or Underinsured Motorist Coverage and your options with respect to these coverages.

This document includes general descriptions of coverage. However, no coverage is provided by this document.

You should read your policy and review your Declarations Page(s) and/or Schedule(s) for complete information on the coverages you are provided.

UNINSURED MOTORIST COVERAGE

Uninsured Motorist Coverage will pay compensatory damages which a covered person is legally entitled to recover from the owner or operator of an uninsured or underinsured motor vehicle.

Unless rejected, Uninsured Motorist (UM) and Underinsured Motorist (UIM) Coverage will be afforded at basic limits, as prescribed by Kentucky Law. You may request higher limits of UM/UIM Coverage up to, but not in excess of, the Bodily Injury (BI) Liability limits of your policy. You may select coverage at limits lower than the Bodily Injury Liability limits of your policy. This is our offer to you of your Uninsured Motorist and Underinsured Motorist Coverage options.

A. SELECTION OF UNINSURED AND UNDERINSURED MOTORIST COVERAGE LIMITS:

You may select Uninsured/Underinsured Motorist Coverage at the following limits which are lower than the Bodily Injury Liability Limits of my policy by initialing below.

Combined Single Limits (CSL)	Selection	Split Limits	Selection
\$ 60,000		\$ 25,000/ 50,000	
100,000		50,000/ 100,000	
250,000		100,000/ 300,000	
350,000		250,000/ 500,000	
500,000		500,000/ 500,000	
1,000,000		500,000/1,000,000	
2,000,000		1,000,000/1,000,000	

B. REJECTION OF UNINSURED MOTORIST COVERAGE AND/OR UNDERINSURED MOTORIST COVERAGE

You have the right to reject Uninsured Motorist Coverage in its entirety, and you may exercise this right by initialing and signing below. In rejecting Uninsured Motorist Coverage in its entirety, you are also rejecting Underinsured Motorist Coverage.

If you purchase Uninsured Motorist Coverage you have the right to purchase Underinsured Motorist Coverage at the same limits. You also have the right to reject Underinsured Motorist Coverage.

Please initial below.

_____ I reject Uninsured Motorist Coverage (and Underinsured Motorist Coverage) in its entirety.

_____ I reject Underinsured Motorist Coverage only.

YOUR ACKNOWLEDGMENT

By signing below, I acknowledge that:

- 1. I intend that my selection will apply to me and to all other persons or organizations that may be eligible for coverage under this policy.
- 2. I understand that my selection applies to all subsequent renewals, replacements, substitutions or amendments of my policy unless I request otherwise in writing.
- 3. I have read and understand the purpose and content of this form and the consequences of my selection.
- 4. I am legally authorized to make decisions concerning the purchase of Uninsured/Underinsured Motorist Coverage.

Applicant/Named Insured (Print or type)

SIGNED FORM ON FILE WITH COMPANY

Applicant/Named Insured Signature

Title

Date

Agent's Signature

Date

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

KENTUCKY CHANGES

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

**BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. Changes in Covered Autos

The following is added to Paragraph **C**. Certain Trailers, Mobile Equipment and Temporary Substitute Autos of Section **I** - Covered Autos:

If Collision Coverage is provided by the Coverage Form, any "auto" you do not own which is loaned to you as a temporary substitute for a covered "auto" you own that is out of use because of its breakdown, repair or servicing by a person, firm or corporation engaged in the business of selling "autos" is a covered "auto" for Collision Coverage.

B. Changes in Liability Coverage

The following Liability Coverage exclusions of the Business Auto, Garage, Motor Carrier and Truckers Coverage Forms apply only to the extent that the limits of liability for such coverage exceed the limits of liability required by the Kentucky Motor Vehicle Reparations Act:

1. Expected or Intended Injury;
2. Care Custody or Control;
3. Pollutant; and
4. "Pollutant" Exclusion Applicable to "Garage Operation" - Covered "Autos".

C. Changes in Physical Damage Coverage

No deductible applies under Comprehensive Coverage to "loss" to:

- a. Glass used in the windshield, doors and windows, and
- b. Glass, plastic or any other material used in lights required on an automobile by Chapter 189 of Kentucky Revised Statutes.

All other Physical Damage Coverage provisions apply.

D. Changes in Conditions

1. The Other Insurance Condition in the Business Auto and Garage Coverage

Forms, and the Other Insurance - Primary Excess Insurance Provisions in the Truckers and Motor Carrier Coverage Forms, is changed by adding the following:

- a. For a temporary substitute for an "auto" you own which is out of use because of its breakdown, repair or servicing, if the substitute "auto" is operated by an "insured" and is loaned to you, with or without consideration, by a person engaged in the business of selling, repairing or servicing "autos", Liability and Collision Coverage provided by this form shall be primary in the event of an "accident" caused by the negligence of the "insured".
- b. If you are engaged in the business of selling, repairing or servicing "autos", then for any "auto" you own, which is loaned to a customer, with or without consideration, as a temporary substitute for an "auto" owned by the customer which is out of use because of its breakdown, repair or servicing, Liability and Collision Coverage provided by this form shall be excess in the event of an "accident" caused by the negligence of the customer.

2. The Concealment, Misrepresentation or Fraud Condition is amended by the addition of the following:

However, once an "accident" has occurred while this Coverage Form is in effect, this condition does not apply to the liability coverage provided by this Coverage Form, except that we will provide liability coverage only up to the minimum limits of liability required by the Kentucky Motor Vehicle Reparations Act if you, or any other insured, intentionally conceal or misrepresent a material fact, or commit fraud, in obtaining this policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

KENTUCKY PERSONAL INJURY PROTECTION

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

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to the coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. Coverage

The company will pay personal injury protection benefits in accordance with Kentucky Revised Statutes Chapter 304, Subtitle 39, incurred with respect to "bodily injury" sustained by an "insured" and caused by an "accident" arising out of the operation, maintenance or use of a "motor vehicle" as a vehicle. These Personal Injury Protection benefits consist of the following:

1. Medical Expense

Reasonable charges incurred for reasonably needed products, services and accommodations, including those for medical care, physical rehabilitation, rehabilitative occupational training, licensed ambulance services and other remedial treatment and care, any nonmedical remedial treatment rendered in accordance with a recognized religious method of healing, and any healing arts professions of a type licensed by the Commonwealth of Kentucky, provided that medical expense shall not include that portion of a charge for a room in a hospital, clinic, convalescent or nursing home or any other institution engaged in providing nursing care and related services, in excess of a reasonable and customary charge for semiprivate accommodations, unless intensive care is medically required.

2. Work Loss

Loss of income from work the "insured" would probably have performed if he or she had not been injured, and expenses reasonably incurred by him or her in obtaining services in lieu of those he or she would have performed for income, re-

duced by any income from substitute work actually performed by him or her.

3. Replacement Services Loss

Expenses reasonably incurred in obtaining ordinary and necessary services in lieu of those the "insured" would have performed, not for income, but for the benefit of himself or his family if he had not been injured.

4. Survivor's Economic Loss

Loss after the "insured's" death of contributions of things of economic value to his "survivors", not including services they would have received from the "insured" had he not suffered the fatal injury, less expenses of "survivors" avoided by reason of the eligible injured person's death.

5. Survivor's Replacement Services Loss

Expenses reasonably incurred by "survivors" after the "insured's" death in obtaining ordinary and necessary services in lieu of those the "insured" would have performed for their benefit had he not suffered the fatal injury, less expenses of the "survivors" avoided by reason of the "insured's" death and not subtracted in calculating survivor's economic loss.

6. Funeral Expense

Reasonable charges incurred for expenses in any way related to funeral, cremation or burial.

B. Who Is An Insured

1. The "named insured" or any "relative" who sustains "bodily injury" while "occupying" or while a "pedestrian" through being

struck by any "motor vehicle", provided that, if such person has rejected the limitation upon his tort rights pursuant to Kentucky Revised Statutes Chapter 304, Subtitle 39, he shall not be an "insured", unless personal injury protection coverage has subsequently been purchased for such person under this policy; or

2. Any other person who sustains "bodily injury" while "occupying" or while a "pedestrian" through being struck by the "insured motor vehicle", provided that, if such person has rejected the limitation upon his tort right pursuant to Kentucky Revised Statutes Chapter 304, Subtitle 39, he shall not be an "insured".

C. Exclusions

We will not pay personal injury protection benefits for "bodily injury":

1. Sustained by the "named insured" or any "relative", who has not rejected his tort limitation pursuant to Kentucky Revised Statutes Chapter 304, Subtitle 39, while "occupying" or while a "pedestrian" through being struck by any "motor vehicle", other than the "insured motor vehicle", with respect to which the security required under Kentucky Revised Statutes Chapter 304, Subtitle 39, is in effect unless the provider of such security fails to make payment for loss within 30 days of reasonable proof of the fact and the amount of loss sustained.
2. Sustained by any person if such injury arises from his conduct within the course of a business of repairing, servicing or otherwise maintaining "motor vehicles" unless such conduct occurs off the business premises.
3. Sustained by any person arising from conduct in the course of loading or unloading any "motor vehicle" unless such conduct occurs while "occupying" such "motor vehicle".
4. With respect to any benefits any person would otherwise be entitled to receive hereunder for "bodily injury" intentionally caused by such person or arising out of his intentionally attempting to cause "bodily injury", and, if any person dies as a result of intentionally causing or attempting to cause "bodily injury" to himself, his survivors are not entitled to any survivor's economic loss or survivor's replacement services loss benefits.
5. Sustained by any "pedestrian", other than the "named insured" or any "relative", outside the Commonwealth of Kentucky.

6. Sustained by any person, other than the "named insured" or any "relative" while "occupying" a "motor vehicle" which is regularly used in the course of the business of transporting persons or property and which is one of five or more "motor vehicles" under common ownership, or a "motor vehicle" owned by a government other than the Commonwealth of Kentucky, its political subdivisions, municipal corporations or public agencies, if the accident occurs outside the Commonwealth of Kentucky.

This exclusion does not apply to "bodily injury" sustained by any occupant of a bus if such occupant is a Kentucky resident, boarded the bus in Kentucky and the bus is registered in Kentucky with the security required under Kentucky Revised Statutes Chapter 304, Subtitle 39. However, this exception does not apply if the bus is owned by a government other than the Commonwealth of Kentucky, its political subdivisions, municipal corporations or public agencies.

7. Sustained by any person arising out of the use of any "motor vehicle" while located as a residence or premises.
8. Arising directly or indirectly out of:
 - a. War, including undeclared or civil war;
 - b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
 - c. Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.
9. Resulting from the radioactive, toxic, explosive or other hazardous properties of nuclear material.
10. Sustained by any person while "occupying" a motorcycle, unless the Declarations indicates a premium for Motorcycle Personal Injury Protection Coverage.
11. Sustained by any person other than the "named insured" or any "relative" which arises from the operation, maintenance or use of a "motor vehicle" without a good faith belief that he or she is legally entitled to do so.

D. Limit Of Insurance

1. Regardless of the number of persons insured, policies or approved plans of self-insurance applicable, premiums paid,

claims made or "insured motor vehicles" to which this coverage applies, the company's liability for personal injury protection benefits with respect to "bodily injury" sustained by any one "insured" in any one "motor vehicle" "accident" shall not exceed \$10,000 in the aggregate, and subject to such aggregate limit:

- a. The maximum amount payable for work loss, replacement services loss, survivor's economic loss and survivor's replacement services loss shall not exceed \$200 per week in the aggregate prorated for any lesser period, provided that if the "insured's" earnings or work are seasonal or irregular, the weekly limit shall be equitably adjusted or apportioned on an annual basis;
 - b. The maximum amount payable for funeral expense shall not exceed \$1,000.
2. Any amount payable by the company under the terms of this coverage shall be reduced by any applicable deductible set forth in the Declarations, but only with respect to "bodily injury" sustained by the "named insured" or any "relative", provided that, if two or more such persons sustain "bodily injury" in the same "motor vehicle" "accident", such deductible applicable to all of them shall not exceed such deductible amount and such amount shall be allocated equally among them. Provided further that a "named insured" or "relative" is entitled to receive under this coverage the difference between this deductible and a greater deductible applicable under another policy applying to personal injury protection coverage pursuant to Kentucky Revised Statutes Chapter 304, Subtitle 39.
 3. In calculating loss or expense for which personal injury protection benefits are payable under this coverage, a reduction shall be made in the amount of:
 - a. All benefits or advantages a person receives or is entitled to receive from workmen's compensation, unless these benefits or advantages have not been received before personal injury protection benefits are overdue or the claim is paid.
 - b. Any income tax saving resulting from benefits or advantages received for loss of income under this coverage or from like benefits or advantages received under workmen's compensation which are not considered taxable income, provided that the maximum reduction may not exceed 15% of the

loss of income and shall be in lesser amount if the claimant furnishes to the company reasonable proof of a lower value of the income tax advantage.

E. Changes In Conditions

The Conditions are changed for **Personal Injury Protection** as follows:

1. Duties In The Event Of Accident, Claim, Suit Or Loss

is amended by the addition of the following:

- a. In the event of an "accident", written notice containing particulars sufficient to identify the "insured" and also reasonably obtainable information respecting the time, place and circumstances of the "accident" shall be given by or on behalf of each "insured" to the company or any of its authorized agents as soon as practicable.
- b. As soon as practicable, the "insured" or someone on his behalf shall give the company written proof of claim, under oath if required, including full particulars of the nature and extent of the "bodily injury" treatment and rehabilitation received and contemplated and such other information as may assist the company in determining the amount due and payable. The "insured" shall submit, when required by order of a court, to a physical or mental examination by a physician specified in the court order.

2. The Transfer Of Rights Of Recovery Against Others To Us

Condition is replaced by the following:

Subject to the provisions of the Kentucky Revised Statutes Chapter 304, Subtitle 39, in the event of any payment under this coverage, the Company is subrogated to the rights of the person to whom or for whose benefit such payments were made to the extent of such payments. Such person shall execute and deliver the instruments and papers and do whatever else is necessary to secure such rights. Such person shall do nothing after loss to prejudice such rights.

3. The Other Insurance

Condition in the Business Auto and Garage Coverage Forms and **Other Insurance - Primary And Excess Insurance Provisions** in the Truckers and Motor Carrier Coverage Forms are replaced by the following:

In the event an "insured" has other similar insurance, including approved self-insurance plans, available and applicable

to the "accident", the maximum recovery under all such insurance shall not exceed the amount which would have been payable under the provisions of the insurance providing the highest dollar limit, and the company shall not be liable for a greater proportion of any loss to which this coverage applies than the limit of liability hereunder bears to the sum of the applicable limit of liability of this coverage and such other insurance.

4. The following conditions are added:

Excess Coverages

- a. Any amount payable under the uninsured motorists coverage shall be excess insurance over any personal injury protection benefits paid or payable under this or any other automobile insurance policy because of "bodily injury" sustained by an "insured";
- b. Any automobile medical payments or expense coverages afforded under this policy shall be excess insurance over any personal injury protection benefits paid or payable but for the application of a deductible under this or any other automobile insurance policy because of "bodily injury" sustained by an "insured".

Nonduplication Of Benefits

No "insured" shall recover duplicate benefits for the same elements of loss under this or any similar insurance, including approved self-insurance plans.

Constitutionality Clause

The premium for and the coverages of the policy have been established in reliance upon the provisions of the Kentucky Revised Statutes Chapter 304, Subtitle 39. In the event a court of competent jurisdiction declares, or enters a judgment the effect of which is to render, the provisions of such statutes invalid or unenforceable in whole or in part, the company shall have the right to recompute the premium payable for the policy, and the provisions of this endorsement shall be voidable or subject to amendment at the option of the company.

Notice To Policyholders

Acceptance of the coverage described in Kentucky Revised Statutes Chapter 304, Subtitle 39, places some limitations on your right to bring suit for "bodily injury". Kentucky Revised Statutes Section 304.39-060 provides in part:

(1) Any person who registers, operates, maintains or uses a "motor vehicle" on the public roadways of this Commonwealth shall, as a condition of such registration, operation, maintenance or use of such "motor vehicle" and use of the public roadways, be deemed to have accepted the provisions of this subtitle, and in particular those provisions which are contained in this section.

(2)(a) Tort liability with respect to accidents occurring in this Commonwealth and arising from the ownership, maintenance or use of a "motor vehicle" is 'abolished' for damages because of "bodily injury", sickness or disease to the extent the basic reparation benefits provided in this subtitle are payable therefor, or that would be payable but for any deductible authorized by this subtitle, under any insurance policy or other method of security complying with the requirements of this subtitle, except to the extent non-economic detriment qualifies under Subsection (2)(b) hereof.

(b) In any action of tort brought against the owner, registrant, operator or occupant of a "motor vehicle" with respect to which security has been provided as required in this subtitle, or against any person or organization legally responsible for his or her acts or omissions, a plaintiff may recover damages in tort for pain, suffering, mental anguish and inconvenience because of "bodily injury", sickness or disease arising out of the ownership, maintenance, operation or use of such "motor vehicle" only in the event that the benefits which are payable for such injury as 'medical expense' or which would be payable but for any exclusion or deductible authorized by this subtitle exceed \$1,000, or the injury or disease consists in whole or in part of permanent disfigurement, a fracture to a bone, a com-

pound, comminuted, displaced or compressed fracture, loss of a body member, permanent injury within reasonable medical probability, permanent loss of bodily function or death.

Any person who is entitled to receive free medical and surgical benefits shall be deemed in compliance with the requirements of this subsection upon a showing that the medical treatment received has an equivalent value of at least \$1,000.

- (c) Tort liability is not so limited for injury to a person who is not an owner, operator, maintainer or user of a "motor vehicle" within Subsection (1) of this section, nor for injury to the passenger of a motorcycle arising out of the maintenance or use of such motorcycle.
- (3) Any person may refuse to consent to the limitations of his or her tort rights and liabilities as contained in this section. Such rejection must be completed in writing or electronically in a form to be prescribed by the Department of Insurance and must have been executed and filed with the Department at a time prior to any "motor vehicle" accident for which such rejection is to apply.

These are some of the exceptions to the limitations on your right to sue and are not intended to comprise a complete enumeration of all circumstances under which suit may be brought for "bodily injury".

F. Additional Definitions

As used in this endorsement:

1. "Named insured" means the person or organization named in the Declarations.
2. "Motor vehicle" means a vehicle as defined in Kentucky Revised Statutes Chapter 304, Subtitle 39.
3. "Insured motor vehicle" means a "motor vehicle" with respect to which:
 - a. The "bodily injury" liability insurance of the policy applies and for which a specific premium is charged; and
 - b. The "named insured" is required to maintain security under the provisions of Kentucky Revised Statutes Chapter 304, Subtitle 39.
4. "Occupying" means in or upon, entering into or alighting from.
5. "Pedestrian" means a person who is not "occupying" a "motor vehicle" at the time the injury occurs.
6. "Relative" means the spouse and any person related to the "named insured" by blood, marriage or adoption, including a minor in the custody of the "named insured", spouse or such related person who is a resident of the same household as the "named insured", whether or not temporarily residing elsewhere, but does not include any such person who is a "named insured" under any other policy providing the security under Kentucky Revised Statutes Chapter 304, Subtitle 39.
7. "Survivor" means a person identified in Kentucky Revised Statutes Section 411.130 as one entitled to receive benefits by reason of the death of another person.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CinciPlus®
BUSINESS AUTO XC+®
(EXPANDED COVERAGE PLUS)
ENDORSEMENT

This endorsement modifies insurance provided by the following:

BUSINESS AUTO COVERAGE FORM

With respect to the coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by this endorsement.

A. Blanket Waiver of Subrogation

SECTION IV - BUSINESS AUTO CONDITIONS, A. Loss Conditions, 5. Transfer of Rights of Recovery Against Others to Us is amended by the addition of the following:

We waive any right of recovery we may have against any person or organization because of payments we make for "bodily injury" or "property damage" arising out of the operation of a covered "auto" when you have assumed liability for such "bodily injury" or "property damage" under an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution or the "insured contract".

B. Noncontributory Insurance

SECTION IV - BUSINESS AUTO CONDITIONS, B. General Conditions, 5. Other Insurance c. is replaced by the following:

- c. Regardless of the provisions of Paragraph **a.** above, this Coverage Form's Liability Coverage is primary and we will not seek contribution from any other insurance for any liability assumed under an "insured contract" that requires liability to be assumed on a primary noncontributory basis.

C. Additional Insured by Contract

SECTION II - LIABILITY COVERAGE, A. Coverage, I. Who is an Insured is amended to include as an insured any person or organization with which you have agreed in a valid written contract to provide insurance as is afforded by this policy.

This provision is limited to the scope of the valid written contract.

This provision does not apply unless the valid written contract has been:

1. Executed prior to the accident causing "bodily injury" or "property damage"; and
2. Is still in force at the time of the "accident" causing "bodily injury" or "property damage".

D. Employee Hired Auto

1. Changes in Liability Coverage

The following is added to the **Section II - Liability Coverage, A. Coverage, 1. Who is an Insured:**

An "employee" of yours is an "insured" while operating an "auto" hired or rented under a contract or agreement in that "employee's" name, with your permission, while performing duties related to the conduct of your business.

2. Changes in General Conditions

SECTION IV - BUSINESS AUTO CONDITIONS, B. General Conditions, 5. Other Insurance is amended by replacing Paragraph **5.b.** with the following:

b. For Hired Auto Physical Damage Coverage the following are deemed to be covered "autos" you own:

- (1) Any covered "auto" you lease, hire, rent or borrow; and
- (2) Any covered "auto" hired or rented by your "employee" under a contract in that individual "employee's" name, with your permission, while performing duties related to the conduct of your business.

However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".

E. Audio, Visual and Data Electronic Equipment

SECTION III - PHYSICAL DAMAGE COVERAGE, C. Limit of Insurance is amended by adding the following:

4. The most we will pay for all "loss" to audio, visual or data electronic equipment and any accessories used with this equipment as a result of any one "accident" is the lesser of:
 - a. The actual cash value of the damaged or stolen property as of the time of the "accident";
 - b. The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality; or
 - c. \$2,500.

Provided the equipment, at the time of the "loss" is:

- a. Permanently installed in or upon the covered "auto" in a housing, opening or other location that is not normally used by the "auto" manufacturer for the installation of such equipment;
- b. Removable from a permanently installed housing unit as described in Paragraph 2.a. above; or
- c. An integral part of such equipment.

F. Who is an Insured - Amended

SECTION II - LIABILITY COVERAGE, A. Coverage, 1. Who is an Insured is amended by adding the following:

The following are "insureds":

1. Any subsidiary which is a legally incorporated entity of which you own a financial interest of more than 50% of the voting stock on the effective date of this coverage form.

However, the insurance afforded by this provision does not apply to any subsidiary that is an "insured" under any other automobile liability policy, or would be an "insured" under such policy but for termination of such policy or the exhaustion of such policy's limits of insurance.

2. Any organization that is newly acquired or formed by you and over which you maintain majority ownership. The insurance provided by this provision:

- a. Is effective on the date of acquisition or formation, and is afforded for 180 days after such date;
 - b. Does not apply to "bodily injury" or "property damage" resulting from an "accident" that occurred before you acquired or formed the organization;
 - c. Does not apply to any newly acquired or formed organization that is a joint venture or partnership; and
 - d. Does not apply to an insured under any other automobile liability policy, or would be an insured under such a policy but for the termination of such policy or the exhaustion of such policy's limits of insurance.
3. Any of your "employees" while using a covered "auto" in your business or your personal affairs, provided you do not own, hire or borrow that "auto".

G. Liability Coverage Extensions - Supplementary Payments - Higher Limits

SECTION II - LIABILITY COVERAGE, A. Coverage, 2. Coverage Extensions, a. Supplementary Payments is amended by:

1. Replacing the \$2,000 Limit of Insurance for bail bonds with \$4,000 in (2); and
2. Replacing the \$250 Limit of Insurance for reasonable expenses with \$500 in (4).

H. Amended Fellow Employee Exclusion

SECTION II - LIABILITY COVERAGE, B. Exclusions, 5. Fellow Employee is modified as follows:

Exclusion 5. **Fellow Employee** is deleted.

I. Hired Auto - Physical Damage

If hired "autos" are covered "autos" for Liability Coverage, then Comprehensive and Collision Physical Damage Coverages as provided under **SECTION III - PHYSICAL DAMAGE COVERAGE** of this Coverage Part are extended to "autos" you hire, subject to the following:

1. The most we will pay for "loss" to any hired "auto" is \$50,000 or the actual cash value or cost to repair or replace, whichever is the least, minus a deductible.
2. The deductible will be equal to the largest deductible applicable to any owned "auto" for that coverage, or \$1,000, whichever is less.
3. Hired Auto - Physical Damage coverage is excess over any other collectible insurance.

4. Subject to the above limit, deductible, and excess provisions we will provide coverage equal to the broadest coverage applicable to any covered "auto" you own insured under this policy.

Coverage includes loss of use of that hired auto, provided it results from an "accident" for which you are legally liable and as a result of which a monetary loss is sustained by the leasing or rental concern. The most we will pay for any one "accident" is \$3,000.

If a limit for Hired Auto - Physical Damage is shown in the Schedule, then that limit replaces, and is not added to, the \$50,000 limit indicated above.

J. Rental Reimbursement

SECTION III - PHYSICAL DAMAGE is amended by adding the following:

1. We will pay for rental reimbursement expenses incurred by you for the rental of an "auto" because of a "loss" to a covered "auto". Payment applies in addition to the otherwise applicable amount of each coverage you have on a covered "auto". No deductible applies to this coverage.
2. We will pay only for those expenses incurred during the policy period beginning 24 hours after the "loss" and ending, regardless of the policy's expiration, with the lesser of the following number of days:
 - a. The number of days reasonably required to repair the covered "auto". If "loss" is caused by theft, this number of days is added to the number of days it takes to locate the covered "auto" and return it to you; or
 - b. 30 days.
3. Our payment is limited to the lesser of the following amounts:
 - a. Necessary and actual expenses incurred; or
 - b. \$50 per day.
4. This coverage does not apply while there are spare or reserve "autos" available to you for your operations.
5. We will pay under this coverage only that amount of your rental reimbursement expenses which is not already provided for under **SECTION III - PHYSICAL DAMAGE COVERAGE, A. Coverage, 4. Coverage Extensions**.

K. Transportation Expense - Higher Limits

SECTION III - PHYSICAL DAMAGE COVERAGE, A. Coverage, 4. Coverage Extensions is amended by replacing \$20 per day with \$50 per day, and \$600 maximum with \$1,500 maximum in **Extension a. Transportation Expenses**.

L. Airbag Coverage

SECTION III - PHYSICAL DAMAGE COVERAGE, B. Exclusions, 3.a. is amended by adding the following:

However, the mechanical and electrical breakdown portion of this exclusion does not apply to the accidental discharge of an airbag. This coverage for airbags is excess over any other collectible insurance or warranty.

M. Loan or Lease Gap Coverage

1. **SECTION III - PHYSICAL DAMAGE COVERAGE, C. Limit of Insurance** is deleted in its entirety and replaced by the following, but only for private passenger type "autos" with an original loan or lease, and only in the event of a "total loss" to such a private passenger type "auto":
 - a. The most we will pay for "loss" in any one "accident" is the greater of:
 - (1) The amount due under the terms of the lease or loan to which your covered private passenger type "auto" is subject, but will not include:
 - (a) Overdue lease or loan payments;
 - (b) Financial penalties imposed under the lease due to high mileage, excessive use or abnormal wear and tear;
 - (c) Security deposits not refunded by the lessor;
 - (d) Costs for extended warranties, Credit Life Insurance, Health, Accident or Disability Insurance purchased with the loan or lease; and
 - (e) Carry-over balances from previous loans or leases, or
 - (2) Actual cash value of the stolen or damaged property.
 - b. An adjustment for depreciation and physical condition will be made in determining actual cash value at the time of "loss".

2. **SECTION V - DEFINITIONS** is amended by adding the following, but only for the purposes of this **Loan or Lease Gap Coverage**:

"Total loss" means a "loss" in which the cost of repairs plus the salvage value exceeds the actual cash value.

N. Glass Repair - Waiver of Deductible

SECTION III - PHYSICAL DAMAGE COVERAGE, D. Deductible is amended by adding the following:

No deductible applies to glass damage if the glass is repaired in a manner acceptable to us rather than replaced.

O. Duties in the Event of an Accident, Claim, Suit or Loss - Amended

SECTION IV - BUSINESS AUTO CONDITIONS, A. Loss Conditions, 2. Duties in the Event of Accident, Claim, Suit or Loss, a. is amended by adding the following:

This condition applies only when the "accident" or "loss" is known to:

1. You, if you are an individual;
2. A partner, if you are a partnership;
3. An executive officer or insurance manager, if you are a corporation; or
4. A member or manager, if you are a limited liability company.

P. Unintentional Failure to Disclose Hazards

SECTION IV - BUSINESS AUTO CONDITIONS, B. General Conditions, 2. Concealment, Misrepresentation or Fraud is amended by adding the following:

However, if you unintentionally fail to disclose any hazards existing on the effective date of this Coverage Form, we will not deny coverage under this Coverage Form because of such failure.

Q. Mental Anguish Resulting from Bodily Injury

SECTION V - DEFINITIONS, C. "Bodily injury" is deleted in its entirety and replaced by the following:

"Bodily injury" means bodily injury, sickness or disease sustained by a person, including mental anguish and death sustained by the same person that results from such bodily injury, sickness or disease. "Bodily injury" does not include mental anguish or death that does not result from bodily injury, sickness or disease.

R. Coverage for Certain Operations in Connection with Railroads

With respect to the use of a covered "auto" in operations for or affecting a railroad:

1. **Section V - Definitions, H. "Insured contract", 1.c.** is amended to read:
 - c. An easement or license agreement;
2. **Section V - Definitions, H. "Insured contract", 2.a.** is deleted.

THE CINCINNATI INSURANCE COMPANY

COMMERCIAL UMBRELLA LIABILITY COVERAGE PART DECLARATIONS

Previous Policy Number **ETD0495341**

Attached to and forming part of POLICY NUMBER **ETD 049 53 41** Effective Date: **07-14-2021**

NAMED INSURED is the same as it appears in the Common Policy Declarations unless another entry is made here.

LIMITS OF INSURANCE

\$ **3,000,000** Each Occurrence Limit \$ **3,000,000** Aggregate Limit

ADVANCE PREMIUM \$ 3,642

Applicable to Premium, if box is checked:

- Subject to Annual Adjustment
 Subject to Audit (see Premium Computation Endorsement for Rating Basis)

SCHEDULE OF UNDERLYING INSURANCE

Insurer, Policy Number & Period:	Underlying Insurance:	Underlying Limits:
(a)	Employer's Liability	Bodily Injury by Accident: \$ Each Accident Bodily Injury by Disease: \$ Each Employee Bodily Injury by Disease: \$ Policy Limit
(b) CINCINNATI INS. CO. ETD 049 53 41 07-14-2021 TO 07-14-2024	<input checked="" type="checkbox"/> Commercial General Liability Including: <input checked="" type="checkbox"/> Products-Completed Operations Coverage <input type="checkbox"/> Cemetery Professional <input type="checkbox"/> Druggist Professional <input type="checkbox"/> Funeral Service Provider <input type="checkbox"/> Pedorthists Professional or <input type="checkbox"/> Business Liability Including: <input type="checkbox"/> Funeral Service Provider <input type="checkbox"/> Druggist Professional	Bodily Injury and Property Damage Liability: \$ 1,000,000 Each Occurrence Limit \$ 2,000,000 General Aggregate Limit \$ 2,000,000 Products-Completed Operations Aggregate Limit Personal and Advertising Injury Limit: \$ 1,000,000 Any One Person or Organization
(c) CINCINNATI INS. CO. ETA 049 53 41 07-14-2021 TO 07-14-2024	Automobile Liability Including: <input type="checkbox"/> Owned Autos <input type="checkbox"/> Non-Owned Autos <input type="checkbox"/> Hired Autos <input checked="" type="checkbox"/> Any Auto	Bodily Injury Liability Limit: \$ Each Person \$ Each Occurrence Property Damage Liability Limit: \$ Each Occurrence or Bodily Injury Liability and / or Property Damage Liability or Both Combined Limit: \$ 1,000,000 Each Occurrence

(d)	Professional	\$	
		\$	Aggregate

(e)	CINCINNATI INS. CO.	Employee Benefit Liability	\$	1,000,000	Each Employee Limit
	ETD 049 53 41		\$	3,000,000	Aggregate Limit
	07-14-2021 TO 07-14-2024				

(f)		Liquor Liability	\$		Each Common Cause Limit
			\$		Aggregate Limit

Other

FORMS AND / OR ENDORSEMENTS APPLICABLE TO THIS COVERAGE PART:

US101UM	12/04	COMMERCIAL UMBRELLA - TABLE OF CONTENTS
US306	12/04	AUTO LIABILITY LIMITATION
US3065	05/06	EXCLUSION - EMPLOYER'S LIABILITY
US3073	09/10	TOTAL POLLUTANT LIMITATION - OTHER THAN AUTO
US3078	04/11	COMMUNICABLE DISEASE EXCLUSION
US3093	05/14	EXCLUSION - ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION AND DATA-RELATED LIABILITY - WITH LIMITED BODILY INJURY EXCEPTION
US315	12/04	CARE, CUSTODY, OR CONTROL EXCLUSION
US395	12/04	LEAD LIABILITY EXCLUSION
US4062	11/05	MOBILE EQUIPMENT SUBJECT TO MOTOR VEHICLE INSURANCE LAWS - LIMITATION
US407	12/04	EMPLOYEE BENEFIT LIABILITY
US4098	04/10	OFFICE OF FOREIGN ASSETS CONTROL (OFAC) COMPLIANCE ENDORSEMENT

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COMMERCIAL UMBRELLA LIABILITY COVERAGE FORM

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

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

The word "insured" means any person or organization qualifying as such under **SECTION II - WHO IS AN INSURED**.

Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION V - DEFINITIONS**.

SECTION I - COVERAGE

A. Insuring Agreement

1. We will pay on behalf of the insured the "ultimate net loss" which the insured is legally obligated to pay as damages for "bodily injury", "personal and advertising injury" or "property damage" to which this insurance applies:
 - a. Which is in excess of the "underlying insurance"; or
 - b. Which is either excluded or not insured by "underlying insurance".
2. This insurance applies to "bodily injury", "personal and advertising injury" or "property damage" only if:
 - a. The "bodily injury", "personal and advertising injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and
 - b. The "bodily injury" or "property damage" occurs during the policy period shown in the Declarations; or
 - c. The "personal and advertising injury" results from an "occurrence" that takes place during the policy period shown in the Declarations; and
 - d. Prior to the "coverage term" in which "bodily injury" or "property damage" occurs, or a "personal and advertising injury" offense is committed, you did not know, per Paragraph 5. below, that the "bodily injury" or "property damage" had occurred or had begun to occur, in whole or in part, or

that the "personal and advertising injury" offense had been committed or had begun to be committed, in whole or in part.

3. "Bodily injury" or "property damage" which:
 - a. Occurs during the "coverage term"; and
 - b. Was not, prior to the "coverage term", known by you, per Paragraph 5. below, to have occurred;includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the "coverage term" in which it first became known by you.
4. "Personal and advertising injury" caused by an offense which:
 - a. Was committed during the "coverage term"; and
 - b. Was not, prior to the "coverage term", known by you, per Paragraph 5. below, to have been committed;includes any continuation, change or resumption of that "personal and advertising injury" offense after the end of the "coverage term" in which it first became known by you.
5. You will be deemed to know that "bodily injury" or "property damage" has occurred, or that a "personal and advertising injury" offense has been committed at the earliest time when any "authorized representative":
 - a. Reports all, or any part, of the "bodily injury", "personal and advertising injury" or "property damage" to us or any other insurer;
 - b. Receives a written or verbal demand or claim for damages because of the "bodily injury", "personal and advertising injury" or "property damage";
 - c. First observes, or reasonably should have first observed, the "bodily injury" or "property damage", or the offense that caused the "personal and advertising injury";
 - d. Becomes aware, or reasonably should have become aware, by any means, other than as described in c. above, that "bodily injury" or "property

damage" had occurred or had begun to occur, or that the "personal and advertising injury" offense had been committed or had begun to be committed; or

- e. Becomes aware, or reasonably should have become aware, of a condition from which "bodily injury", "personal and advertising injury" or "property damage" is substantially certain to occur.

6. The amount we will pay for damages is limited as described in **SECTION III - LIMITS OF INSURANCE.**

No other obligation or liability to pay sums or perform acts or services is covered, unless expressly provided for under **SECTION I - COVERAGE, C. Defense and Supplementary Payments.**

B. Exclusions

This insurance does not apply to:

1. Asbestos

Any liability arising out of, attributable to or any way related to asbestos in any form or transmitted in any manner.

2. Breach of Contract, Failure to Perform, Wrong Description and Violation of Another's Rights

"Personal and advertising injury":

- a. Arising out of breach of contract, except an implied contract to use another's advertising idea in your "advertisement";
- b. Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";
- c. Arising out of the wrong description of the price of goods, products or services stated in your "advertisement"; or
- d. 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".

3. Contractual Liability

Any liability 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 "bodily injury", "personal and advertising injury" or "property damage":

- a. That the insured would have in the absence of the contract or agreement; or
- b. Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury", "personal and advertising injury" or "property damage" occurs subsequent to the execution of the contract or agreement.

4. 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:

- a. A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- b. 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.

5. Damage to Property

"Property damage" to property owned by any insured, 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.

6. Damage to Your Product

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

7. 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.

8. Distribution of Material in Violation of Statutes

Any liability arising directly or indirectly out of any action or omission that violates or is alleged to violate:

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

9. Electronic Chatrooms or Bulletin Boards

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

10. 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".

11. Employer's Liability Limitation

Any liability arising from any injury to:

- a. An "employee" of the insured sustained in the "workplace";
- b. An "employee" of the insured arising out of the performance of duties related to the conduct of the insured's business; or
- c. The spouse, child, parent, brother or sister of that "employee" as a consequence of **a.** or **b.** above.

This exclusion applies:

- a. Whether the insured may be liable as an employer or in any other capacity; and
- b. To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply when such insurance is provided by valid and collectible "underlying insurance" listed in the Schedule of Underlying Insurance, or would have been provided by such listed "underlying insurance" except for the exhaustion by payment of claims of its limits of insurance, and then only for such hazards for which coverage is provided by such "underlying insurance", unless otherwise excluded by this Coverage Part.

12. Employment-Related Practices

Any liability arising from any injury to:

- a. A person arising out of any:
 - (1) Refusal to employ that person;
 - (2) Termination of that person's employment; or
 - (3) Other employment-related practices, policies, acts or omissions including but not limited to coercion, criticism, demotion, evaluation, failure to promote, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- b. The spouse, child, parent, brother or sister of that person as a consequence of any injury to that person at whom any of the employment-related practices described in Paragraphs (1), (2), or (3) above is directed.

This exclusion applies:

- a. Whether the insured may be liable as an employer or in any other capacity; and
- b. To any obligation to share damages with or repay someone else who must pay damages because of the injury.

13. Expected or Intended Injury

"Bodily injury" or "property damage" which may reasonably be expected to result from the intentional or criminal acts of the insured or which is in fact expected or intended by the insured, even if the injury or damage is of a different degree or type than actually intended or expected.

However, this exclusion does not apply to:

- a. "Bodily injury" resulting from the use of reasonable force to protect persons or property; or
- b. "Bodily injury" or "property damage" resulting from the use of reasonable force to prevent or eliminate danger in the operation of "autos" or watercraft.

14. Falsity, Prior Publication, Criminal Act and Media and Internet Type Businesses

"Personal and advertising injury":

- a. Arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity;
- b. Arising out of oral or written publication of material whose first publication took place before the later of the following:
 - (1) The inception of this Coverage Part; or
 - (2) The "coverage term" in which insurance coverage is sought;
- c. Arising out of a criminal act committed by or at the direction of the insured; or
- d. Committed by an insured whose business is:
 - (1) Advertising, broadcasting, publishing or telecasting;
 - (2) Designing or determining content of web-sites for others; or
 - (3) An Internet search, access, content or service provider.

However, Paragraph **d.** does not apply to Paragraphs **17.a., b., c., d.** and **i.** of "personal and advertising injury" under **SECTION V - DEFINITIONS.**

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

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

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.

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

16. Pollutant - Auto

- a. "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release, emission or escape of "pollutants":
 - (1) That are, or that are contained in any property that is:

- (a) Being transported or towed by, handled, or handled for movement into, onto or from, an "auto" that an insured owns, hires, borrows, rents, leases, or that is operated on their behalf in any other fashion;
 - (b) Otherwise in the course of transit by or on behalf of the insured; or
 - (c) Being stored, disposed of, treated or processed in or upon an "auto" that an insured owns, hires, borrows, rents, leases, or that is operated on their behalf in any other fashion;
- (2) Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the insured for movement into or onto an "auto" that an insured owns, hires, borrows, rents, leases, or that is operated on their behalf in any other fashion; or
 - (3) After the "pollutants" or any property in which the "pollutants" are contained are moved from an "auto" that an insured owns, hires, borrows, rents, leases, or that is operated on their behalf in any other fashion to the place where they are finally delivered, disposed of or abandoned by the insured.

Paragraph (1) above does not apply to "bodily injury" or "property damage" arising from fuels, lubricants, or other operating fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of an "auto" that an insured owns, hires, borrows, rents, leases, or that is operated on their behalf in any other fashion or its parts, if:

- (a) The "pollutants" escape, seep, migrate, or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and

- (b) The "bodily injury" or "property damage" does not arise out of the operation of any equipment listed in Paragraphs **f.(2)** and **(3)** of the definition of "mobile equipment".

However, this exception to Paragraph **(1)** does not apply if the fuels, lubricants, or other operating fluids, exhaust gases or other similar "pollutants" are intentionally discharged, dispersed, emitted or released.

Paragraphs **(2)** and **(3)** above do not apply to an "occurrence" that occurs away from premises owned by or rented to an insured with respect to "pollutants" not in or upon an "auto" that an insured owns, hires, borrows, rents, leases, or that is operated on their behalf in any other fashion if:

- (a) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of an "auto" that an insured owns, hires, borrows, rents, leases, or that is operated on their behalf in any other fashion; and
 - (b) The discharge, dispersal, seepage, migration, release, emission or escape of the "pollutants" is caused directly by such upset, overturn or damage.
- b. Any liability caused by "pollutants" and arising from the operation, maintenance, use, "loading or unloading" of an "auto", for which insurance coverage is excluded by "underlying insurance".

17. Pollutant - Other Than Auto

- a. "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release, emission or escape of "pollutants":
 - (1) 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, Paragraph **a.(1)** of this exclusion does not apply to the following if such liability is covered by "underlying insurance" listed in the Schedule of Underlying Insurance, but only to the extent insurance is provided at the

"underlying limit" specified in the Schedule of Underlying Insurance for the "underlying insurance" listed and subject to all its terms, limitations and conditions:

- (a) "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;
 - (b) "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 "underlying insurance" as an additional insured with respect to your ongoing operations or "your work" 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
 - (c) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
- (2) 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;
- (3) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any insured or any person or organization for whom you may be legally responsible;
- (4) 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, Paragraph **a.(4)** of this exclusion does not apply to the following if such liability is covered by "underlying insurance" listed in the Schedule of Underlying Insurance, but only to the extent insurance is provided at the "underlying limit" specified in the Schedule of Underlying Insurance for the "underlying insurance" listed and subject to all its terms, limitations and conditions:

- (a) "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;
- (b) "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
- (c) "Bodily injury" or "property damage" arising out of heat,

smoke or fumes from a "hostile fire"; or

- (5) 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".

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

- c. Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

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

However, this Paragraph **c.** 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.

- d. Any liability caused by "pollutants", for which insurance coverage is excluded by "underlying insurance".

18. Recall of Products, Work or Impaired Property

Any liability or 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:

- a. "Your product";

- b. "Your work"; or
- c. "Impaired Property";

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

19. Unauthorized Use of Another's Name or Product

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

20. Uninsured / Underinsured Motorist

Any liability or obligation to any insured or anyone else under any uninsured motorist, underinsured motorist, automobile no-fault or first party personal injury law.

21. War

Any liability, however caused, arising directly or indirectly, out of:

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

22. Workers' Compensation

Any liability or obligation of the insured under any workers' compensation, unemployment compensation, disability benefits or similar law. However, this exclusion does not apply to liability of others assumed by you under an "insured contract" in existence at the time of "occurrence".

C. Defense and Supplementary Payments

1. We will have the right and duty to defend the insured against any "suit" seeking damages because of "bodily injury", "personal and advertising injury" or "property damage" to which this insurance applies. We will have no duty to defend the insured against any "suit" seeking damages for "bodily injury", "personal and advertising injury" or "property damage" to which this insurance does not apply.

ing injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result when:

- a. The applicable limits of the "underlying insurance" and any other insurance have been exhausted by payment of claims; or
 - b. Damages are sought for "bodily injury", "personal and advertising injury" or "property damage" which are not covered by "underlying insurance" or other insurance.
2. Our right and duty to defend ends when the applicable Limits of Insurance, as stated in the Declarations, has been exhausted by payment of claims.
 3. We have no duty to investigate, settle or defend any claim or "suit" other than those circumstances described in Paragraph **C.1**. However, we do have the right to participate in the investigation, settlement or defense of any claim or "suit" to which this insurance applies. If we exercise this right, we will do so at our expense.
 4. If there is no underlying insurer or other insurance obligated to do so, we will pay the following when we provide a defense:
 - a. All expenses we incur.
 - b. The cost of bail bonds up to \$3,000. We do not have to furnish these bonds.
 - c. The cost of bonds to appeal a judgment or award in any claim or "suit" we defend and the cost of bonds to release attachments, but only for bond amounts within the applicable Limits of Insurance. We do not have to furnish these bonds.
 - d. Reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including the actual loss of earnings.
 - e. All costs taxed against the insured in the "suit".
 5. If there is no underlying insurer obligated to do so, we will pay the following for an "occurrence" to which this insurance applies, even if we have no duty to provide a defense:
 - a. Prejudgment interest awarded against the insured on that part of the

judgment we become obligated to pay and which falls within the applicable Limit of Insurance. If we make an offer to pay the applicable Limits of Insurance, we will not pay any pre-judgment interest based on the period of time after the offer.

- b. All interest awarded against the insured on the full amount of any judgment that accrues:
 - (1) After entry of the judgment; and
 - (2) Before we have paid, offered to pay or deposited in court the part of the judgment that is within the applicable Limit of Insurance.
- 6. The payments described in Paragraphs 4, and 5. above will not reduce the Limits of Insurance provided by this Coverage Part when defense or supplementary payments provided by the "underlying insurance" do not reduce their Limits of Insurance. However, when defense or supplementary payments provided by the "underlying insurance" reduce their Limits of Insurance then such expense payments paid by us will reduce the Limits of Insurance provided by this Coverage Part.
- 7. If we are prevented by law or otherwise from carrying out any of the provisions of **SECTION I - COVERAGE, C. Defense and Supplementary Payments**, we will pay any expense incurred with our written consent.

SECTION II - WHO IS AN INSURED

- 1. Except for liability arising out of the ownership, maintenance, occupancy or use of an "auto":
 - a. If you are designated in the Declarations as:
 - (1) 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.
 - (2) A partnership or joint venture, you are an insured. Your members, partners and their spouses are also insureds, but only with respect to the conduct of your business.
 - (3) 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.

- (4) 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. Each of the following is also a Named Insured:
 - (a) Any "subsidiary" company of such organization, including any "subsidiary" of such "subsidiary":
 - 1) Existing at the inception of this Coverage Part; or
 - 2) Formed or acquired on or after the inception of this Coverage Part.
 - (b) Any other company controlled and actively managed by such organization or any "subsidiary" thereof:
 - 1) At the inception of this Coverage Part; or
 - 2) If the control and active management thereof is acquired on or after the inception of this Coverage Part.
- (5) A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

- b. Each of the following is also an insured:
 - (1) Any "employee" of yours while acting within the scope of their duties as such.
 - (2) Any person or organization while acting as your real estate manager.
 - (3) Any person or organization having proper temporary custody of your property if you die, but only:
 - (a) With respect to liability arising out of the maintenance or use of that property; and
 - (b) Until your legal representative has been appointed.
 - (4) Your legal representative if you die, but only with respect to duties as such.

- 2. Only with respect to liability arising out of the ownership, maintenance, occupancy or use of an "auto":

- a. You are an insured.
 - b. Anyone else while using with your permission an "auto" you own, hire or borrow is also an insured except:
 - (1) The owner or any other person or organization (except your "executive officers" or principals) from whom you hire or borrow an "auto", unless such persons or organizations are insureds in your "underlying insurance" listed in the Schedule of Underlying Insurance, and then only for such hazards for which coverage is provided by such "underlying insurance". This exception does not apply if the "auto" is a trailer or semi-trailer connected to an "auto" you own.
 - (2) Your "employee", if the "auto" is owned by that "employee" or a member of his or her household, unless:
 - (a) Such "employee" is an insured with respect to that "auto" in the "underlying insurance" listed in the Schedule of Underlying Insurance, and then only for such hazards for which coverage is provided by such "underlying insurance"; or
 - (b) The "bodily injury" or "property damage" is sustained by a co-"employee" of such "employee".
 - (3) Someone using an "auto" while he or she is working in a business of selling, servicing, repairing, parking or storing "autos", unless that business is yours.
 - (4) Anyone other than your "employees", partners (if you are a partnership), members (if you are a limited liability company), or a lessee or borrower or any of their "employees", while moving property to or from an "auto".
 - c. Anyone liable for the conduct of an insured described in Paragraphs **2.a.** and **b.** above is also an insured, but only if they are provided insurance coverage for such liability by valid and collectible "underlying insurance" listed in the Schedule of Underlying Insurance and then only for such hazards for which coverage is provided by such "underlying insurance".
3. At your option and subject to the terms of this insurance, any additional insureds not addressed by Paragraphs **1.** and **2.** above covered in the "underlying insurance" listed in the Schedule of Underlying Insurance are also insureds, but only to the extent that insurance is

provided for such additional insureds thereunder.

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

SECTION III - LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".
2. The Aggregate Limit is the most we will pay for all damages:
 - a. Included in the "products-completed operations hazard";
 - b. Because of "bodily injury" by disease sustained by your "employees" arising out of and in the course of their employment by you; or
 - c. Because of "bodily injury", "personal and advertising injury" or "property damage" not included within **a.** or **b.** above. However, this Aggregate Limit will not apply to damages which are not subject to an Aggregate Limit in the "underlying insurance".

The Aggregate Limit applies separately to **a.**, **b.** and **c.** The Aggregate Limit described in **c.** will apply only to damages not subject to **a.** or **b.** above.
3. Subject to the Limit of Insurance described in **2.c.** above:
 - a. Only in the event that "underlying insurance" specifically listed in the Schedule of Underlying Insurance provides an annual Aggregate Limit of Insurance for damages that would not be subject to **2.a.** or **b.** above that is applicable separately to each:
 - (1) Location owned by, or rented or leased to you solely with respect to damages which are the result of a claim or "suit" for "bodily injury" or "property damage" which can be attributed to operations at only a single location, then the Aggregate Limit described in **2.c.** above applies separately to each location owned by, or rented or leased to you.

- (2) Of your construction projects solely with respect to damages which are the result of a claim or "suit" for "bodily injury" or "property damage" which can be attributed only to ongoing operations and only at a single construction project, then the Aggregate Limit described in 2.c. above applies separately to each of your construction projects.
- b. Only with respect to the application of Limits of Insurance described in 3.a. above, the following terms location and construction project will have the following meanings:
- (1) Location means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.
- (2) Construction project means a location you do not own, rent or lease where ongoing improvements, alterations, installation, demolition or maintenance work is performed by you or on your behalf. All connected ongoing improvements, alterations, installation, demolition or maintenance work performed by you or on your behalf at the same location for the same persons or entities, no matter how often or under how many different contracts, will be deemed to be a single construction project.
4. Subject to the limits described in 2. and 3. above, the Each Occurrence Limit is the most we will pay for the "ultimate net loss":
- a. In excess of the applicable limits of "underlying insurance"; or
- b. If an "occurrence" is not covered by "underlying insurance", but covered by the terms and conditions of this Coverage Part,

Because of all "bodily injury", "personal and advertising injury" and "property damage" arising out of any one "occurrence".

We will not pay more than the Limit of Insurance shown in this Coverage Part's Declarations for each "occurrence" because any Personal Umbrella Liability Policy(ies) is / are attached to this policy.

5. Subject to the limits described in 2., 3. and 4. above and to the terms and conditions of the "underlying insurance":
- a. If the limits of "underlying insurance" have been reduced by payment of claims, this

Coverage Part will continue in force as excess of the reduced "underlying insurance"; or

- b. If the limits of "underlying insurance" have been exhausted by payment of claims, this Coverage Part will continue in force as "underlying insurance".

6. The Limits of Insurance of this Coverage Part apply separately to each "coverage term".

SECTION IV - CONDITIONS

1. Appeals

If the insured or any insurer who provides the applicable "underlying insurance" elects not to appeal a judgment which exceeds the "underlying limit", we may elect to do so at our own expense. We shall be liable for the taxable costs and disbursements and interest incidental thereto, but in no event shall this provision increase our liability beyond:

- a. Our applicable Limits of Insurance for all "ultimate net loss";
- b. Our applicable Defense and Supplementary Payments as described in **SECTION I - COVERAGE, C. Defense and Supplementary Payments**; and
- c. The expense of such appeal.

2. Audit

If this Coverage Part is subject to Audit, as indicated in the Declarations, then the following Condition applies:

- a. The premium shown in the Premium Computation Endorsement as Advance Premium is a deposit premium. At the close of each audit period, we will compute the earned premium for that period. If:

- (1) The earned premium is less than the deposit premium, we will return the excess to the first Named Insured; or
- (2) The earned premium is greater than the deposit premium, the difference will be due and payable to us by the first Named Insured upon notice from us. The due date for audit and retrospective premiums is the date shown as the due date on the bill.

However, in no event will the earned premium be less than the Minimum Premium stated in the Premium Computation Endorsement.

- b. The first Named Insured must keep records of the information we need for pre-

mium computation, and send us copies at such times as we may request.

3. Bankruptcy

Bankruptcy or insolvency of the insured or the insured's estate shall not relieve us of any obligations under this Coverage Part.

4. Duties in the Event of Occurrence, Claim or Suit

a. You must see to it that we are notified as soon as practicable of an "occurrence" which may result in a claim or "suit". To the extent possible, notice should include:

- (1) How, when and where the "occurrence" 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".

This requirement applies only when the "occurrence" is known to an "authorized representative".

b. If a claim is made or "suit" is brought against any insured that is likely to involve this Coverage Part, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

This requirement will not be considered breached unless the breach occurs after such claim or "suit" is known to an "authorized representative".

c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

d. No insured will, except at that insured's own cost, voluntarily make a payment,

assume any obligation, or incur any expense, other than for first aid, without our consent.

5. First Named Insured

The person or organization first named in the Declarations will act on behalf of all other insureds where indicated in this Coverage Part.

6. Legal Action Against Us and Loss Payments

a. No legal action may be brought against us unless there has been full compliance with all the terms of this Coverage Part nor until the amount of the insured's obligation to pay has been finally determined as provided below. No person or organization has any right under this Coverage Part to bring us into any action to determine the liability of the insured.

b. We shall be liable for payment of the "ultimate net loss" for any "occurrence" to which this Coverage Part applies:

- (1) For "occurrences" not covered by "underlying insurance"; or
- (2) In excess of the "underlying limit" applicable to the "occurrence" only after the insurers who provide the applicable "underlying insurance" have paid or become obligated to pay the amount of the "underlying limit" applicable to the "occurrence".

Our payment will be made following final determination of the amount of the insured's obligation to pay either by final judgment against the insured or by written agreement with the insured, the claimant, the underlying insurers and us.

7. Liberalization

If, within 60 days prior to the beginning of this Coverage Part or during the policy period, we make any changes to any forms or endorsements of this Coverage Part for which there is currently no separate premium charge, and that change provides more coverage than this Coverage Part, the change will automatically apply to this Coverage Part at the latter of:

- a. The date we implemented the change in your state; or
- b. The date this Coverage Part became effective; and

Will be considered as included until the end of the current policy period. We will make no additional premium charge for this additional coverage during the interim.

8. Maintenance of Underlying Insurance

- a. While this Coverage Part is in effect, the insured shall maintain in force the "underlying insurance" listed in the Schedule of Underlying Insurance as collectible insurance. The terms, conditions and endorsements of "underlying insurance" will not materially change and renewals or replacements of "underlying insurance" will not be more restrictive in coverage.
- b. Limits of "underlying insurance" will not be reduced, except for any reduction or exhaustion in the aggregate limits of insurance due to payment of claims which are in accordance with **SECTION I - COVERAGE, A. Insuring Agreement**, Paragraph 2. of this Coverage Part.
- c. In the event you fail or neglect to maintain "underlying insurance" as required, this Coverage Part will apply as though such "underlying insurance" was in force and collectible at the time a claim is presented to us which is in accordance with **SECTION I - COVERAGE, A. Insuring Agreement**, Paragraph 2. of this Coverage Part.
- d. The limits of "underlying insurance" shall be deemed applicable, regardless of any defense which the insurer who provides the "underlying insurance" may assert because of the insured's failure to comply with any Condition of the policy or the inability of the insurer to pay by reason of bankruptcy or insolvency.

9. Other Insurance

This insurance is excess over, and shall not contribute with any other insurance, whether primary, excess, contingent or on any other basis. This condition will not apply to insurance specifically written as excess over this Coverage Part.

10. Premium

The premium for this Coverage Part shall be as stated in the Declarations. The advance and anniversary premiums are not subject to adjustment, except as stated in the Declarations, or as stated in an endorsement issued by us to form a part of this Coverage Part.

You shall maintain records of such information as is necessary for premium computation, and shall, if requested by us, send copies of such records to us at the end of the "coverage term" and at such times during the policy period as we may direct.

11. Representations

- a. By acceptance of this Coverage Part, you agree that the statements in the Declarations are your agreements and representations, that this Coverage Part is issued in reliance upon the truth of such representations and that this Coverage Part embodies all agreements existing between you and us or any of our agents relating to this insurance.

- b. However, to the extent that the following applies in the "underlying insurance" listed specifically in the Schedule of Underlying Insurance, it will also apply to this Coverage Part:

Based on our reliance upon your representations as to existing hazards, if unintentionally you should fail to disclose all such hazards at the inception date of this Coverage Part, we will not reject coverage under this Coverage Part based solely on such failure.

12. Separation of Insureds

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

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

13. Transfer of Rights of Recovery Against Others to Us

- a. If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.
- b. Any recoveries shall be applied as follows:
 - (1) First, we will reimburse anyone, including the insured, the amounts actually paid by them that were in excess of our payments;
 - (2) Next, we will be reimbursed to the extent of our actual payment; and
 - (3) Lastly, any amounts left after meeting the obligations outlined in (1) and (2) above will be distributed to anyone else known to us at the time a recovery is made and who is legally entitled to such recovery.

Expenses incurred in the recovery shall be apportioned among all interests in the ratio of their respective recoveries as finally settled. If there is no recovery as a result of our attempts, we shall bear all of the recovery expenses.

- c. If prior to an "occurrence" to which this Coverage Part would apply, you and the issuer of your applicable "underlying insurance" listed specifically in the Schedule of Underlying Insurance waive any right of recovery against a person or organization for injury or damage, we will also waive any rights we may have against such person or organization.

14. When We Do Not Renew

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

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

SECTION V - DEFINITIONS

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. "Advertisement" includes a publicity article. 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. "Authorized representative" means:
 - a. If you are:
 - (1) An individual, you and your spouse are "authorized representatives".
 - (2) A partnership or joint venture, your members, your partners, and their spouses are "authorized representatives".
 - (3) A limited liability company, your members and your managers are "authorized representatives".
 - (4) An organization other than a partnership, joint venture or limited liability company, your "executive officers" and directors are "authorized representatives". Provided you are not a publicly traded organization, your stockholders are also "authorized representatives".
 - (5) A trust, your trustees are "authorized representatives".
 - b. Your "employees" assigned to manage your insurance program, or assigned to give or receive notice of an "occurrence", claim or "suit" are also "authorized representatives".
3. "Auto" means:
 - a. Any land motor vehicle, trailer or semi-trailer designed for travel on public roads; or
 - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged."Auto" does not include "mobile equipment".
4. "Bodily injury" means bodily harm or injury, sickness, disease, disability, humiliation, shock, fright, mental anguish or mental injury, including care, loss of services or death resulting from any of these at any time.
5. "Coverage term" means the following individual increment, or if a multi-year policy period, increments, of time, which comprise the policy period of this Coverage Part:
 - a. The year commencing on the Effective Date of this Coverage Part at 12:01 AM standard time at your mailing address shown in the Declarations, and if a multi-year policy period, each consecutive annual period thereafter, or portion thereof if any period is for a period of less than 12 months, constitute individual "coverage terms". The last "coverage term" ends at 12:00 AM standard time at your mailing address shown in the Declarations on the earlier of:
 - (1) The day the policy period shown in the Declarations ends; or
 - (2) The day the policy to which this Coverage Part is attached is terminated or cancelled.
 - b. However, if after the issuance of this Coverage Part, any "coverage term" is extended for an additional period of less than 12 months, that additional period of time will be deemed to be part of the last preceding "coverage term".
6. "Coverage territory" means anywhere.

7. "Electronic data" means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
8. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
9. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any similar governing document.
10. "Hostile fire" means one that becomes uncontrollable or breaks out from where it was intended to be.
11. "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:
 - a. The repair, replacement, adjustment or removal of "your product" or "your work"; or
 - b. Your fulfilling the terms of the contract or agreement.
12. "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 "property damage" by fire or explosion 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, other

than a contract or agreement pertaining to the rental or lease of any "auto", (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", "property damage" or "personal and advertising injury" 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; or

- g. That part of any contract or agreement entered into, as part of your business, pertaining to the rental or lease, by you or any of your "employees", of any "auto". However, such contract or agreement shall not be considered an "insured contract" to the extent that it obligates you or any of your "employees" to pay for "property damage" to any "auto" rented or leased by you or any of your "employees".

Paragraphs **f.** and **g.** do not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury", "property damage" or "personal and advertising injury" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing. However, if such liability is insured by valid and collectible "underlying insurance" as listed in the Schedule of Underlying Insurance, this Paragraph (1) shall not apply for such hazards for which insurance coverage is afforded by such "underlying insurance";
- (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;
- (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for 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, architectural or engineering activities;

- (4) That indemnifies an advertising, public relations or media consulting firm for "personal and advertising injury" arising out of the planning, execution or failure to execute marketing communications programs. Marketing communications programs include but are not limited to comprehensive marketing campaigns; consumer, trade and corporate advertising for all media; media planning, buying, monitoring and analysis; direct mail; promotion; sales materials; design; presentations; point-of-sale materials; market research; public relations and new product development;
- (5) Under which the insured, if an advertising, public relations or media consulting firm, assumes liability for "personal and advertising injury" arising out of the insured's rendering or failure to render professional services, including those services listed in Paragraph (4), above;
- (6) That indemnifies a web-site designer or content provider, or Internet search, access, content or service provider for injury or damage arising out of the planning, execution or failure to execute Internet services. Internet Services include but are not limited to design, production, distribution, maintenance and administration of web-sites and web-banners; hosting web-sites; registering domain names; registering with search engines; marketing analysis; and providing access to the Internet or other similar networks;
- (7) Under which the insured, if a web-site designer or content provider, or Internet search, access, content or service provider, assumes liability for injury or damage arising out of the insured's rendering or failure to render Internet services, including those listed in Paragraph (6), above;
- (8) That pertains to the loan, lease or rental of an "auto" to you or any of your "employees", if the "auto" is loaned, leased or rented with a driver; or
- (9) That holds a person or organization engaged in the business of transporting property by "auto" for hire harm-

less for your use of an "auto" over a route or territory that person or organization is authorized to serve by public authority.

13. "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" includes supervisors furnished to you by the labor leasing firm. "Leased worker" does not include a "temporary worker".
14. "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".
15. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
 - a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
 - b. Vehicles maintained for use solely on or next to premises you own or rent;
 - c. Vehicles that travel on crawler treads;
 - d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
 - e. Vehicles not described in 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 a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

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

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

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

16. "Occurrence" means:

- a. An accident, including continuous or repeated exposure to substantially the same general harmful conditions, that results in "bodily injury" or "property damage"; or
- b. An offense that results in "personal and advertising injury".

All damages arising from the same accident, continuous or repeated exposure to substantially the same general harmful conditions, act or offense shall be deemed to arise from one "occurrence" regardless of:

- (1) The frequency of repetition;
- (2) The number or kind of media used; or
- (3) The number of claimants.

17. "Personal and advertising injury" means injury, including "bodily injury", arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. Abuse of process;
- d. 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;
- e. Defamation of character, including 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;
- f. Oral or written publication, in any manner, of material that violates a person's right of privacy;
- g. The use of another's advertising idea in your "advertisement";
- h. Infringing upon another's copyright, trade dress or slogan in your "advertisement"; or
- i. Discrimination, unless insurance coverage therefor is prohibited by law or statute.

18. "Pollutants" mean any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, petroleum, petroleum products and petroleum by-products, and waste. Waste includes materials to be recycled, reconditioned or reclaimed. "Pollutants" include, but are not limited to, substances which are generally recognized in industry or government to be harmful or toxic to persons, property or the environment regardless of whether the injury or damage is caused directly or indirectly by the "pollutants" and whether:

- a. The insured is regularly or otherwise engaged in activities which taint or degrade the environment; or
- b. The insured uses, generates or produces the "pollutant".

19. "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 site has been completed, if your contract calls for work at more than one site.
- (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

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

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

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured; or
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials.

20. "Property damage" means:

- a. Physical injury to or destruction of tangible property including all resulting loss of use. All such loss of use shall be deemed to occur at the time of the physical injury or destruction 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.

21. "Subsidiary" means any organization in which more than 50% of the outstanding securities or voting rights representing the present right to vote for election of directors is owned or controlled, directly or indirectly, in any combination, by one or more of the Named Insureds.

22. "Suit" means a civil proceeding in which money damages because of "bodily injury", "personal and advertising injury" or "property dam-

age" to which this insurance applies are alleged. "Suit" includes:

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

23. "Temporary worker" means a person who is furnished to you to:

- a. Substitute for a permanent "employee" on leave; or
- b. Meet seasonal or short-term workload conditions.

24. "Ultimate net loss" means the sum actually paid or payable in the settlement or satisfaction of the insured's legal obligation for damages, covered by this insurance, either by adjudication or compromise. "Ultimate net loss" does not include Defense and Supplementary Payments as described in **SECTION I - COVERAGE, C. Defense and Supplementary Payments** of this Coverage Part.

25. "Underlying insurance" means the insurance listed in the Schedule of Underlying Insurance and the insurance available to the insured under all other insurance policies applicable to the "occurrence". "Underlying insurance" also includes any type of self-insurance or alternative method by which the insured arranges for funding of legal liabilities that affords coverage that this Coverage Part covers.

26. "Underlying limit" means the total of the applicable limits of all "underlying insurance" less the amount, if any, by which the applicable limit of the applicable policy listed in the Schedule of Underlying Insurance has been reduced solely by payment of loss resulting from claims which are in accordance with **SECTION I - COVERAGE, A. Insuring Agreement**, Paragraph 2. of this Coverage Part.

27. "Workplace" means that place and during such hours to which the "employee" sustaining injury was assigned by you, or any other person or entity acting on your behalf, to work on the date of "occurrence".

28. "Your product":

a. Means:

- (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

- (a) You;
 - (b) Others trading under your name; or
 - (c) A person or organization whose business or assets you have acquired; and
- (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
- b. Includes:
 - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of your product; and
 - (2) The providing of or failure to provide warnings or instructions.

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

29. "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.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE PART

A. SECTION I - COVERAGE, B. Exclusions is modified to add the following:

This insurance does not apply to:

1. Any liability:
 - a. With respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
 - b. Resulting from the "hazardous properties" of "nuclear material" and with respect to which (1) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (2) 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.
2. Any liability resulting from the "hazardous properties" of "nuclear material", if
 - a. The "nuclear material" (1) is at any "nuclear facility" owned by, or operated by or on behalf of, an insured or (2) has been discharged or dispersed therefrom,
 - b. 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
 - c. The injury or 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 territo-

ries or possessions or Canada, this Exclusion c. applies only to "property damage" to such "nuclear facility" and any property thereat.

B. SECTION V - DEFINITIONS is hereby modified to add the following definitions:

1. "Hazardous properties" include radioactive, toxic or explosive properties;
2. "Nuclear material" means "source material", "special nuclear material" or "by-product material";
3. "Source material", "special nuclear material" and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;
4. "Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor";
5. "Waste" means any waste material (a) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".
6. "Nuclear facility" means:
 - a. Any "nuclear reactor";
 - b. Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel", (3) or handling, processing or packaging "waste";
 - c. Any equipment or device used for the processing, fabricating or alloying of "special nuclear materials", 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 combina-

tion 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;

- 7. "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;
- 8. "Property damage" includes all forms of radioactive contamination of property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AUTO LIABILITY LIMITATION

This endorsement modifies insurance provided under the following:

**COMMERCIAL UMBRELLA LIABILITY COVERAGE PART
PROFESSIONAL UMBRELLA LIABILITY COVERAGE PART
PROFESSIONAL UMBRELLA LIABILITY COVERAGE PART - CLAIMS-MADE**

SECTION I - COVERAGE, B. Exclusions (and in the Professional Umbrella Liability Coverage Part and the Professional Umbrella Liability Coverage Part - Claims-Made only: Subparagraph **1.**) is modified to add the following:

This insurance does not apply to:

Any liability arising out of the ownership, maintenance, occupancy, operation, use, "loading or unloading" of any "auto", unless such liability is covered by valid and collectible "underlying insurance" as listed in the Schedule of Underlying Insurance and then only for such hazards for which coverage is afforded by such "underlying insurance".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - EMPLOYER'S LIABILITY

This endorsement modifies insurance provided under the following:

**COMMERCIAL UMBRELLA LIABILITY COVERAGE PART
PROFESSIONAL UMBRELLA LIABILITY COVERAGE PART
PROFESSIONAL UMBRELLA LIABILITY COVERAGE PART - CLAIMS-MADE**

SECTION I - COVERAGE, B. Exclusions (and in the Professional Umbrella Liability Coverage Part and the Professional Umbrella Liability Coverage Part - Claims-Made only: Subparagraph 1.) is modified as follows:

Exclusion **11. Employer's Liability Limitation** (Exclusion **1.k.** in the Professional Umbrella Liability Coverage Part and the Professional Liability Coverage Part - Claims-Made) is deleted and replaced by the following:

This insurance does not apply to:

Any liability arising from any injury to:

- a.** An "employee" of the insured sustained in the "workplace";
- b.** An "employee" of the insured arising out of the performance of duties related to the conduct of the insured's business; or
- c.** The spouse, child, parent, brother or sister of that "employee" as a consequence of **a.** or **b.** above.

This exclusion applies:

- a.** Whether the insured may be liable as an employer or in any other capacity; and
- b.** To any obligation to share damages with or repay someone else who must pay damages because of the injury.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TOTAL POLLUTANT LIMITATION - OTHER THAN AUTO

This endorsement modifies insurance provided under the following:

**COMMERCIAL UMBRELLA LIABILITY COVERAGE PART
PROFESSIONAL UMBRELLA LIABILITY COVERAGE PART
PROFESSIONAL UMBRELLA LIABILITY COVERAGE PART - CLAIMS-MADE**

SECTION I - COVERAGE, B. Exclusions (and in the Professional Umbrella Liability Coverage Part and the Professional Umbrella Liability Coverage Part - Claims-Made only: Subparagraph 1.) is modified as follows:

Exclusion **17. Pollutant - Other Than Auto** (Exclusion **1.q.** in the Professional Umbrella Liability Coverage Part and the Professional Umbrella Liability Coverage Part - Claims-Made) is hereby deleted and replaced by the following:

Pollutant - Other Than Auto

This insurance does not apply to:

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

However, this exclusion does not apply if any such liability is covered by valid and collectible underlying insurance as described in the schedule of underlying policies, and then only for such hazards for which coverage is afforded under said underlying insurance.

All other terms and conditions of this policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMUNICABLE DISEASE EXCLUSION

This endorsement modifies insurance provided under the following:

**COMMERCIAL UMBRELLA LIABILITY COVERAGE PART
PROFESSIONAL UMBRELLA LIABILITY COVERAGE PART
PROFESSIONAL UMBRELLA LIABILITY COVERAGE PART - CLAIMS-MADE**

SECTION I - COVERAGE, B. Exclusions (and in the Professional Umbrella Liability Coverage Part and the Professional Umbrella Liability Coverage Part - Claims-Made only: Subparagraph 1.) is modified to add the following:

This insurance does not apply to:

Any liability, claim, or suit, arising out of the actual or alleged transmission of a communicable disease.

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION - 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:

**COMMERCIAL UMBRELLA LIABILITY COVERAGE PART
PROFESSIONAL UMBRELLA LIABILITY COVERAGE PART
PROFESSIONAL UMBRELLA LIABILITY COVERAGE PART - CLAIMS-MADE**

SECTION I - COVERAGE, B. Exclusions (and in the Professional Umbrella Liability Coverage Part and the Professional Umbrella Liability Coverage Part - Claims-Made only: Subparagraph 1.) is modified to delete Exclusion **10. Electronic Data** in its entirety and replace it with the following:

This insurance does not apply to:

10. Access or Disclosure of Confidential or Personal Information and Data-Related Liability

Any liability arising out of:

- a.** 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
- b.** 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 **a.** or **b.** above.

However, this exclusion does not apply:

- (1)** To damages because of "bodily injury", unless Paragraph **a.** above applies; and
- (2)** When such insurance is provided by valid and collectible "underlying insurance" listed in the Schedule of Underlying Insurance, or would have been provided by such listed "underlying insurance" except for the exhaustion by payment of claims of its limits of insurance, and then only for such hazards for which coverage is provided by such "underlying insurance", unless otherwise excluded by this Coverage Part.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CARE, CUSTODY, OR CONTROL EXCLUSION

This endorsement modifies insurance provided under the following:

**COMMERCIAL UMBRELLA LIABILITY COVERAGE PART
PROFESSIONAL UMBRELLA LIABILITY COVERAGE PART
PROFESSIONAL UMBRELLA LIABILITY COVERAGE PART - CLAIMS-MADE**

SECTION I - COVERAGE, B. Exclusions (and in the Professional Umbrella Liability Coverage Part and the Professional Umbrella Liability Coverage Part - Claims-Made only: Subparagraph **1.**) is modified to add the following:

This insurance does not apply to:

"Property damage" to property not owned by an insured and in the care, custody or control of an insured, 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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LEAD LIABILITY EXCLUSION

This endorsement modifies insurance provided under the following:

**COMMERCIAL UMBRELLA LIABILITY COVERAGE PART
PROFESSIONAL UMBRELLA LIABILITY COVERAGE PART
PROFESSIONAL UMBRELLA LIABILITY COVERAGE PART - CLAIMS-MADE**

SECTION I - COVERAGE, B. Exclusions (and in the Professional Umbrella Liability Coverage Part and the Professional Umbrella Liability Coverage Part - Claims-Made only: Subparagraph 1.) is modified to add the following:

This insurance does not apply to:

- a. Any liability arising out of, resulting from, or in any way caused by or contributing to the actual, alleged or threatened ingestion, inhalation, absorption of, exposure to or presence of lead in any form emanating from any source.
- b. Any loss, cost or expense arising out of, resulting from or in any way related to any:
 - (1) Claim, "suit", request, demand, directive, or order by or on behalf of any person, entity, or governmental authority that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, or in any way respond to, or assess the effects of lead in any form; or
 - (2) Claim or "suit" by or on behalf of any person, entity, or 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 lead in any form.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**MOBILE EQUIPMENT SUBJECT TO MOTOR VEHICLE
INSURANCE LAWS - LIMITATION**

This endorsement modifies insurance provided under the following:

**COMMERCIAL UMBRELLA LIABILITY COVERAGE PART
PROFESSIONAL UMBRELLA LIABILITY COVERAGE PART
PROFESSIONAL UMBRELLA LIABILITY COVERAGE PART - CLAIMS-MADE**

SECTION I - COVERAGE, B. Exclusions (and in the Professional Umbrella Liability Coverage Part and the Professional Umbrella Liability Coverage Part - Claims-Made only: Subparagraph **1.**) is modified to add the following:

This insurance does not apply to:

Any liability arising out of the ownership, maintenance, occupancy, operation, use, "loading or unloading" of any land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law, unless such liability is covered by valid and collectible "underlying insurance" as listed in the Schedule of Underlying Insurance, and then only for such hazards for which coverage is afforded by such "underlying insurance", unless otherwise excluded by this Coverage Part.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYEE BENEFIT LIABILITY

This endorsement modifies insurance provided under the following:

**COMMERCIAL UMBRELLA LIABILITY COVERAGE PART
PROFESSIONAL UMBRELLA LIABILITY COVERAGE PART
PROFESSIONAL UMBRELLA LIABILITY COVERAGE PART - CLAIMS-MADE**

This policy is modified to add the following:

I. SECTION I - COVERAGE, A. Insuring Agreement(s) is modified to add the following:

EMPLOYEE BENEFIT LIABILITY:

We will pay on behalf of the insured the "ultimate net loss" which the insured is legally obligated to pay as damages because of any negligent act, error or omission of the insured or any other person for whose acts the insured is legally liable arising out of the administration of the insured's employee benefit programs.

This insurance applies only to negligent acts, errors or omissions:

- a.** Whose damages are in excess of the "underlying insurance" provided by an Employee Benefit Liability policy listed in the Schedule of Underlying Insurance; and
- b.** Which occur during the policy period.

II. SECTION I - COVERAGE, B. Exclusions (and in the Professional Umbrella Liability Coverage Part and the Professional Umbrella Liability Coverage Part - Claims-Made only: Subparagraph 1.) is modified to add the following exclusion:

This insurance does not apply to:

Any liability arising out of employee benefit programs unless such liability is covered by valid and collectible "underlying insurance" as listed in the Schedule of Underlying Insurance, and then only for such hazards for which coverage is afforded by such "underlying insurance".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**OFFICE OF FOREIGN ASSETS CONTROL (OFAC)
COMPLIANCE ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**COMMERCIAL UMBRELLA LIABILITY COVERAGE PART
PROFESSIONAL UMBRELLA LIABILITY COVERAGE PART
PROFESSIONAL UMBRELLA LIABILITY COVERAGE PART - CLAIMS-MADE**

SECTION - IV CONDITIONS is amended to include the following:

Office of Foreign Assets Control (OFAC) Compliance

Whenever insurance coverage provided by this policy would be in violation of any United States economic or trade sanctions, such insurance coverage shall be null and void.

THE CINCINNATI INSURANCE COMPANY

A Stock Insurance Company

CINCINNATI DATA DEFENDER™ COVERAGE PART DECLARATIONS

THIS COVERAGE PART PROVIDES CLAIMS-MADE COVERAGE, WHICH APPLIES ONLY TO "CLAIMS" FIRST MADE DURING THE "POLICY PERIOD" OR ANY APPLICABLE EXTENDED REPORTING PERIOD. THE LIMIT OF INSURANCE TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED AND MAY BE EXHAUSTED BY "DEFENSE COSTS", AND "DEFENSE COSTS" WILL BE APPLIED AGAINST THE DEDUCTIBLE. IN NO EVENT WILL WE BE LIABLE FOR "DEFENSE COSTS" OR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT IN EXCESS OF THE LIMIT OF INSURANCE. READ THE ENTIRE POLICY CAREFULLY.

Attached to and forming part of POLICY NUMBER: **ETD 049 53 41** Effective Date **07-14-2021**

Named Insured is the same as it appears in the Common Policy Declarations unless another entry is made here.

Retroactive Date: 07-14-2018

Limits of Insurance and Deductible

Insuring Agreement	Annual Aggregate	Sublimit	Deductible
A Response Expenses	\$50,000	Forensic IT Review	\$25,000
		Legal Review	\$25,000
		PR Services	\$25,000
B Defense and Liability	\$50,000	Regulatory Fines and Penalties	\$25,000
		PCI Fines and Penalties	\$25,000
C Identity Recovery	\$25,000	Lost Wages and Child and Elder Care	\$5,000
		Mental Health Counseling	\$1,000
		Miscellaneous Unnamed Costs	\$1,000

TOTAL ANNUAL PREMIUM

\$87

Optional Supplemental Extended Reporting Period - Term:

Optional Supplemental Extended Reporting Period - Premium:

1 YEAR	65
2 YEAR	131
3 YEAR	174
4 YEAR	218
5 YEAR	239
6 YEAR	261

FORMS AND/OR ENDORSEMENTS APPLICABLE TO THIS COVERAGE PART:

HC102 01/20 CINCINNATI DATA DEFENDER™ COVERAGE FORM

CINCINNATI DATA DEFENDER™ COVERAGE FORM

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CINCINNATI DATA DEFENDER™ COVERAGE FORM

THIS COVERAGE PART PROVIDES CLAIMS-MADE COVERAGE, WHICH APPLIES ONLY TO "CLAIMS" FIRST MADE DURING THE "POLICY PERIOD" OR ANY APPLICABLE EXTENDED REPORTING PERIOD. THE LIMIT OF INSURANCE TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED AND MAY BE EXHAUSTED BY "DEFENSE COSTS", AND "DEFENSE COSTS" WILL BE APPLIED AGAINST THE DEDUCTIBLE. IN NO EVENT WILL WE BE LIABLE FOR "DEFENSE COSTS" OR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT IN EXCESS OF THE LIMIT OF INSURANCE. READ THE ENTIRE POLICY CAREFULLY.

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

Throughout this Coverage Part the words "you" and "your" refer to the "named insured" shown in the Declarations. The words "we", "us" and "our" refer to the company providing this insurance.

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

SECTION I - COVERAGES

A. Insuring Agreements

Coverage is provided under the following Insuring Agreements for which an Aggregate Limit of Insurance is shown in the Declarations:

1. Insuring Agreement A - Response Expenses

a. Coverage under Insuring Agreement A - Response Expenses applies only if all of the following conditions are met:

- (1) There has been a "personal data compromise"; and
- (2) Such "personal data compromise" is first discovered by you during the "coverage term"; and
- (3) Such "personal data compromise" took place in the "coverage territory"; and
- (4) Such "personal data compromise" is reported to us within 60 days after the date it is first discovered by you.

b. If the conditions listed in a. above have been met, then we will provide coverage for the following expenses when they arise directly from the "personal data compromise" described in a. above and are necessary and reasonable. Coverages (4) and (5) apply only if there has been a notification of the "personal data

compromise" to "affected individuals" as covered under coverage (3).

(1) Forensic IT Review

Professional information technologies review if needed to determine, within the constraints of what is possible and reasonable, the nature and extent of the "personal data compromise" and the number and identities of the "affected individuals".

This does not include costs to analyze, research or determine any of the following:

- (a) Vulnerabilities in systems, procedures or physical security;
- (b) Compliance with PCI or other industry security standards; or
- (c) The nature or extent of loss or damage to data that is not "personally identifying information" or "personally sensitive information".

If there is reasonable cause to suspect that a covered "personal data compromise" may have occurred, we will pay for costs covered under Forensic IT Review, even if it is eventually determined that there was no covered "personal data compromise". However, once it is determined that there was no covered "personal data compromise", we will not pay for any further costs.

(2) Legal Review

Professional legal counsel review of the "personal data compromise" and how you should best respond to it. If there is reasonable cause to suspect that a covered "personal data compromise" may have occurred, we will pay for costs covered under

Legal Review, even if it is eventually determined that there was no covered "personal data compromise". However, once it is determined that there was no covered "personal data compromise", we will not pay for any further costs.

(3) Notification to Affected Individuals

We will pay your necessary and reasonable costs to provide notification of the "personal data compromise" to "affected individuals".

(4) Services to Affected Individuals

We will pay your necessary and reasonable costs to provide the following services to "affected individuals":

(a) The following services apply to any "personal data compromise".

1) Informational Materials

A packet of loss prevention and customer support information.

2) Help Line

A toll-free telephone line for "affected individuals" with questions about the "personal data compromise". Where applicable, the line can also be used to request additional services as listed in **(b)1)** and **2)** below.

Note, calls by "affected individuals" or their representatives to the Help Line do not constitute the making of a "claim" under Insuring Agreement **B** - Defense and Liability.

(b) The following additional services apply to "personal data compromise" events involving "personally identifying information".

1) Credit Report and Monitoring

A credit report and an electronic service automatically monitoring for activities affecting an individual's credit records. This service is subject to the "affected individual" enrolling for this service with the designated service provider.

2) Identity Restoration Case Management

As respects any "affected individual" who is or appears to be a victim of "identity theft" that may reasonably have arisen from the "personal data compromise", the services of an identity restoration professional who will assist that "affected individual" through the process of correcting credit and other records and, within the constraints of what is possible and reasonable, restoring control over his or her personal identity.

(5) PR Services

We will pay the necessary and reasonable fees and expenses you incur, with our prior written consent, for a professional public relations firm review of and response to the potential impact of the "personal data compromise" on your business relationships. We will only pay for such fees and expenses when such a public relations firm review and response is reasonably necessary to avert or mitigate material damage to your business relationships from the "personal data compromise".

Such fees and expenses include costs to implement public relations recommendations of such public relations firm. However, when such recommendations include advertising and special promotions designed to retain your relationship with "affected individuals", we will not pay for promotions:

- (a) Provided to any of your "executives" or "employees"; or
- (b) Costing more than \$25 per "affected individual".

2. Insuring Agreement B - Defense and Liability

a. Coverage under Insuring Agreement B - Defense and Liability applies only if all of the following conditions are met:

(1) During the "coverage term" or any applicable Extended Reporting Period, you first receive notice of a "claim" or "regulatory proceeding" which arises from a "personal data compromise" that:

- (a) Took place on or after the Retroactive Date shown in the Declarations and before the end of the "policy period"; and
- (b) Took place in the "coverage territory"; and

(2) Such "claim" or "regulatory proceeding" is reported to us as soon as practicable, but in no event more than 60 days after the date it is first received by you.

b. If the conditions listed in a. above have been met, then we will pay on behalf of the "insured" "defense costs" and "data compromise liability" directly arising from the "claim" or "regulatory proceeding".

c. All "claims" or "regulatory proceedings" caused by a single "personal data compromise" will be deemed to have been made at the time that notice of the first of those "claims" or "regulatory proceedings" is received by you.

3. Insuring Agreement C - Identity Recovery

a. Coverage under Insuring Agreement C - Identity Recovery applies only if all of the following conditions are met:

(1) There has been an "identity theft" involving the personal identity of an "identity recovery insured" under this Coverage Part; and

(2) Such "identity theft" is first discovered by the "identity recovery

insured" during the "coverage term"; and

(3) Such "identity theft" took place in the "coverage territory"; and

(4) Such "identity theft" is reported to us within 60 days after it is first discovered by the "identity recovery insured".

b. If the conditions listed in a. above have been met, then we will provide the following to the "identity recovery insured":

(1) Services of an "identity recovery case manager" as needed to respond to the "identity theft"; and

(2) Reimbursement of necessary and reasonable "identity recovery expenses" incurred as a direct result of the "identity theft".

B. Exclusions

1. Applicable to Insuring Agreements A and B only:

This insurance does not apply to "loss" or "claims" based upon, attributable to or arising out of:

a. Contractual Liability

An "insured's" assumption of liability by contract or agreement, whether oral or written. However, this exclusion shall not apply to:

(1) Any liability that an "insured" would have incurred in the absence of such contract or agreement; or

(2) Any PCI fines or penalties explicitly covered under Insuring Agreement B – Defense and Liability.

b. Criminal Investigations or Proceedings

Any criminal investigations or proceedings.

c. Deficiency Correction

Costs to research or correct any deficiency. This includes, but is not limited to, any deficiency in your systems, procedures or physical security that may have contributed to a "personal data compromise".

d. Extortion

Any extortion or blackmail. This includes, but is not limited to, ransom

payments and private security assistance.

e. Fraudulent, Dishonest or Criminal Acts

Any criminal, fraudulent or dishonest act, error or omission, or any intentional or knowing violation of the law by the "insured".

f. Non-monetary Relief

That part of any "claim" seeking any non-monetary relief.

g. Previously Reported Data Compromises

The same facts alleged or contained in any "claim" which has been reported, or in any circumstances of which notice has been given, under any insurance policy of which this Coverage Part is a renewal or replacement.

h. Prior Data Compromises

Any "personal data compromise" first occurring before the Retroactive Date shown in the Declarations, or any "claim" arising from a "personal data compromise" that first occurred prior to the Retroactive Date shown in the Declarations.

i. Prior or Pending Litigation

Any "claim" or other proceeding against an "insured" which was pending or existed prior to the "coverage term", or arising out of the same or substantially the same facts, circumstances or allegations which are the subject of, or the basis for, such "claim" or other proceeding.

j. Uninsurable

Any amount not insurable under applicable law.

k. Willful Complicity

The "insured's" intentional or willful complicity in a "personal data compromise".

2. Applicable to Insuring Agreement C only:

This insurance does not apply to:

a. Fraudulent, Dishonest or Criminal Acts

Any fraudulent, dishonest or criminal act by an "identity recovery insured" or any person aiding or abetting an "identity recovery insured", or by any "authorized representative" of an

"identity recovery insured", whether acting alone or in collusion with others. However, this exclusion shall not apply to the interests of an "identity recovery insured" who has no knowledge of or involvement in such fraud, dishonesty or criminal act.

b. Professional or Business Identity

The theft of a professional or business identity.

c. Unreported Identity Theft

An "identity theft" that is not reported in writing to the police.

3. Applicable to Insuring Agreements A, B and C:

This insurance does not apply to "loss" or "claims" based upon, attributable to or arising out of:

a. Nuclear

Nuclear reaction or radiation or radioactive contamination, however caused.

b. War

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

(2) Warlike action by military force, including action 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.

Provided, that this exclusion will not apply to "cyber terrorism".

SECTION II - LIMITS OF INSURANCE AND DEDUCTIBLE

A. Insuring Agreement A - Response Expenses:

1. The most we will pay under Insuring Agreement A - Response Expenses is the Response Expenses Limit of Insurance stated in the Declarations.

2. The Response Expenses Limit of Insurance is an annual aggregate limit. This amount is the most we will pay for the total of all "loss" covered under Insuring Agreement A - Response Expenses arising out of all "personal data compromise" events which are first discovered by you

during the "coverage term". This limit applies regardless of the number of "personal data compromise" events discovered by you during that period.

3. A "personal data compromise" may be first discovered by you in one "coverage term" but cause covered "loss" in one or more subsequent "coverage terms". If so, all covered "loss" arising from such "personal data compromise" will be subject to the Response Expenses Limit of Insurance applicable to the "coverage term" when the "personal data compromise" was first discovered by you.
4. The most we will pay under Insuring Agreement **A** - Response Expenses for Forensic IT Review, Legal Review and PR Services coverages for "loss" arising from any one "personal data compromise" is the applicable sublimit for each of those coverages stated in the Declarations. These sublimits are part of, and not in addition to, the Aggregate Limit of Insurance referenced in Paragraph **2**. PR Services coverage is also subject to a limit per "affected individual" as described in Section **I., A.1.b.(5)** PR Services.
5. Coverage for Services to "affected individuals" is limited to costs to provide such services for a period of up to one year from the date of the notification to the "affected individuals" or the period required by law, whichever is longer. Notwithstanding the foregoing, coverage for Identity Restoration Case Management services initiated within such period may continue for a period of up to one year from the date such Identity Restoration Case Management services are initiated.
6. The Response Expenses Limit of Insurance for the Extended Reporting Periods (if applicable) shall be part of, and not in addition to, the Response Expenses Limit for the immediately preceding "coverage term".
7. Response Expenses coverage is subject to the Response Expenses Deductible stated in the Declarations. You shall be responsible for such deductible amount as respects each "personal data compromise" covered under this Coverage Part. We may, at our option, pay any part or all of the deductible amount in order to respond effectively to a "personal data compromise" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

B. Insuring Agreement B - Defense and Liability:

1. The most we will pay under Insuring Agreement **B** - Defense and Liability (other than post-judgment interest) is the Limit of Insurance stated in the Declarations.
2. The Insuring Agreement **B** - Defense and Liability Limit of Insurance is an annual aggregate limit. This amount is the most we will pay for all "loss" covered under Insuring Agreement **B** - Defense and Liability (other than post-judgment interest) arising out of all "claims".
3. The most we will pay under Insuring Agreement **B** - Defense and Liability for "data compromise liability" and "defense costs" related to Regulatory Fines and Penalties and PCI Fines and Penalties coverages arising from any one "claim" or "regulatory proceeding" is the applicable sublimit for each of those coverages stated in the Declarations. These sublimits are part of, and not in addition to, the Aggregate Limit of Insurance referenced in Paragraph **2**.
4. The Defense and Liability Limit of Insurance for the Extended Reporting Periods (if applicable) shall be part of, and not in addition to, the Defense and Liability Limit for the immediately preceding "coverage term".
5. The Insuring Agreement **B** - Defense and Liability coverage is subject to the Deductible stated in the Declarations. You shall be responsible for such deductible amount as respects each "claim" or "regulatory proceeding" covered under this Coverage Part. We may, at our option, pay any part or all of the deductible amount to defend or effect settlement of any "claim", "loss" or "regulatory proceeding" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

C. Insuring Agreement C - Identity Recovery:

1. Case Management Service is available as needed for any one "identity theft" for up to 12 consecutive months from the inception of the service. Expenses we incur to provide Case Management Service do not reduce the Limit of Insurance available for "identity recovery expenses".
2. Coverage under Insuring Agreement **C** - Identity Recovery is subject to the Annual Aggregate Limit of Insurance stated in the Declarations per "identity recovery insured". Regardless of the number of "identity theft" incidents, this limit is the most we will pay for the total of all "loss" arising out of all "identity thefts" suffered

by one "identity recovery insured" which are first discovered by the "identity recovery insured" during the "coverage term". If an "identity theft" is first discovered in one "coverage term" and continues into other "coverage terms", all "loss" arising from such "identity theft" will be subject to the aggregate Limit of Insurance applicable to the "coverage term" when the "identity theft" was first discovered.

3. Legal costs as provided under Item **d.** of the definition of "identity recovery expenses" are part of, and not in addition to, the aggregate limit described in Paragraph **2.**
4. Item **e.** (Lost Wages) and Item **f.** (Child and Elder Care Expenses) of the definition of "identity recovery expenses" are jointly subject to the sublimit stated in the Declarations. This sublimit is part of, and not in addition to, the aggregate Limit of Insurance described in Paragraph **2.** Coverage is limited to wages lost and expenses incurred within 12 months after the first discovery of the "identity theft" by the "identity recovery insured".
5. Item **g.** (Mental Health Counseling) of the definition of "identity recovery expenses" is subject to the sublimit stated in the Declarations. This sublimit is part of, and not in addition to, the aggregate limit described in Paragraph **2.** Coverage is limited to counseling that takes place within 12 months after the first discovery of the "identity theft" by the "identity recovery insured".
6. Item **h.** (Miscellaneous Unnamed Costs) of the definition of "identity recovery expenses" is subject to the sublimit stated in the Declarations. This sublimit is part of, and not in addition to, the aggregate Limit of Insurance described in Paragraph **2.** Coverage is limited to costs incurred within 12 months after the first discovery of the "identity theft" by the "identity recovery insured".
7. Coverage under Insuring Agreement **C** - Identity Recovery is subject to the Identity Recovery Deductible stated in the Declarations. Each "identity recovery insured" shall be responsible for such deductible amount only once during each "coverage term". This deductible applies only to "identity recovery expenses".

The Limits of Insurance apply separately to each "coverage term".

SECTION III - DEFENSE AND SETTLEMENT

The provisions contained within this Section apply only to Insuring Agreement **B** - Defense and Liability.

1. We will have the right and duty to select counsel and defend the "insured" against any "claim" or "regulatory proceeding" covered by Insuring Agreement **B** - Defense and Liability, regardless of whether the allegations of such "claim" or "regulatory proceeding" are groundless, false or fraudulent. However, we shall have no duty to defend the "insured" against any "claim" or "regulatory proceeding" seeking damages or other relief not insured by Insuring Agreement **B** - Defense and Liability.
2. We may, with your written consent, make any settlement of a "claim" or "regulatory proceeding" which we deem reasonable. If you withhold consent to such settlement, our liability for all "loss" resulting from such "claim" will not exceed the amount for which we could have settled such "claim" or "regulatory proceeding" plus "defense costs" incurred as of the date we proposed such settlement in writing to you.
3. We shall not be obligated to pay any "loss", or to defend or continue to defend any "claim" or "regulatory proceeding", after the Insuring Agreement **B** - Defense and Liability Limit of Insurance has been exhausted.
4. We shall pay all interest on that amount of any judgment within the Insuring Agreement **B** - Defense and Liability Limit of Insurance which accrues:
 - a. After entry of judgment; and
 - b. Before we pay, offer to pay or deposit in court that part of the judgment within the Insuring Agreement **B** - Defense and Liability Limit of Insurance or, in any case, before we pay or offer to pay the entire Insuring Agreement **B** - Defense and Liability Limit of Insurance.

These interest payments shall be in addition to and not part of the Defense and Liability Limit.

SECTION IV – CONDITIONS

1. Bankruptcy

Your bankruptcy, or the bankruptcy of your estate if you are a sole proprietor, will not relieve us of our obligations under this Coverage Part.

2. Due Diligence

You agree to use due diligence to prevent and mitigate "loss" covered under this Coverage Part. This includes, but is not limited to, complying with, and requiring your vendors to comply with, reasonable and industry-accepted protocols for:

- a. Providing and maintaining appropriate physical security for your premises, computer systems and hard copy files;

- b. Providing and maintaining appropriate computer and Internet security;
- c. Maintaining and updating at appropriate intervals backups of computer data;
- d. Protecting transactions, such as processing credit card, debit card and check payments; and
- e. Appropriate disposal of files containing "personally identifying information" or "personally sensitive information", including shredding hard copy files and destroying physical media used to store electronic data.

3. Duties in the Event of a Claim, Regulatory Proceeding or Loss

- a. If, during the "coverage term", the "insured" first becomes aware of any circumstance that could reasonably be expected to give rise to a "claim" or "regulatory proceeding", the "insured" may give written notice to us. The notice must be made as soon as practicable, but in no event more than 60 days after the date the circumstance is first discovered by the "insured", must be made during the "coverage term" and must include:

- (1) The specific details, including the date, of the circumstance;
- (2) The alleged injuries or damage sustained or which may be sustained;
- (3) The names of potential claimants; and
- (4) The manner in which the "insured" first became aware of the circumstance.

Any subsequent "claim" or "regulatory proceeding" arising out of any circumstance which is the subject of such a written notice will be deemed to have been made at the time written notice in compliance with these requirements was first received by us.

- b. If a "claim" or "regulatory proceeding" is brought against any "insured", you must:
 - (1) Immediately record the specifics of the "claim" or "regulatory proceeding" and the date received; and
 - (2) Provide us with written notice, as soon as practicable, but in no event more than 60 days after the date the "claim" or "regulatory proceeding" is first received by you.
 - (3) Immediately send us copies of any demands, notices, summonses or legal papers received in connection

with the "claim" or "regulatory proceeding";

- (4) Authorize us to obtain records and other information;
- (5) Cooperate with us in the investigation, settlement or defense of the "claim" or "regulatory proceeding";
- (6) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to you because of "loss" or "defense costs" to which this insurance may also apply; and
- (7) Not take any action, or fail to take any required action, that prejudices your rights or our rights with respect to such "claim" or "regulatory proceeding".

- c. In the event of a "personal data compromise" covered under Insuring Agreement **A** - Response Expenses, you must see that the following are done:

- (1) Notify the police if a law may have been broken.
- (2) Notify us as soon as practicable, but in no event more than 60 days after the "personal data compromise". Include a description of any property involved.
- (3) As soon as possible, give us a description of how, when and where the "personal data compromise" occurred.
- (4) As often as may be reasonably required, permit us to:
 - (a) Inspect the property proving the "personal data compromise";
 - (b) Examine your books, records, electronic media and records and hardware;
 - (c) Take samples of damaged and undamaged property for inspection, testing and analysis; and
 - (d) Make copies from your books, records, electronic media and records and hardware.
- (5) Send us signed, sworn proof of loss containing the information we request to investigate the "personal data compromise". You must do this within 60 days after our request. We will supply you with the necessary forms.

- (6) Cooperate with us in the investigation of the "personal data compromise" or settlement of the "loss".
- (7) If you intend to continue your business, you must resume all or part of your operations as quickly as possible.
- (8) Make no statement that will assume any obligation or admit any liability, for any "loss" for which we may be liable, without our prior written consent.
- (9) Promptly send us any legal papers or notices received concerning the "personal data compromise" or "loss".

- d. 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" or "loss", including an "insured's" books and records. In the event of an examination, an "insured's" answers must be signed.
- e. No "insured" may, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense without our prior written consent.

4. Help Line

For assistance, the "identity recovery insured" should call the **Identity Recovery Help Line** at **1-866-219-9831**. The **Identity Recovery Help Line** can provide the "identity recovery insured" with:

- a. Information and advice for how to respond to a possible "identity theft"; and
- b. Instructions for how to submit a service request for Case Management Service and/or a claim form for Expense Reimbursement Coverage.

In some cases, we may provide Case Management services at our expense to an "identity recovery insured" prior to a determination that a covered "identity theft" has occurred. Our provision of such services is not an admission of liability under the policy. We reserve the right to deny further coverage or service if, after investigation, we determine that a covered "identity theft" has not occurred.

As respects Expense Reimbursement Coverage, the "identity recovery insured" must send to us, within 60 days after our request, receipts, bills or other records that support his or her claim for "identity recovery expenses".

5. Legal Action Against Us

- a. No person or organization has a right:
 - (1) To join us as a party or otherwise bring us into a suit asking for damages from an "insured"; or
 - (2) To sue us under this Coverage Part unless all of its terms have been fully complied with.

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

- b. You may not bring any legal action against us involving "loss":
 - (1) Unless you have complied with all the terms of this insurance;
 - (2) Until 90 days after you have filed proof of "loss" with us; and
 - (3) Unless brought within 2 years from the date you reported the "claim" or "loss" to us.

If any limitation in this condition is prohibited by law, such limitation is amended so as to equal the minimum period of limitation provided by such law.

6. Legal Advice

We are not your legal advisor. Our determination of what is or is not covered under this Coverage Part does not represent advice or counsel from us about what you should or should not do.

7. Liberalization

If, within 60 days prior to the beginning of this Coverage Part or during the "policy period", we make any changes to any forms or endorsements of this Coverage Part for which there is currently no separate premium charge, and that change provides more coverage than this Coverage Part, the change will automatically apply to this Coverage Part at the latter of:

- a. The date we implemented the change in your state; or
- b. The date this Coverage Part became effective; and

will be considered as included until the end of the current "policy period". We will make no

additional premium charge for this additional coverage during the interim.

8. Office of Foreign Assets Control (OFAC) Compliance

Whenever insurance coverage provided by this policy would be in violation of any United States economic or trade sanctions, such insurance coverage shall be null and void.

9. Other Insurance

- a. If any covered "loss" is covered by any other valid policy, then this Coverage Part shall apply only in excess of the amount of any deductible, retention and limit of insurance under such other policy whether such other policy is stated to be primary, contributory, excess, contingent or otherwise, unless such other policy is written specifically excess of this Coverage Part by reference in such other policy to this policy's policy number.
- b. When this insurance is excess, we will have no duty to defend the "insured" against any "claim" if any other insurer has a duty to defend the "insured" against that "claim". But we will have the right to associate in the defense and control of any "claim" that we reasonably believe is likely to involve the insurance provided under this Coverage Part. 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.

10. Pre-Notification Consultation

You agree to consult with us prior to the issuance of notification to "affected individuals". We assume no responsibility under this Coverage Part for any services promised to "affected individuals" without our prior agreement. If possible, this pre-notification consultation will also include the designated service provider(s) as agreed to under Condition **12. Service Providers**. You must provide the following at our pre-notification consultation with you:

- a. The exact list of "affected individuals" to be notified, including contact information.
- b. Information about the "personal data compromise" that may appropriately be communicated with "affected individuals".
- c. The scope of services that you desire for the "affected individuals". For example, coverage may be structured to provide fewer services in order to make those services available to more "affected individuals" without exceeding the available Response Expenses Limit.

11. Representations

You represent that all information and statements contained in any application or questionnaire submitted in connection with this Coverage Part are true, accurate and complete. All such information and statements are the basis for our issuing this Coverage Part and shall be considered as incorporated into and shall constitute a part of this Coverage Part. Misrepresentation or omission of any material fact may be grounds for the rescission of this Coverage Part.

12. Separation of Insureds

Except with respect to the applicable Limit of Insurance, and any rights or duties specifically assigned in this Coverage Part or the policy to which it is attached, to the first "named insured", this insurance applies separately to each "insured" against whom a "claim" is made.

13. Service Providers

- a. We will only pay under this Coverage Part for services that are provided by service providers approved by us. You must obtain our prior approval for any service provider whose expenses you want covered under this Coverage Part. We will not unreasonably withhold such approval.
- b. Prior to the Pre-Notification Consultation described in the Pre-Notification Consultation Condition above, you must come to agreement with us regarding the service provider(s) to be used for the Notification to Affected Individuals and Services to Affected Individuals. We will suggest a service provider. If you prefer to use an alternate service provider, our coverage is subject to the following limitations:
 - (1) Such alternate service provider must be approved by us;
 - (2) Such alternate service provider must provide services that are reasonably equivalent or superior in both kind and quality to the services that would have been provided by the service provider we had suggested; and
 - (3) Our payment for services provided by any alternate service provider will not exceed the amount that we would have paid using the service provider we had suggested.

14. Services

The following conditions apply as respects any services provided to you or any "affected individual" or "identity recovery insured" by us, our designees or any service firm paid for in whole or in part under this Coverage Part:

- a. The effectiveness of such services depends on the cooperation and assistance of you, "affected individuals" and "identity recovery insureds".
- b. All services may not be available or applicable to all individuals. For example, "affected individuals" and "identity recovery insureds" who are minors or foreign nationals may not have credit records that can be provided or monitored. Service in Canada will be different from service in the United States and Puerto Rico in accordance with local conditions.
- c. We do not warrant or guarantee that the services will end or eliminate all problems associated with the covered events.
- d. Except for the services of an "identity recovery case manager" under Insuring Agreement C - Identity Recovery, which we will provide directly, you will have a direct relationship with the professional service firms paid for in whole or in part under this Coverage Part. Those firms work for you.

15. Subrogation

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

- a. To you, until you are reimbursed for any "loss" you sustain that exceeds the sum of the applicable Aggregate Limit of Insurance and the Deductible Amount, if any;
- b. Then to us, until we are reimbursed for the payment under this Coverage Part;
- c. Then to you, until you are reimbursed for that part of the payment equal to the Deductible Amount, if any.

16. Valuation - Settlement

All premiums, Limits of Insurance, Deductible Amounts, "loss" and any other monetary amounts under this Coverage Part are expressed and payable in the currency of the United States of America. If judgment is rendered, settlement is agreed to or another component of "loss" under this Coverage Part is expressed in any currency other than United States of America dollars, payment under this Coverage Part shall be made in United States dollars at the rate of exchange published in

The Wall Street Journal on the date the final judgment is entered, settlement amount is agreed upon, or the other component of "loss" is due, respectively.

17. When We Do Not Renew

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

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

SECTION V - EXTENDED REPORTING PERIODS

1. You shall have the right to the Extended Reporting Periods described in this section, in the event that:
 - a. You or we cancel this Coverage Part;
 - b. You or we refuse to renew this Coverage Part; or
 - c. We renew this Coverage Part on other than a claims-made basis or with a retroactive date later than the Retroactive Date shown in the Declarations.
2. If an event as specified in Paragraph 1. has occurred, you shall have the right to the following:
 - a. An Automatic Extended Reporting Period of 90 days after the effective date of cancellation or nonrenewal at no additional premium in which to give to us written notice of a:
 - (1) "Claim" or "regulatory proceeding" of which you first receive notice during said Automatic Extended Reporting Period for any "personal data compromise" occurring on or after the Retroactive Date shown on the Declarations and before the end of the "policy period" and which is otherwise covered by this Coverage Part; or
 - (2) "Personal data compromise" you first discover during said Automatic Extended Reporting Period which first occurred on or after the Retroactive Date shown in the Declarations and before the end of the "policy period" and which is otherwise covered by this Coverage Part; and
 - b. Upon payment of the additional premium stated in the Declarations, a Supplemental Extended Reporting Period for the term stated in the Supplemental Extended Reporting Period Endorsement will be provided immediately following the effec-

tive date of cancellation or nonrenewal in which to give to us written notice of a:

- (1) "Claim" or "regulatory proceeding" of which you first receive notice during said Supplemental Extended Reporting Period for any "personal data compromise" occurring on or after the Retroactive Date shown in the Declarations and before the end of the "policy period" and which is otherwise covered by this Coverage Part; or
- (2) "Personal data compromise" you first discover during said Supplemental Extended Reporting Period which first occurred on or after the Retroactive Date shown in the Declarations and before the end of the "policy period" and which is otherwise covered by this Coverage Part.

To obtain the Supplemental Extended Reporting Period, you must request it in writing and pay the additional premium due, within 60 days of the effective date of cancellation or nonrenewal. The additional premium for the Supplemental Extended Reporting Period shall be fully earned at the inception of the Supplemental Extended Reporting Period. If we do not receive the written request as required, you may not exercise this right at a later date.

- c. The Limits of Insurance for the Extended Reporting Periods shall be part of, and not in addition to, the Limits of Insurance for the immediately preceding "coverage term".

SECTION VI - DEFINITIONS

1. "Affected individual" means any person whose "personally identifying information" or "personally sensitive information" is lost, stolen, accidentally released or accidentally published by a "personal data compromise" covered under this Coverage Part. This definition is subject to the following provisions:
 - a. "Affected individual" does not include any business or organization. Only an individual person may be an "affected individual".
 - b. An "affected individual" may reside anywhere in the world.
2. "Authorized representative" means a person or entity authorized by law or contract to act on behalf of an "identity recovery insured".
3. "Claim":
 - a. Means:

- (1) A civil proceeding in which it is alleged that the claimant suffered damages arising from:
 - (a) A "personal data compromise"; or
 - (b) The violation of a governmental statute or regulation arising from a "personal data compromise".
- (2) "Claim" includes:
 - (a) An arbitration proceeding in which such damages are claimed and to which the "insured" must submit or does submit with our consent;
 - (b) Any other alternative dispute resolution proceeding in which such damages are claimed and to which the "insured" must submit or does submit with our consent; or
 - (c) A written demand for money, when such demand could reasonably result in a civil proceeding as described in this definition.

- b. Does not include any demand or action brought by or on behalf of someone who is:

- (1) Your "executive";
- (2) Your owner or part-owner; or
- (3) A holder of your securities;

in their capacity as such, whether directly, derivatively, or by class action. "Claim" will include proceedings brought by such individuals in their capacity as "affected individuals", but only to the extent that the damages claimed are the same as would apply to any other "affected individual".

4. "Coverage term" means the following individual increment, or if a multi-year "policy period", increments, of time, which comprise the "policy period" of this Coverage Part:
 - a. The year commencing on the Effective Date of this Coverage Part at 12:01 AM standard time at your mailing address shown in the Declarations, and if a multi-year "policy period", each consecutive annual period thereafter, or portion thereof if any period is for a period of less than 12 months, constitute individual "coverage terms". The last "coverage term" ends at 12:00 AM standard time at your mailing address shown in the Declarations on the earlier of:

- (1) The day the "policy period" shown in the Declarations ends; or
 - (2) The day the policy to which this Coverage Part is attached is terminated or cancelled.
- b.** However, if after the issuance of this Coverage Part, any "coverage term" is extended for an additional period of less than 12 months, that additional period of time will be deemed to be part of the last preceding "coverage term".
5. "Coverage territory" means anywhere in the world.
 6. "Cyber terrorism" means the premeditated use of disruptive activities, or threat to use disruptive activities, against a computer system or network with the intention to cause harm, further social, ideological, religious, political or similar objectives, or to intimidate any person(s) in furtherance of such objectives. Provided, however, that such activities shall not be considered "cyber terrorism" when they are committed by or at the express direction of a government simultaneously engaged in an active conflict involving physical combat by one or more military forces of, or operating at the direction of, nation states or factions in the case of a civil war.
 7. "Data compromise liability":
 - a.** Means the following, when they arise from a "claim" or "regulatory proceeding":
 - (1) Damages (including punitive and exemplary damages and the multiple portion of any multiplied damage award), judgments or settlements;
 - (2) Attorney's fees and other litigation costs added to that part of any judgment paid by us, when such fees and costs are awarded by law or court order; and
 - (3) Pre-judgment interest on that part of any judgment paid by us.
 - b.** Also includes any Payment Card Industry (PCI) fine or penalty imposed under a contract to which you are a party when such fine or penalty arises from a "claim". PCI Fines and Penalties do not include any increased transaction costs.
 - c.** Also includes any fine or penalty imposed by law, to the extent such fine or penalty is legally insurable under the law of the applicable jurisdiction when such fine or penalty arises from a "regulatory proceeding".
 - d.** Does not include:
 - (1) Civil or criminal fines or penalties imposed by law, except for civil fines and penalties expressly covered under paragraphs **b.** and **c.** above;
 - (2) Taxes; or
 - (3) Matters which may be deemed uninsurable under the applicable law.
 8. "Defense costs":
 - a.** Means reasonable and necessary expenses resulting solely from the investigation, defense and appeal of any "claim" or "regulatory proceeding" against an "insured". Such expenses may be incurred by us. Such expenses may include premiums for any appeal bond, attachment bond or similar bond. However, we have no obligation to apply for or furnish such bond.
 - b.** Does not include the salaries or wages of your "employees", "executives" or "independent contractors", or your loss of earnings.
 9. "Employee" means any natural person, other than an "executive" or "independent contractor", who was, now is or will be:
 - a.** Employed on a full- or part-time basis by you;
 - b.** Furnished temporarily to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions;
 - c.** 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, but does not mean a temporary employee as defined in Paragraph **9.b.**; or
- d. Your volunteer worker, which includes unpaid interns.
10. "Executive" means any natural person who was, now is or will be:
- a. The owner of a sole proprietorship that is a "named insured"; or
- b. A duly elected or appointed:
- (1) Director;
 - (2) Officer;
 - (3) Managing Partner;
 - (4) General Partner;
 - (5) Member (if a limited liability company);
 - (6) Manager (if a limited liability company); or
 - (7) Trustee,
- of a "named insured".
11. "Identity recovery case manager" means one or more individuals assigned by us to assist an "identity recovery insured" with communications we deem necessary for re-establishing the integrity of the personal identity of the "identity recovery insured". This includes, with the permission and cooperation of the "identity recovery insured", written and telephone communications with law enforcement authorities, governmental agencies, credit agencies and individual creditors and businesses.
12. "Identity recovery expenses" means the following when they are reasonable and necessary expenses that are incurred as a direct result of an "identity theft" suffered by an "identity recovery insured":
- a. Costs for re-filing applications for loans, grants or other credit instruments that are rejected solely as a result of an "identity theft".
- b. Costs for notarizing affidavits or other similar documents, long distance telephone calls and postage solely as a result of your efforts to report an "identity theft" or amend or rectify records as to your true name or identity as a result of an "identity theft".
- c. Costs for credit reports from established credit bureaus.
- d. Fees and expenses for an attorney approved by us for the following:
- (1) The defense of any civil suit brought against an "identity recovery insured".
 - (2) The removal of any civil judgment wrongfully entered against an "identity recovery insured".
 - (3) Legal assistance for an "identity recovery insured" at an audit or hearing by a governmental agency.
 - (4) Legal assistance in challenging the accuracy of the "identity recovery insured's" consumer credit report.
 - (5) The defense of any criminal charges brought against an "identity recovery insured" arising from the actions of a third party using the personal identity of the "identity recovery insured".
- e. Actual lost wages of the "identity recovery insured" for time reasonably and necessarily taken away from work and away from the work premises. Time away from work includes partial or whole work days. Actual lost wages may include payment for vacation days, discretionary days, floating holidays and paid personal days. Actual lost wages does not include sick days or any loss arising from time taken away from self-employment. Necessary time off does not include time off to do tasks that could reasonably have been done during non-working hours.
- f. Actual costs for supervision of children or elderly or infirm relatives or dependents of the "identity recovery insured" during time reasonably and necessarily taken away from such supervision. Such care must be provided by a professional care provider who is not a relative of the "identity recovery insured".
- g. Actual costs for counseling from a licensed mental health professional. Such care must be provided by a professional care provider who is not a relative of the "identity recovery insured".
- h. Any other reasonable costs necessarily incurred by an "identity recovery insured" as a direct result of the "identity theft".
- (1) Such costs include:
 - (a) Costs by the "identity recovery insured" to recover control over his or her personal identity.
 - (b) Deductibles or service fees from financial institutions.
 - (2) Such costs do not include:
 - (a) Costs to avoid, prevent or detect "identity theft" or other loss.

- (b) Money lost or stolen.
- (c) Costs that are restricted or excluded elsewhere in this Coverage Part or policy.

13. "Identity recovery insured" means the following:

- a. When the entity insured under this Coverage Part is a sole proprietorship, the "identity recovery insured" is the individual person who is the sole proprietor of the "named insured".
- b. When the "named insured" under this Coverage Part is a partnership, the "identity recovery insureds" are the current partners.
- c. When the "named insured" under this Coverage Part is a corporation or other form of organization, other than those described in **a.** or **b.** above, the "identity recovery insureds" are all individuals having an ownership position of 20% or more of the insured entity. However, if and only if there is no one who has such an ownership position, then the "identity recovery insured" shall be:
 - (1) The chief executive of the insured entity; or
 - (2) As respects a religious institution, the senior ministerial employee.
- d. The legally recognized spouse of any individual described in **a.**, **b.** or **c.** above.

An "identity recovery insured" must always be an individual person. The "named insured" under this Coverage Part is not an "identity recovery insured".

14. "Identity theft" means the fraudulent use of "personally identifying information". This includes fraudulently using such information to establish credit accounts, secure loans, enter into contracts or commit crimes.

"Identity theft" does not include the fraudulent use of a business name, d/b/a or any other method of identifying a business activity.

15. "Independent contractor" means any natural person who performs labor or service for you under a written contract or agreement with you. The status of an individual as an "independent contractor" will be determined as of the date of an alleged act, error or omission by such "independent contractor".

16. "Insured" means:

- a. With respect to Insuring Agreement **A** - Response Expenses any "named insured".

b. With respect to Insuring Agreement **B** - Defense and Liability:

- (1) Any "named insured"; and
- (2) Any "employee" or "executive" of a "named insured", but:

- (a) Only for the conduct of the "named insured's" business within the scope of his or her employment or duties as an "executive"; and

- (b) Such "employee" or "executive" shall not be an "insured" to the extent his or her actions or omissions are criminal, fraudulent, dishonest or constitute an intentional or knowing violation of the law.

- (3) At your option, any "independent contractor", but:

- (a) Only for conduct related to the "named insured's" business and within the scope of his or her duties as an "independent contractor"; and

- (b) Such "independent contractor" shall not be an "insured" to the extent his or her actions or omissions are criminal, fraudulent, dishonest or constitute an intentional or knowing violation of the law.

c. With respect to Insuring Agreement **C** - Identity Recovery any "named insured".

17. "Loss" means:

a. With respect to Insuring Agreement **A** - Response Expenses:

Those expenses enumerated in Section **I, A.**, Paragraph **1.b.**

b. With respect to Insuring Agreement **B** - Defense and Liability:

- (1) "Defense costs"; and
- (2) "Data compromise liability".

c. With respect to Insuring Agreement **C** - Identity Recovery, "identity recovery expenses".

18. "Named insured" means the entity or entities shown in the Declarations as a Named Insured and their "subsidiaries".

19. "Personal data compromise" means the loss, theft, accidental release or accidental publication of "personally identifying information" or "personally sensitive information" as respects one or more "affected individuals". If the loss,

theft, accidental release or accidental publication involves "personally identifying information", such loss, theft, accidental release or accidental publication must result in or have the reasonable possibility of resulting in the fraudulent use of such information. This definition is subject to the following provisions:

- a. At the time of the loss, theft, accidental release or accidental publication, the "personally identifying information" or "personally sensitive information" need not be at the insured premises but must be in the direct care, custody or control of:
 - (1) You; or
 - (2) A professional entity with which you have a direct relationship and to which you (or an "affected individual" at your direction) have turned over (directly or via a professional transmission or transportation provider) such information for storage, processing, transmission or transportation of such information.
- b. "Personal data compromise" includes disposal or abandonment of "personally identifying information" or "personally sensitive information" without appropriate safeguards such as shredding or destruction, subject to the following provisions:
 - (1) The failure to use appropriate safeguards must be accidental and not reckless or deliberate; and
 - (2) Such disposal or abandonment must take place during the time period for which this Coverage Part is effective.
- c. "Personal data compromise" includes situations where there is a reasonable cause to suspect that such "personally identifying information" or "personally sensitive information" has been lost, stolen, accidentally released or accidentally published, even if there is no firm proof.
- d. All incidents of "personal data compromise" that are discovered at the same time or arise from the same cause will be

considered one "personal data compromise".

20. "Personally identifying information" means information, including health information, that could be used to commit fraud or other illegal activity involving the credit, access to health care or identity of an "affected individual" or "identity recovery insured". This includes, but is not limited to, Social Security numbers or account numbers.

"Personally identifying information" does not mean or include information that is otherwise available to the public, such as names and addresses.
21. "Personally sensitive information" means private information specific to an individual the release of which requires notification of "affected individuals" under any applicable law.

"Personally sensitive information" does not mean or include "personally identifying information".
22. "Policy period" means the cumulative total of each individual "coverage term" comprising the period of time from the inception date of this Coverage Part shown in the Declarations to the expiration date shown in the Declarations, or its earlier cancellation or termination date.
23. "Regulatory proceeding" means an investigation, demand or proceeding alleging a violation of law or regulation brought by, or on behalf of, the Federal Trade Commission, Federal Communications Commission or other administrative or regulatory agency, or any federal, state, local or foreign governmental entity in such entity's regulatory or official capacity.
24. "Subsidiary" means any organization in which more than fifty (50) percent (%) of the outstanding securities or voting rights representing the present right to vote for the election of directors, trustees, managers (if a limited liability company) or persons serving in a similar capacity is owned, in any combination, by one or more "named insured(s)".